



# Three Waters Better Off Funding Proposal



Consultation Document

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Submissions close 4pm, Wednesday 12 October 2022



**Waimate**  
District Council

# Background

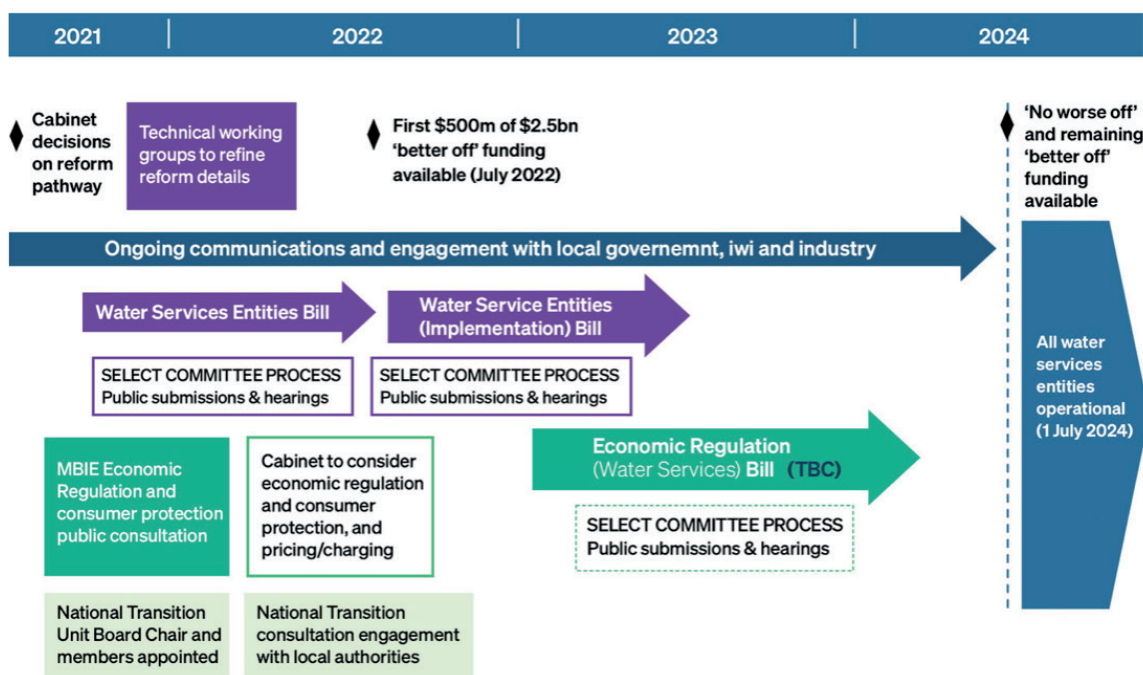
## What is the Three Waters Reform Programme?

Presently, councils across New Zealand are responsible for delivering drinking water, wastewater (sewage treatment) and stormwater services for their communities. Councils also own and manage the assets needed to deliver these services. Waimate District Council currently provides these services with ratepayer assets, with an estimated replacement value of \$95 million (2022).

The Government’s Three Waters Reform proposes to create four new organisations – known as entities – that would manage and deliver water services instead of councils. Under this reform, the Waimate District would be part of the Southern Water Services Entity, covering the majority of the South Island.

If the reform was to proceed, water assets currently owned by Council will be transferred to the Southern Water Services Entity, and that organisation would then own and manage those assets for our community.

## Three Waters Reforms timeline



## Council’s approach to the Three Waters Reform proposal

### Three waters infrastructure stimulus package

On 8 July 2020, the Government announced a funding package of \$761 million to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, support reform of local government water services delivery arrangements, and support the operation of Taumata Arowai (water services regulator).

### Memorandum of Understanding

In August 2020, the Government signed a Memorandum of Understanding with all local authorities around the country, including our Council. It’s important to note putting pen to paper did not bind our Council to any future agreements or decisions, it simply added us to the ongoing conversation.

As part of that conversation, Council was allocated \$3.36 million that has now resulted in proposed work being brought forward and additionally some new projects, such as Queen Street sewer upgrade, installation of water meters and the desludging of the Waimate oxidation ponds.

### **Public meeting**

In August 2021, Council hosted a public meeting at the Waimate Event Centre. This was attended by more than 300 people and they gave Council a clear indication of their firm opposition to the Government's Three Waters Reform proposal.

