

Fact sheet: Affordability



New Zealanders will pay less for water services with reform, than without.

The cost of meeting these challenges is estimated at between \$120 billion and \$185 billion over the next 30 years.

This is out of reach of councils to address on their own.

The only effective way to address this is to have balance sheet separation between water services entities and local government, to allow them to achieve higher levels of leverage than local authorities can obtain.

Under its revised water services reform plan the Government is planning to combine the water services currently operated by 67 councils into 10 regional water services entities.

This will improve the affordability of water services for consumers by providing better access to long term funding for investment in water services and improving the efficiency of their operations.

The table below gives an indication of the average costs per household in each of the ten entities by 2054 compared with likely costs under continuation of the current stand-alone council delivery of water services.

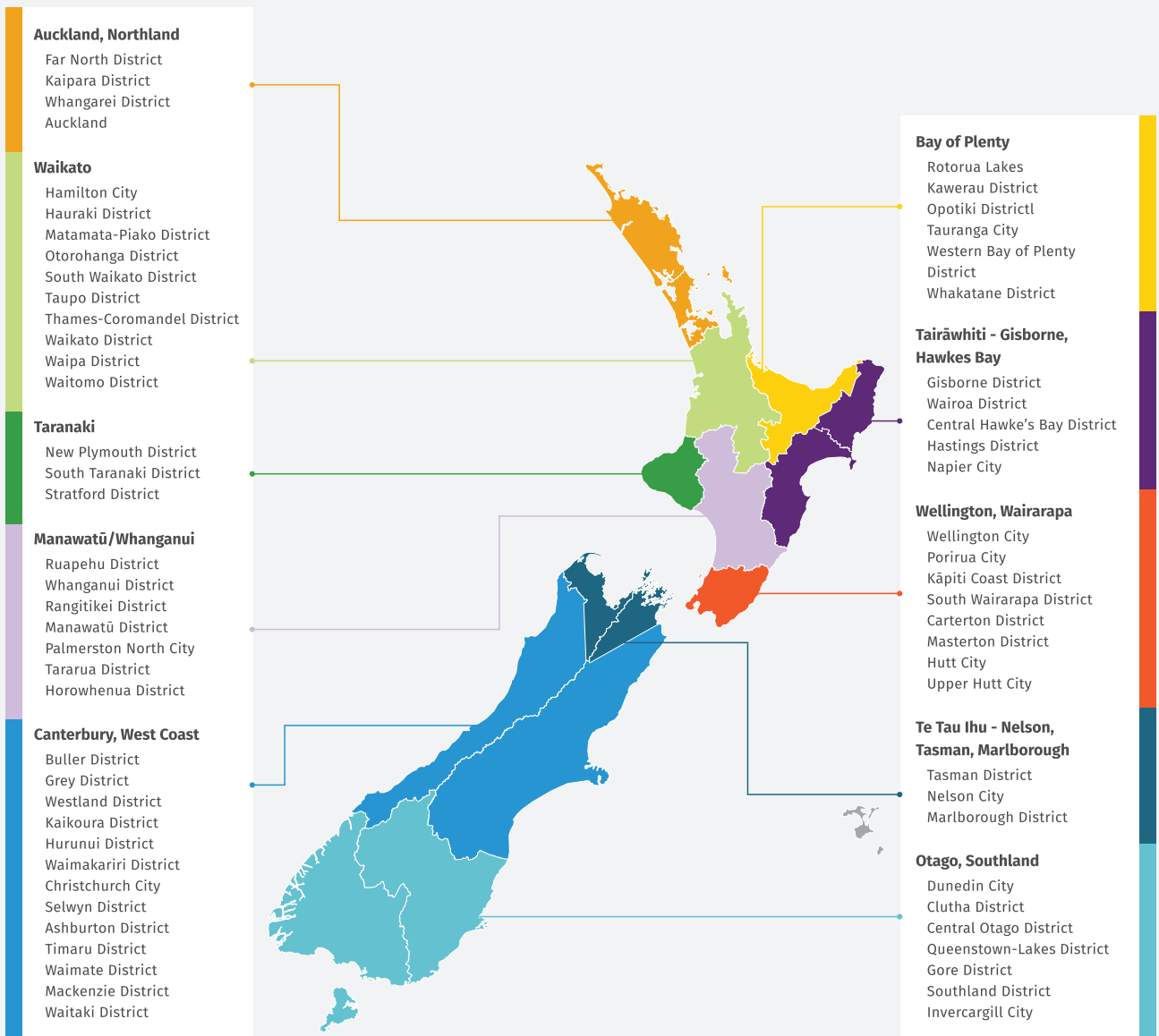
Average Household Costs in 2054 (2022 prices)						
Entity	Councils	Population served	Costs under current council approach (2054)	Costs under 10 entities reforms (2054)	Cost difference (%)	Savings for ratepayers with reforms (2054)
A (Auckland and Northland)	Auckland	1,629,000	\$3,910	\$1,460	63%	\$2,450
	Far North District	26,000	\$16,280		91%	\$14,820
	Kaipara District	11,228	\$12,640		88%	\$11,180
	Whangarei District	59,625	\$6,000		76%	\$4,540
	Weighted average		\$4,230		65%	\$2,770
B (Waikato)	Hamilton City	162,245	\$5,400	\$2,760	49%	\$2,640
	Hauraki District	14,180	\$9,160		70%	\$6,390
	Matamata-Piako District	21,250	\$9,550		71%	\$6,790
	Otorohanga District	3,660	\$12,490		78%	\$9,730
	South Waikato District	19,000	\$11,310		76%	\$8,550
	Taupo District	38,473	\$12,980		79%	\$10,220
	Thames - Coromandel District	22,713	\$9,050		69%	\$6,290
	Waikato District	37,307	\$8,430		67%	\$5,670
	Waipa District	40,496	\$4,600		40%	\$1,830
	Waitomo District	5,475	\$21,500		87%	\$18,730
	Weighted average		\$7,660		64%	\$4,900

