

Tuesday 26 May 2025

Significant Errors and Omissions

The author of “They Want To Give Away Your Water” does not have a serious understanding of the Local Water Done Well reforms, how Council currently delivers water, and how that is going to change.

While appealing to common sense or claiming facts are self-evident, there are clear signs that certain information was not included in their argument.

When analysing the claims, and the footnotes to support those claims, Council found key information and evidence was not included which contradicted the authors argument.

Below are some selected examples of some of these claims.

Huge overestimation of Council’s debt ceiling

- “With the 280% debt limit, Waitaki could borrow up to \$386 million by 2035, based on the total revenue that Council has projected for that date if three waters remain in house.”

Misinformation because: The footnote the author uses to support this says “To calculate future total income, I inflated rates revenue according to this slide and added non-rates revenue from 2025” – or to be blunt, he added some wrong numbers together.

Council’s debt headroom if water is kept in-house at 280% is in the Consultation Document on Page 33, which puts the debt headroom at around \$260 million for 2035. So, it is wrong by about \$126 million dollars – about 48% more than the reality. This is a massive overestimation of Council’s debt ceiling.

False claims about the published modelling

- Council makes ‘false claims’ about a regional company having “greater efficiency” and “lower water charges”. Council also says “Government is making us do it” and “it’s not sustainable to keep three waters in house.”

Misinformation because: None of these claims are false. They are all fully supported by our independent economic and financial modelling. The Government have legally directed us to make a plan, and the recently published letter from the Minister for Local Government clearly sets out his expectations.

All the modelling is public and shows efficiency gains. Council had these independently peer reviewed. The author at one point wants to use an outdated report as hard evidence, but dismisses a more comprehensive one because it disproves the authors argument.

False claim regarding Council's modelling data, both current and past

- Use of outdated reporting and figures

Misinformation because: The December 2024 Morrison Low Report compared an In-House Business Unit to various Otago-Southland CCOs. None of these CCOs are options Council is consulting on, meaning the quoted and underlined lower water charges aren't accurate or relevant.

- The author then claims the March 2025 Morrison Low Report was commissioned because the December report 'didn't fit the story that Council wanted to tell'

Misinformation because: This is just completely untrue. The March 2025 Morrison Low report is based on the four-Council CCO of Waitaki District, Gore, Clutha and Central Otago. It also makes use of Government's regulation framework, published in the Local Government Water Services Bill in December 2024.

This provided us with more, better, accurate information which we have shared with the community.

False claim regarding shareholding and iwi involvement

- That Waitaki District's 25% shareholding 'might be reduced further' if current discussions give a 'meaningful role' to Ngai Tahu

Misinformation because: The Local Water Done Well legislation does not give shareholding rights to anyone but local authorities or community trust organisations.

The 'meaningful role' quoted is from the following text.

“Collectively, SWDW councils have been talking with Ngāi Tahu about the role of iwi within a new water services organisation. There’s been no decisions on what that role would look like to date. However, it has been agreed the role should be meaningful but not reach as far as the previous reform.”

False comparison with Wellington Water

- Claims that a Joint CCO would be like Wellington Water

Misinformation because: This is a false comparison, demonstrating both a lack of understanding about Local Water Done Well and the Wellington Water situation.

Wellington and its surrounding Councils are pursuing a Joint CCO under Local Water Done Well. This is markedly different from the current Wellington Water model.

The issues at Wellington Water have led the Government to grant the Commerce Commission the same regulatory powers every water service provider in the country will have under Local Water Done Well.

False claim that Waitaki’s water and wastewater systems are fully compliant

- “All Waitaki water and wastewater systems are operating within Government regulations”

Misinformation because: They are not. Later in the article, the author highlights issues from Gore, Clutha and Central Otago. In the same document that he quotes from, there is similar information about Waitaki’s compliance issues. This has been left out – to present the idea that Waitaki District does not have water network issues, or future challenges regarding investment.

Omitting the majority of Councils who have chosen a Joint CCO

- “Other councils say “no way”

Misinformation because: 69% of Councils in New Zealand have chosen a Joint CCO model. 28% have chosen an In House Business Unit.

The author also very selectively quotes from those Councils, removing references to being open to future Joint CCOs, that they would have financial challenges as a result of In-House, or that their pricing model was harmonised – involving subsidisation.

Waitaki's preferred option of a Joint CCO has local pricing, with no subsidisation.

Misleading quotation of Invercargill Mayor Nobby Clark

- Invercargill's mayor commented that a regional company would cause "those councils which had done well in investment in the past to subsidise those who had not."

Misinformation because: Mayor Clark made these comments in 2022, about the Labour Government's Three Waters Reforms. They are not relevant to Local Water Done Well, or Waitaki's preferred option being consulted on.

The full PDF with annotations and highlights of the misleading presentation, partial quotations, or false statements is available on Council's website.