## **What is the three waters better off funding?**

The Government has made \$2 billion available to all councils as part of the Three Waters Reform in recognition of the significance of the proposed transfer of assets and responsibility for water services delivery.

The purpose of the funding is to support councils to transition to their new role post Three Waters Reform through meeting some or all of the specified criteria, as set out later in this document. The better off funding is focused on community wellbeing and has been allocated based on population size, deprivation index ratings and land area.

The Waimate District Council's total share of the Better Off Funding Package is \$9.68 million. This funding is distributed in two tranches. Tranche 1 has a value of up to \$2.42 million, which will be funded by the Government. Due to an extension granted by the Department of Internal Affairs, Council has until 30 November 2022 to apply for Tranche 1 funding. The remainder of the funding (\$7.26 million) via Tranche 2, which is funded by the entities and likely through borrowing, will be available for work that commences from 1 July 2024.

A well-considered funding application presents a unique opportunity to action new projects or initiatives that would otherwise require a substantial injection of funds. Programmes that focus on community wellbeing outcomes and drive place-making and economic development, as aligned with the Long Term Plan, allows for better collaboration between Council, the community and iwi.

### **Funding criteria**

Projects and initiatives must provide value for money, demonstrate wellbeing outcomes and meet at least one of the following criteria:

- a. Supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards.
- b. Delivery of infrastructure and/or services that enable housing development and growth, with a focus on brownfield\* and infill development opportunities where those are available.
- c. Delivery of infrastructure and/or services that support local place-making and improvements in community wellbeing.

In addition, they must also be new projects and initiatives, existing projects already included in our current Long Term Plan that could be scaled up or accelerated, and completed on or before 30 June 2027.

\*Brownfield is previously developed land that is not currently in use, e.g. abandoned construction sites.

## If Council applies, does that mean we support the Three Waters Reform?

Our position as a Council is well documented. With or without the funds Council is still able to oppose the Three Waters Reform.

In an official response (legally binding), the Department of Internal Affairs clarified to councils that: “the Funding Agreement for the better off package does not prevent or prohibit councils from doing this. For the avoidance of doubt, publicly criticising or expressing opinions on reform cannot reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Department or the New Zealand Government, and would not represent a breach of the funding agreement”.

But, it is worth noting:

- Three Waters Reform is mandatory for councils. That means we must participate whether we agree with it or not and/or whether you agree with it or not.
- Council continues to support the Communities 4 Local Democracy. This group wants to make sure the reform meets the needs of communities, councils and the Government. They are seeking alternatives to what the Government has proposed and have been an active voice throughout. As a member of this group, we are right behind their messaging and continue to show our support.

## What happens if Council does not apply in Tranche 1?

The better off funding has been allocated for us whether we choose to submit a proposal now or later. Applying in Tranche 1 means we will be able to get on with delivering projects that will improve wellbeing for our community, and we feel that is important. However, if Council do not apply for funding in Tranche 1, the \$2.42 million that is available now would be carried forward to Tranche 2 (which is scheduled to open in July 2024). While it is expected that the conditions relating to Tranche 2 will be similar to those relating to Tranche 1, delaying an application carries some risk.

For example, the next general election must take place no later than 13 January 2024. Some political parties have indicated that they would repeal and replace the Three Waters Reform if they were elected to government – so if there was a change of government, there could also be changes to the Three Waters Reform and to the better off funding as it stands.

If this were to happen, the Waimate District could effectively stand to lose these funds in their entirety.

## Useful resources

### Key Information

<https://www.dia.govt.nz/Three-Waters-Reform-Programme>

### Frequently Asked Questions

<https://www.dia.govt.nz/three-waters-reform-programme-frequently-asked-questions>

### Information on the new Entities

<https://www.dia.govt.nz/national-transition-unit-three-waters-reform-programme>

### Three Waters Better Off Funding Package

<https://www.dia.govt.nz/three-waters-reform-programme-reform-support-package>

# Options

There are essentially two options for Council to consider:

## Option 1

Do not apply for Government's Better Off Funding Package (Tranche 1) and revisit this opportunity via Tranche 2 at a later date.

## Option 2

Apply for the Government's Three Waters Better Off Funding Package commencing with Tranche 1 (\$2.42 million).

### **Please note:**

*If the majority of feedback received indicates they do not want Council to apply for the funds in Tranche 1 and Council agrees, it is worth noting that the Three Waters Reform may be repealed and replaced by a new government in 2023. The new government of the day may not make the Tranche 2 funds available due to a change of direction with the reform process.*

## Our three waters funding proposal shortlist

Some of the projects on our shortlist are new, while others are things that Council already have planned but could do sooner, or better, with additional funding.