Average Household Costs in 2054 (2022 prices)						
Entity	Councils	Population served	Costs under current council approach (2054)	Costs under 10 entities reforms (2054)	Cost difference (%)	Savings for ratepayers with reforms (2054)
C (Bay of Plenty)	Kawerau District	7,200	\$5,920	\$2,780	53%	\$3,140
	Opotiki District	4,397	\$12,750		78%	\$9,970
	Rotorua District	62,352	\$6,620		58%	\$3,840
	Tauranga City	143,349	\$6,130		55%	\$3,350
	Western Bay of Plenty District	31,992	\$6,980		60%	\$4,200
	Whakatane District	27,480	\$11,400		76%	\$8,620
	Weighted average		\$6,960		60%	\$4,180
D (Taranaki)	New Plymouth District	63,854	\$6,570	\$4,430	33%	\$2,140
	South Taranaki District	19,749	\$13,430		67%	\$9,000
	Stratford District	6,538	\$19,670		77%	\$15,240
	Weighted average		\$9,030		51%	\$4,600
E (Manawatu-Whanganui)	Horowhenua District	28,112	\$4,600	\$3,020	34%	\$1,580
	Manawatu District	20,495	\$10,130		70%	\$7,110
	Palmerston North City	89,100	\$5,100		41%	\$2,090
	Rangitikei District	15,550	\$13,630		78%	\$10,610
	Ruapehu District	7,850	\$13,450		78%	\$10,430
	Tararua District	11,175	\$19,130		84%	\$16,120
	Whanganui District	44,500	\$6,990		57%	\$3,980
	Weighted average		\$7,540		60%	\$4,520
F (Gisborne / Hawke's Bay)	Central Hawke's Bay District	9,459	\$9,890	\$4,010	59%	\$5,880
	Gisborne District	38,000	\$16,700		76%	\$12,690
	Hastings District	61,604	\$8,150		51%	\$4,140
	Napier City	59,058	\$4,880		18%	\$870
	Wairoa District	5,485	\$20,860		81%	\$16,850
	Weighted average		\$9,410		57%	\$5,400

