BUDDLEFINDLAY

Future proofing our small towns

Peter Owles, Daniel Collins

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Much has been said about the Three Waters Review and the system-wide challenges facing local councils in the context of three waters infrastructure (being drinking water, wastewater and stormwater).

The current narrative lends itself to aggregation and centralised management being the answer for small towns with assumed limited expertise and resources to manage this infrastructure themselves. However, this is not a one-size-fits-all problem and as such, it will not be fixed with a one-size-fits-all approach. For some New Zealand communities, a local approach could pay dividends.

Local Government Minister, Nanaia Mahuta, is on record to say that the status quo is not sustainable in the long term, that a real "step change" is needed. In particular, that funding upgrades to infrastructure are unaffordable for many communities and that local councils (in rural and provincial areas) struggle to find and retain staff with specialist skills.

It can be difficult to see a 'step change' occurring that doesn't result in some form of aggregation of ownership or services. The traditional economic rationale for aggregation – efficiencies, increased buying power, rationalisation of costs, consistency in delivery, for starters – seem to be relevant here.

A recently completed water infrastructure project in Opotiki presents a different argument.

If ever there was a test case for a small, sparsely populated town, Opotiki would be it, with a population of less than 10,000 people, a main street called Church Street, a couple of pubs, a high school, a marae, all flanked by a broader farming community.

Like many small New Zealand towns, Opotiki has had to transition its three waters infrastructure from world war one era infrastructure to modern infrastructure capable of delivering services for the next 70+ years. For drinking water, this means a transition from a dam in the hills that captured surface water flows with a cast iron pipe reticulation system, to a modern filtration and treatment plant fed by bores drawing water from artesian aquifers and delivering water in a modern reticulation system.

By all accounts, this type of wholesale transformation is meant to be beyond reach for towns like Opotiki. However, the numbers don't appear too challenging when stacked against the local community's asset base. The plant and the bores costing approximately $1.5m and $1m respectively against an asset base of close to $200m. Yes, some of these costs date back to early 2000s – but when you plan in ten year cycles this is, by all measures, a 'recent' upgrade. These upgrades have been funded by the council with the project costs amortised over a 30 year period and passed through to the users as part of their water rates. Even after this transformative upgrade, the water costs to a typical Opotiki household are only 75% of your average Watercare invoice in Auckland.

So far so good, however questions of future proofing remain. Did Opotiki plan for population growth? Does the new system address climate change pressures? Can they secure skilled staff with specialist skills?

It turns out the answers are surprisingly simply yes.

Opotiki's upgrade gives it enough capacity for a town twice its size. The plant is built in a climate change resilient spot and draws water from ancient aquifers, safe from both drought and rising sea levels. The running of a water filtration and treatment plant can be capably completed by council staff and local contractors.

If there's any lingering doubt about a local council's ability to procure and manage three water infrastructure, then consider this: Opotiki District Council are currently working towards the construction of a year-round navigable harbour entrance. This process involves feasibility studies, procuring 'wave climate' modelling, and tendering to a consortium to design and construct the harbour entrance with a project cost in excess of $50m – all a good deal more complicated and expensive than building and operating water infrastructure.

Not just a story of success, Opotiki is also a story about localism – empowering local people to make local decisions and holding those locally elected accountable to deliver on those decisions. Localism provides for a 'place-based' and integrated approach, with right sized solutions and opportunities for local innovation.

Whilst a 'step change' may be required for three waters infrastructure, Opotiki shows that a number of our local communities could be well placed to meet the challenges of the future, and that rolling up water infrastructure may make sense for a lot of communities, but not necessarily all communities.

This article was written by Daniel Collins for the NBR (August 2019).

Auckland

PwC Tower
188 Quay Street
Auckland 1010

PO Box 1433
Auckland 1140
New Zealand

P: +64 9 358 2555
F: +64 9 358 2055

Wellington

Aon Centre
1 Willis Street
Wellington 6011

PO Box 2694
Wellington 6140
New Zealand

P: +64 4 499 4242
F: +64 4 499 4141

Christchurch

83 Victoria Street
Christchurch 8013

PO Box 322
Christchurch 8140
New Zealand

P: +64 3 379 1747
F: +64 3 379 5659