The funding cannot be used to offset rates and all projects must be approved by the Department of Internal Affairs. These projects will need to have been approved by Council at the time funding applications are made.

Currently our list adds up to more than the \$2.42 million that is available in Tranche 1, so we need to prioritise the projects that we think will make the biggest difference for our community – so take a look through the list and tell us what you think.

### **Supporting information**

For further detail on these projects and to see whether each project meets the funding criteria, visit Council's website for supporting information.

## Suggested Tranche 1 projects

<b>Project &amp; description</b>	<b>Estimated cost</b>
<p><b>Footpath extensions within Waimate urban area</b></p> <p>Accelerated installation of new footpaths within the Waimate urban area. In 2012, Council extended the residential zone to enable housing development. Since that time the area has been reticulated for wastewater disposal and infill development is occurring at an accelerated rate which now demands the provision of footpaths on Edinburgh, Princes and King Streets. Application was made for Waka Kotahi NZTA co-funding as part of the Long Term Plan, but was unsuccessful.</p>	\$213,637
<p><b>Sealing of intersection/hill section of Centrewood Park Road</b></p> <p>Through Department of Internal Affairs funding, the local Waimate2gether group managed a significant upgrade to the White Horse Monument and surrounds. Works included the provision of public toilets, an upgrade to the parking areas, landscaping, refurbishment of the monument and the installation of viewing platforms. Traffic numbers using the gravel road have since increased. Council would like to seal the Centrewood Park Road/Parkers Bush Road intersection and the 600m incline on Centrewood Park Road which is prone to corrugations and vehicle traction issues.</p>	\$163,900
<p><b>Library extension and Council Chamber upgrade</b></p> <p>Council has agreed to progress plans to extend the district's library and upgrade the Council Chamber, with construction expected to commence in May 2023. The extension is a significant upgrade and will create much needed space to better accommodate schools, community groups and residents. The increased budget includes furniture and fittings. The relocation of the Information Centre from the Waimate Event Centre to the library is part of this project. The work on the Council Chamber will include technology upgrades and introduce natural light into the area.</p>	<p>\$1,000,000 (better off funding)</p> <p>\$758,000 (rates over life of asset)</p> <p>\$83,160 (other funding source)</p>
<p><b>Learn2Ride area</b></p> <p>Design work for the Learn2Ride bike course in Boland Park has been completed. This project will provide a space for parents to teach their children the road rules and practice cycling in a safe area.</p>	\$150,000
<p><b>Overland flow and flood mitigation (Waimate urban)</b></p> <p>Recent weather events have highlighted the need to better understand our catchment flood flows and most importantly to define overland flow paths. Understanding the impacts of climate change and providing mitigation will improve overall resilience and maximise the cost benefit of any future capital works, alongside planning measures that may need to be implemented. Using available data (Lidar, etc) and new data to improve the hydraulic modelling is the first step towards this important project. The proposed Waimate Stormwater Management Plan and associated discharge consent will require this work to be undertaken.</p>	\$200,000

<b>Project &amp; description</b>	<b>Estimated cost</b>
<p><b>Greenhouse gas inventory assessment</b></p> <p>In 2019, Council undertook a greenhouse gas (GHG) inventory assessment. This assessment is a comprehensive analysis of Council's applicable GHG emissions. A number of recommended actions were provided and some actioned. Council's GHG emissions require a further assessment in order to assess progress and continue the work.</p>	\$5,500
<p><b>Native tree planting</b></p> <p>Council has a number of reserves available for native tree planting and beautification that would support biodiversity, water quality and the environment. This includes a strip of land (1ha) that runs adjacent to the Waimate Creek, Gretna Green (0.5ha) and the Town Belt (0.5ha) all in the Waimate town and the layby adjacent to the Waitaki River at Glenavy (0.5ha).</p>	\$22,000
<p><b>Emergency generator</b></p> <p>Install a fixed backup generator at the Local Government Centre/Library to provide both business continuity during an emergency event and to ensure Civil Defence Emergency Management activities within the building are unaffected in all but the worst events. This project includes reconfiguration of current arrangements to allow a fully automated changeover. The current mobile generator can subsequently be redeployed to the area of most need.</p>	\$70,000
<p><b>Public toilets</b></p> <p>With the development of a draft Waimate District Public Toilet Strategy, demand for improved public facilities at both Glenavy and St Andrews is quite clear. Two "Township" toilet blocks are proposed, one located within the St Andrews township and one located within the Glenavy township. The locations each require Exeloo toilet blocks (2 accessible pans), advanced septic tank systems, landscaping and siteworks.</p>	\$400,000
<p><b>Sealing of Resource Recovery Park</b></p> <p>The Waimate Resource Recovery Park operation has changed significantly since the implementation of the new waste management system. The current site, and in particular the working area, is predominantly unsealed. This project is to accelerate both the sealing of the access road and working area to reduce dust nuisance, reduce maintenance costs and to provide for a better level of service for both the community and the contractor. Line marking will help to ensure traffic flows are guided appropriately.</p>	<p>\$131,000 (better off funding)</p> <p>\$76,000 (rates spread over life of asset)</p>

