## The Three Waters Review: key points

**What is the “three waters’’ system?**

* The term “three waters’’ refers to drinking water, waste water and storm water.
* The regulation, ownership and governance of related assets and their management and service delivery comprise a complex interconnected three waters system.

**Why is there a review?**

* New Zealand’s three waters system is under strain.
* The outbreak of gastroenteritis in Havelock North in August 2016, resulting in four associated deaths and an estimated 5000 people falling ill, was a catalyst for action.
* The subsequent *Government Inquiry into Havelock North Drinking Water* identified 51 recommendations to address failings in the delivery, compliance, monitoring and enforcement of drinking water.
* At the same time, the broad-ranging Three Waters Review, commissioned by the Government in mid-2017, found similar issues across the drinking water, wastewater and storm water system.
* The Review raised broader questions about the effectiveness of the regulatory regime for the three waters, and the capability and sustainability of water service providers.
* Key findings to date clearly show there is a need for change.

**Why does the three waters system need to change?**

* The three waters system is critical for New Zealand’s public health and safety, environmental protection, and economic prosperity and security.
* There will be far-reaching implications for our communities and country if the system does not respond to existing and future pressures.
* The status quo is not sustainable – the challenges and pressures have to be addressed.

**What are the specific issues and challenges?**

* There are risks to human health and the environment in parts of the country.
* There is evidence of inadequate levels of central and local government compliance, monitoring and enforcement in some places.
* There are capacity and capability issues relating to asset management and governance of water infrastructure and/or services.
* There are funding and affordability challenges in some areas – driven by a range of factors, including
	+ community expectations/aspirations and regulatory requirements relating to water quality, treatment and management
	+ a need to replace aging infrastructure
	+ increasing demand for water infrastructure in high-growth areas
	+ declining numbers of ratepayers in areas with falling populations
	+ high seasonal demand on water services due to tourism
	+ providing additional affordable housing and development capacity
	+ protecting freshwater and marine environments
	+ shoring up three waters systems against climate change and natural hazards
	+ delivering regional economic growth

**How is the Government addressing this?**

* The Government recognises the local government sector, which owns, manages and governs most of the country’s water assets, is facing a range of pressures relating to three waters infrastructure and service delivery.
* The Government is actively seeking a conversation with, and the input of, the local government sector, and its associated communities, on the challenges, and on scoping the solutions.
* The conversation will include which regulatory arrangements, service delivery models, and funding arrangements are best suited for the delivery of three waters services.
* The Havelock North Inquiry recommendation of aggregated, dedicated water providers is being explored, but the Government wants to look at all options for service delivery.
* The Government is seeking genuine partnership in addressing the challenges and formulating options and has no predetermined solutions.
* However, continued public ownership (ie. not private ownership) of existing three waters assets is a bottom line.
* How to provide for local voice in proposed options will be a critical factor in any future model.
* The work this year is at the conceptual policy stage. Ministers are due to report back to Cabinet later this year on high level options. Following any decisions there will be further opportunities for engagement as the detail is worked on.

**How you can be involved and stay up-to-date**

* Information on the review, including background papers, Cabinet papers and the latest research, presentations and updates are posted on the DIA website at: [www.dia.govt.nz/three-waters-review](http://www.dia.govt.nz/three-waters-review)
* LGNZ have established a Three Waters Reference Group to facilitate local government input. Details are on the DIA and LGNZ websites.
* The Project team will also be working with, and seeking the views of, other experts and interested parties, including consumers and Iwi.
* Feedback and/or questions can be sent direct to the DIA-led Project Team at threewaters@dia.govt.nz