

*National Three Waters
Assessment for Department of
Internal Affairs (DIA)*

Presentation to Water New Zealand Conference

20 September 2017

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1. Background

Objective

- To gain a better understanding of how and to what extent councils are planning to meet current and future community three water needs through quantitative and qualitative research.

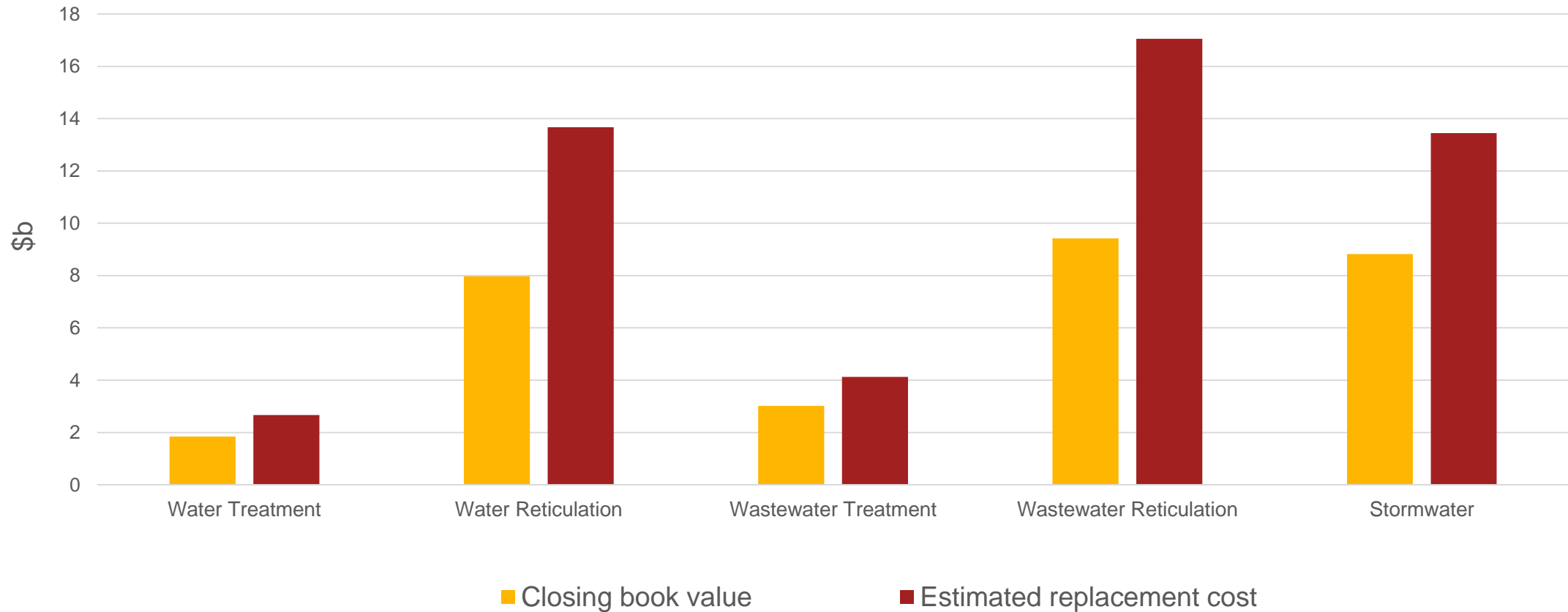
Approach

- A desktop analysis of councils' published information including 2015 infrastructure strategies, 2015-25 Long Term Plans and annual financial report data FY14, 15 and 16.