<b>Project &amp; description</b>	<b>Estimated cost</b>
<p><b>Develop an Economic Development Strategy and main street concept plans</b></p> <p>Council has invested in economic development for a number of years. In February 2019 following a series of community feedback sessions and workshops, Council adopted five key themes and 21 action items that had been identified by the community. The majority of the action items have either been completed, are in progress or ongoing. This initiative is to develop an Economic Development Strategy which has the engagement and support of stakeholders to deliver district-wide economic growth. The strategy will be evidence-based, identify key themes, measurable performance indicators and a high level action plan. In addition to the strategy, Council will develop main street concept plans (Waimate, St Andrews, Makikihi, Glenavy, Hakataramea) to provide a blueprint for future development and how the main streets will look in the future.</p>	\$100,000
<p><b>Produce district promotional video</b></p> <p>The Waimate District promotional video was produced over 10 years ago and is outdated. Promoting the district as a place to live, work, play and invest is a priority for Council. This initiative is to engage a professional videographer to produce an updated video that can be used to promote the district at events and through the Explore Waimate digital channels. The video will assist with attracting visitors to the district, support businesses to attract employees and could also be used by community groups to help promote their interests.</p>	\$40,000
<p><b>Re-roof community housing at Kennedy Crescent</b></p> <p>Council owns and operates 27 community housing units which have building elements that are now reaching the end of their useful life. In order to extend the useful life of these structures Council needs to replace the aged short run roofing with long run coloursteel. This presents an opportunity to install insulation under the monopitch roofing, upgrade spoutings and create a weathertight building envelope protecting future modernisation of the units.</p>	\$400,000
<b>Total better off funding project costs</b>	<b>\$2,896,037</b>

## Key dates

<b>Wednesday 28 September 2022</b>	Submissions open
<b>Wednesday 12 October 2022</b>	Submissions close at 4pm
<b>Tuesday 8 November 2022</b>	Council to make decision
<b>Wednesday 9 November 2022</b>	Notification of Council decision



## Personal details

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

Organisation: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

## Privacy

A full copy of all submissions will be made publicly available.  Yes  No  
Would you like your contact details withheld?

## Your feedback

Which of the following options do you prefer (please tick only one)

**Option 1**

I do not support Council applying for Tranche 1 of the Government's Three Waters Better Off Funding Package (\$2.42 million), and Council should revisit this opportunity via Tranche 2 at a later date.

**Thank you for your submission.**

**Option 2**

I support Council applying for Tranche 1 of the Government's Three Waters Better Off Funding Package (\$2.42 million).

**Tick the projects below that you would you like to see prioritised**  
(select as many as applicable)

- |   |   |
|---|---|
| <input type="checkbox"/> Footpath extensions within Waimate urban area                | <input type="checkbox"/> Native tree planting   |
| <input type="checkbox"/> Sealing of intersection/hill section of Centrewood Park Road | <input type="checkbox"/> Emergency generator  |
| <input type="checkbox"/> Library extension and Council Chamber upgrade                | <input type="checkbox"/> Public toilets   |
| <input type="checkbox"/> Learn2Ride area  | <input type="checkbox"/> Sealing of Resource Recovery Park                                      |
| <input type="checkbox"/> Greenhouse gas inventory assessment                          | <input type="checkbox"/> Develop an Economic Development Strategy and main street concept plans |
| <input type="checkbox"/> Overland flow and flood mitigation (Waimate urban)           | <input type="checkbox"/> Produce district promotional video                                     |
|   | <input type="checkbox"/> Re-roof community housing at Kennedy Crescent                          |