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G (Wellington)	Carterton District	9,888	\$9,120	\$2,280	75%	\$6,840
	Kapiti Coast District	48,484	\$5,630		59%	\$3,340
	Lower Hutt City	107,400	\$5,280		57%	\$3,000
	Masterton District	21,075	\$8,890		74%	\$6,610
	Porirua City	58,300	\$5,130		55%	\$2,850
	South Wairarapa District	6,770	\$13,750		83%	\$11,470
	Upper Hutt City	42,000	\$5,540		59%	\$3,260
	Wellington City	222,600	\$5,380		58%	\$3,100
	Weighted average		\$5,700		60%	\$3,420
H (Te Tau Ihu)	Marlborough District	32,213	\$7,790	\$3,460	56%	\$4,330
	Nelson City	52,600	\$4,980		31%	\$1,520
	Tasman District	31,336	\$9,250		63%	\$5,780
	Weighted average		\$6,910		50%	\$3,450
I (Canterbury / West Coast)	Ashburton District	22,824	\$16,390	\$2,470	85%	\$13,920
	Buller District	6,643	\$13,280		81%	\$10,810
	Christchurch City	384,950	\$5,330		54%	\$2,860
	Grey District	10,340	\$21,230		88%	\$18,760
	Hurunui District	9,952	\$18,370		87%	\$15,900
	Kaikoura District	4,000	\$20,460		88%	\$17,990
	Mackenzie District	3,548	\$11,520		79%	\$9,050
	Selwyn District	47,251	\$5,230		53%	\$2,760
	Timaru District	40,322	\$8,940		72%	\$6,470
	Waimakariri District	48,570	\$4,900		50%	\$2,430
	Waimate District	4,882	\$16,600		85%	\$14,130
	Waitaki District	18,624	\$19,570		87%	\$17,100
	Westland District	5,630	\$13,190		81%	\$10,720
Weighted average		\$7,250	66%	\$4,780		

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J (Otago / Southland)	Central Otago District	18,025	\$10,490	\$4,430	58%	\$6,060
	Clutha District	12,699	\$22,080		80%	\$17,660
	Dunedin City	121,485	\$8,020		45%	\$3,600
	Gore District	9,771	\$8,390		47%	\$3,960
	Invercargill City	47,086	\$6,660		34%	\$2,240
	Queenstown-Lakes District	36,000	\$13,320		67%	\$8,890
	Southland	11,552	\$15,450		71%	\$11,020
	Weighted average				\$9,730	54%

The boundaries of the ten water services entities:



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Entity Region	Councils
Entity A (Northland and Auckland)	Far North District Kaipara District Whangarei District Auckland
Entity B (Waikato)	Hamilton City Hauraki District Matamata-Piako District Otorohanga District South Waikato District Taupo District Thames-Coromandel District Waikato District Waipa District Waitomo District
Entity C (Bay of Plenty)	Rotorua Lakes Kawerau District Opotiki District Tauranga City Western Bay of Plenty District Whakatane District
Entity D (Taranaki)	New Plymouth District South Taranaki District Stratford District
Entity E (Manawatū-Whanganui)	Ruapehu District Whanganui District Rangitikei District Manawatū District Palmerston North City Tararua District Horowhenua District
Entity F (Tairāwhiti/Gisborne-Hawke's Bay)	Gisborne District Wairoa District Central Hawke's Bay District Hastings District Napier City

Entity Region	Councils
Entity G (Wellington-Wairarapa)	Wellington City Porirua City Kāpiti Coast District South Wairarapa District Carterton District Masterton District Hutt City Upper Hutt City (Chatham Islands)
Entity H (Te Tau Ihu/Nelson-Tasman-Marlborough)	Tasman District Nelson City Marlborough District
Entity I (West Coast-Canterbury)	Buller District Grey District Westland District Kaikoura District Hurunui District Waimakariri District Christchurch City Selwyn District Ashburton District Timaru District Waimate District Mackenzie District Waitaki District
Entity J (Otago-Southland)	Dunedin City Clutha District Central Otago District Queenstown-Lakes District Gore District Southland District Invercargill City