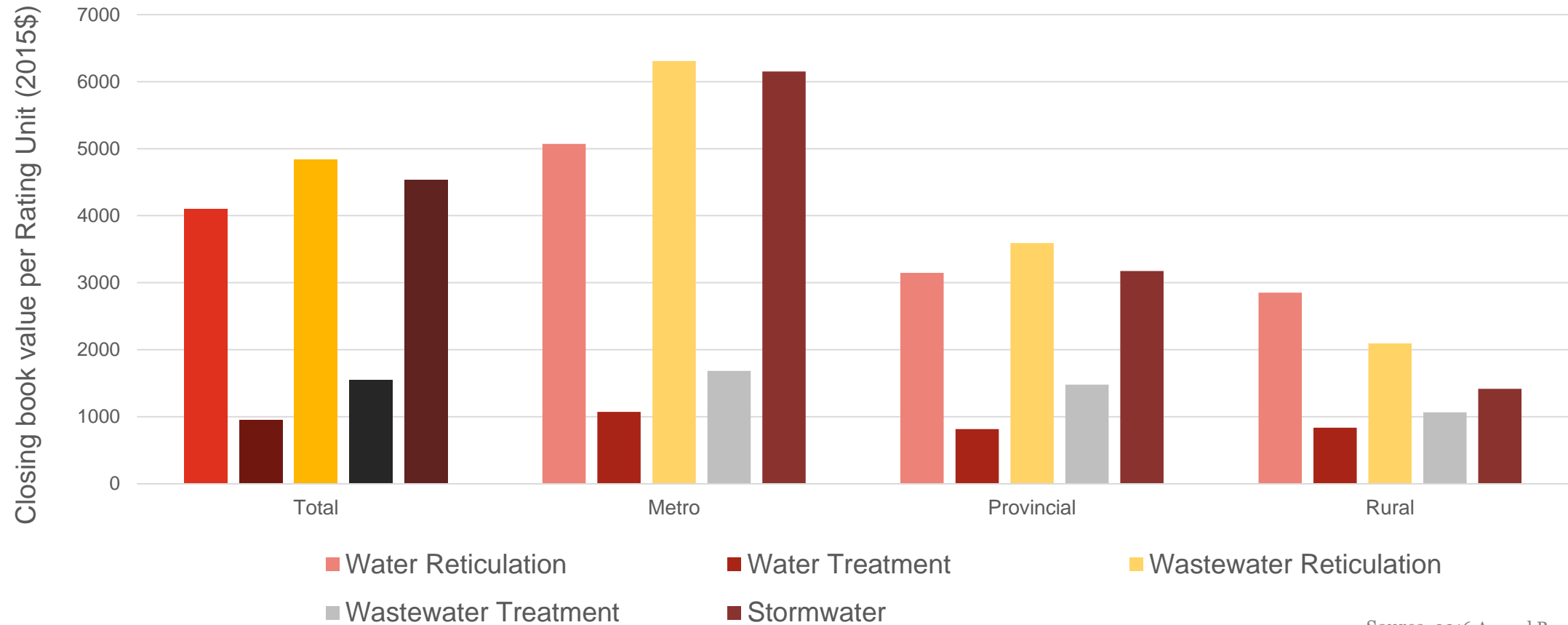
2. Industry asset value and diagnosis

2.1 2016 3 waters asset book values and estimated replacement cost, by asset type



Source: 2016 Annual Reports

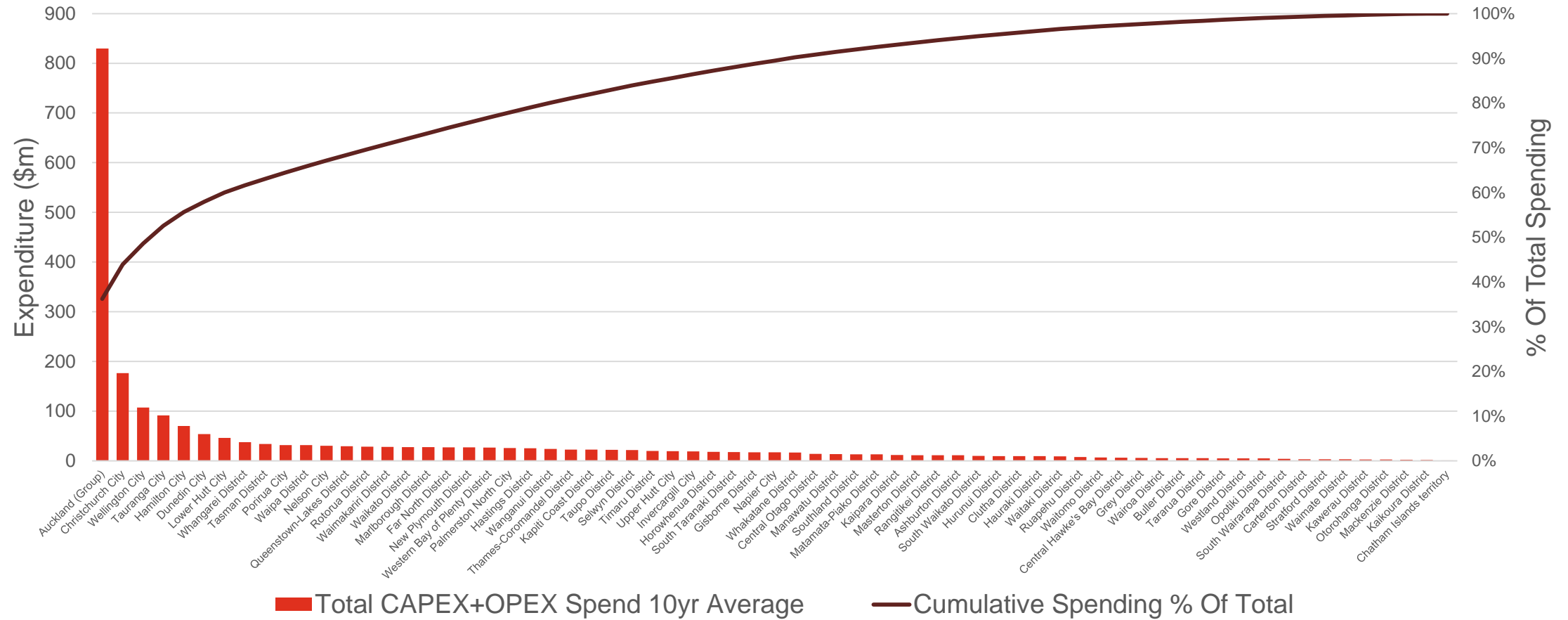
2.2 Current 3 waters asset values per rating unit, by council sector



Source: 2016 Annual Reports

3. Capital expenditure trends

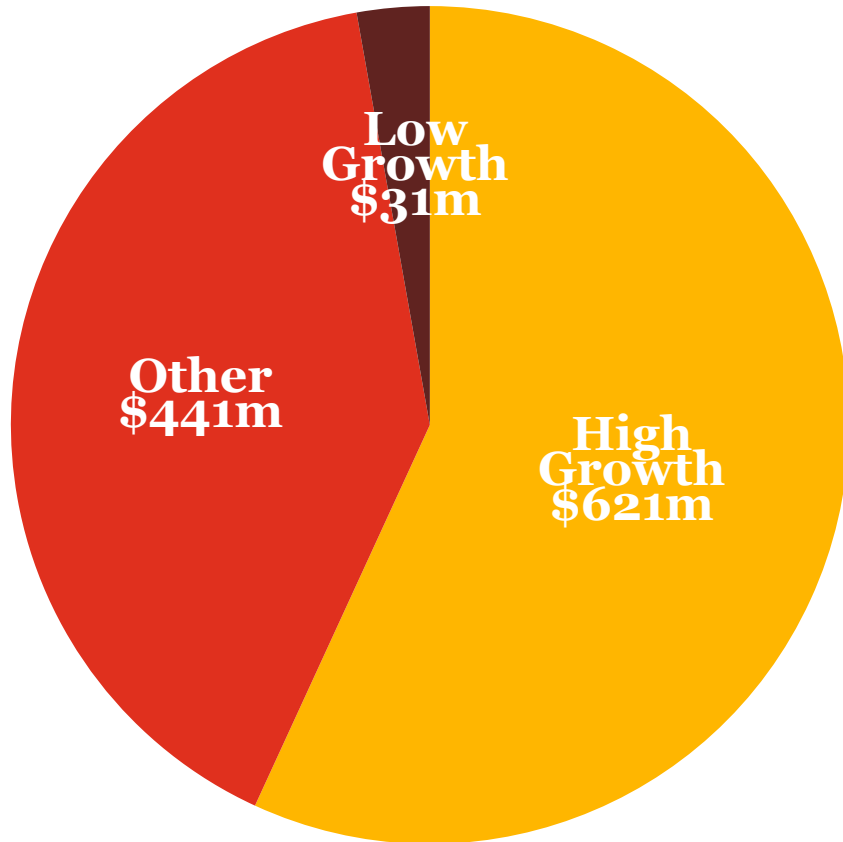
3.1 Cumulative spend by councils – 10 year LTP forecasts



Source: 2015 LTP PwC Analysis

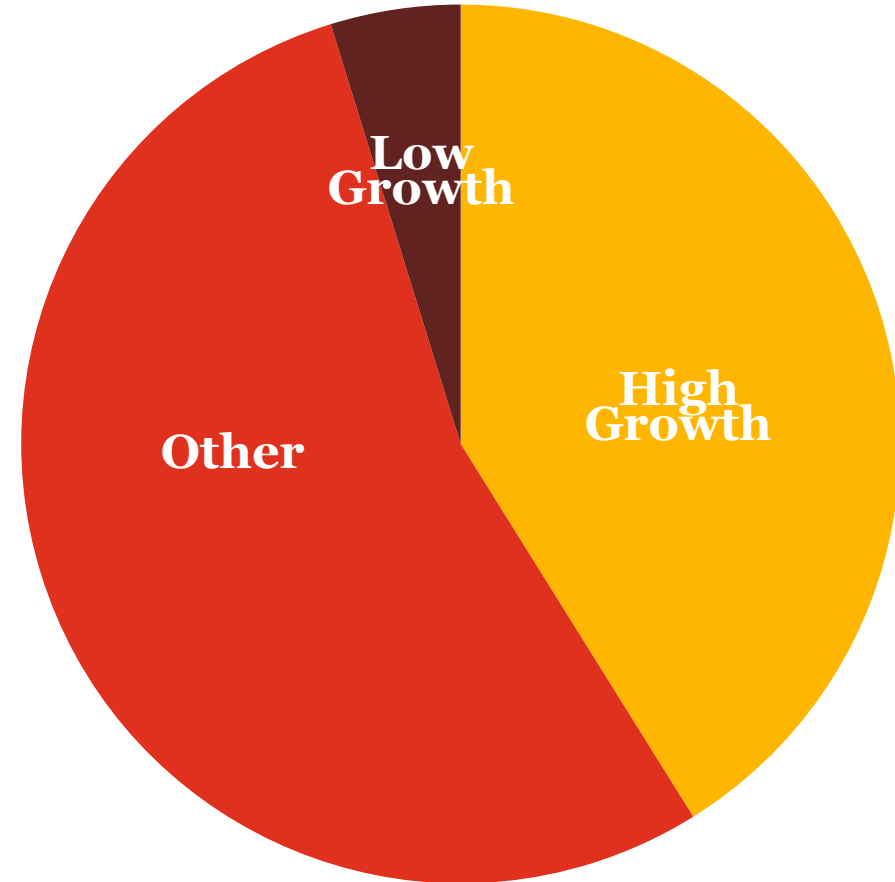
3.2 Proportion of 10 year average annual 3 waters capex spend and rating units, by population growth rate

Capex spend



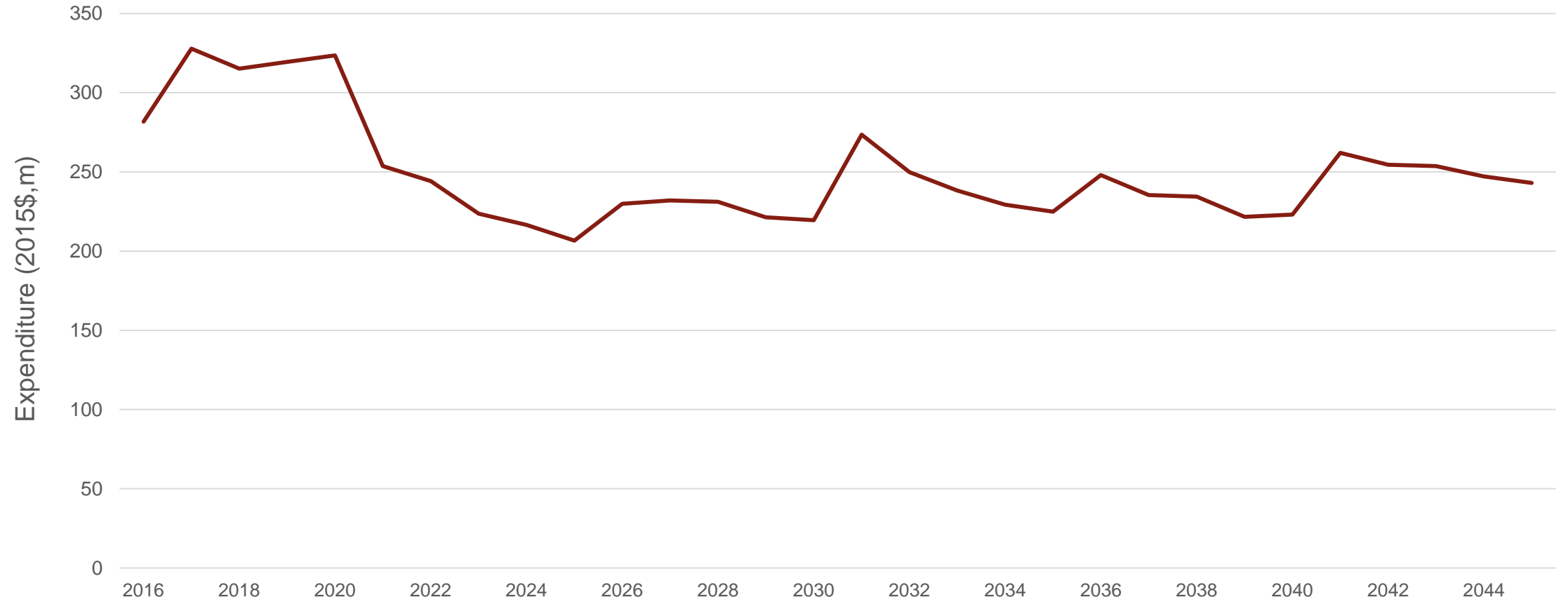
Source: 2015 LTP PWC Analysis

Rating units



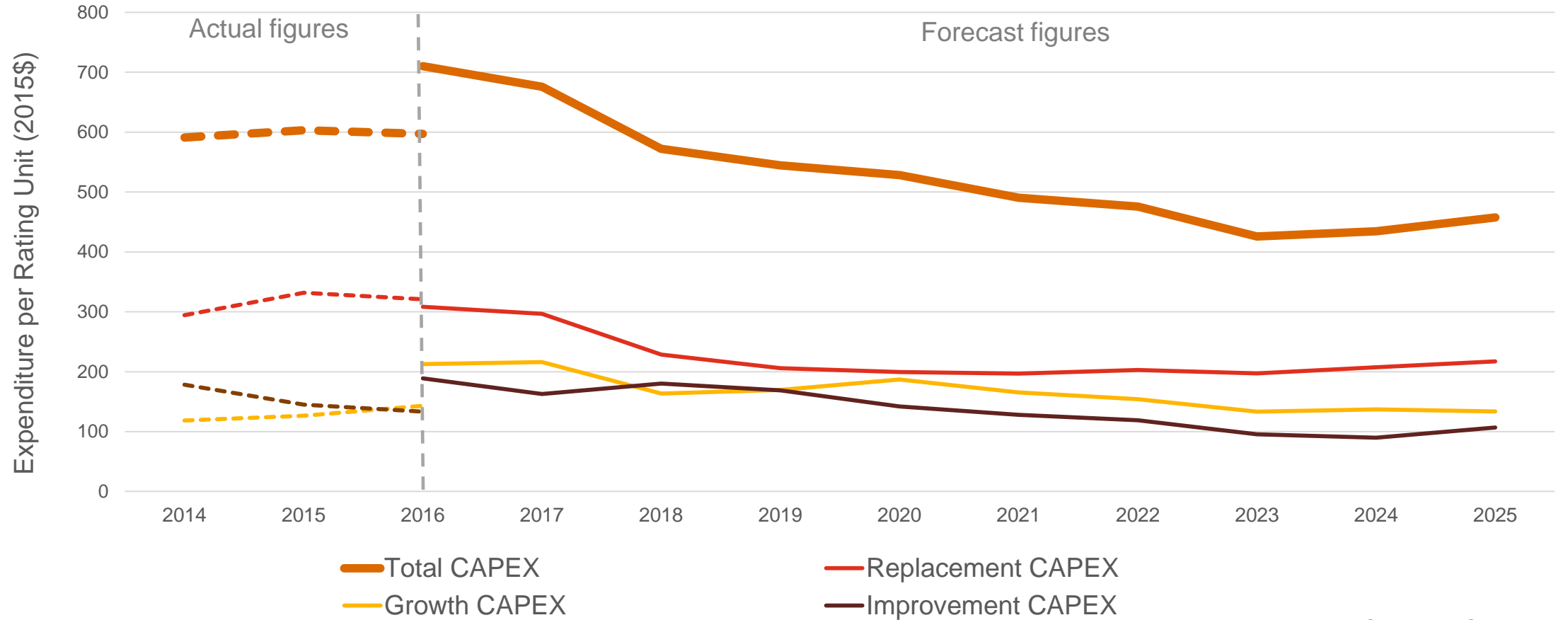
Source: 2015 LTP PWC Analysis

3.3 30-year water capex per rating unit, high growth councils



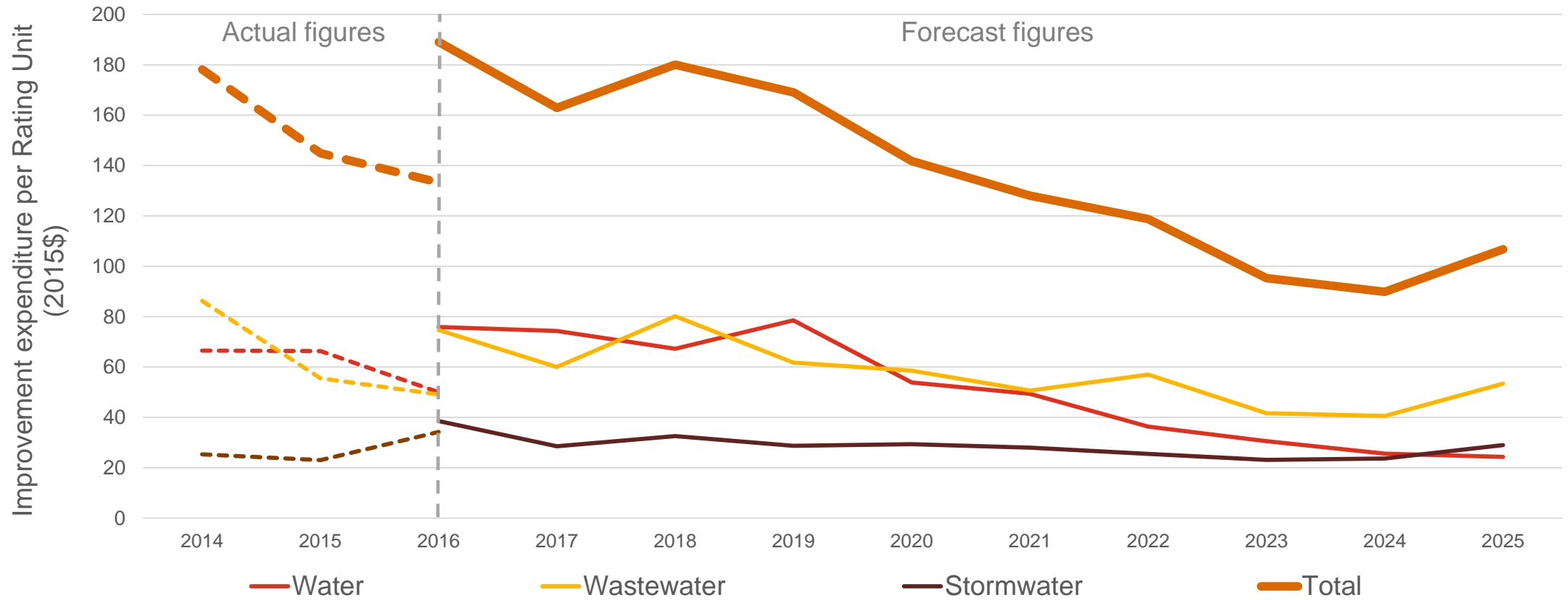
Source: 2015 Infrastructure Strategies PWC Analysis

3.4 3 waters capex per rating unit, all councils



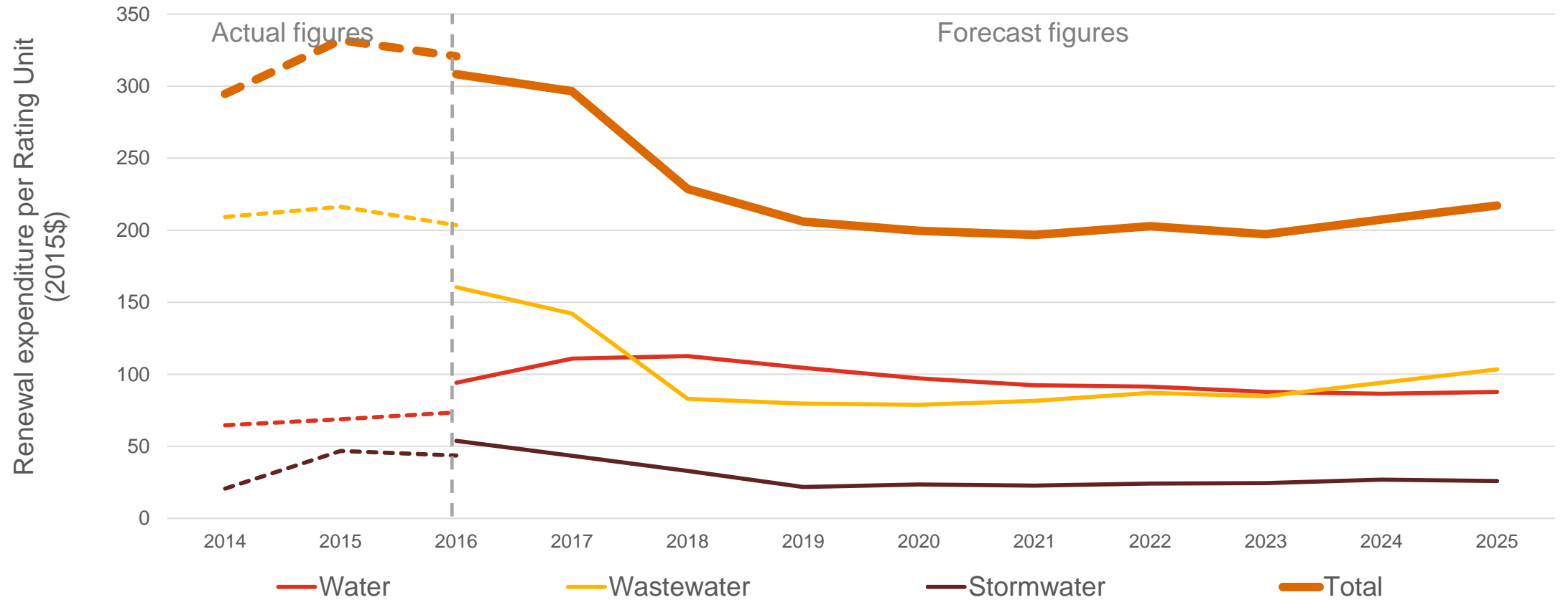
Sources: Annual reports and 2015 LTPs

3.5 Improvement capex per rating unit



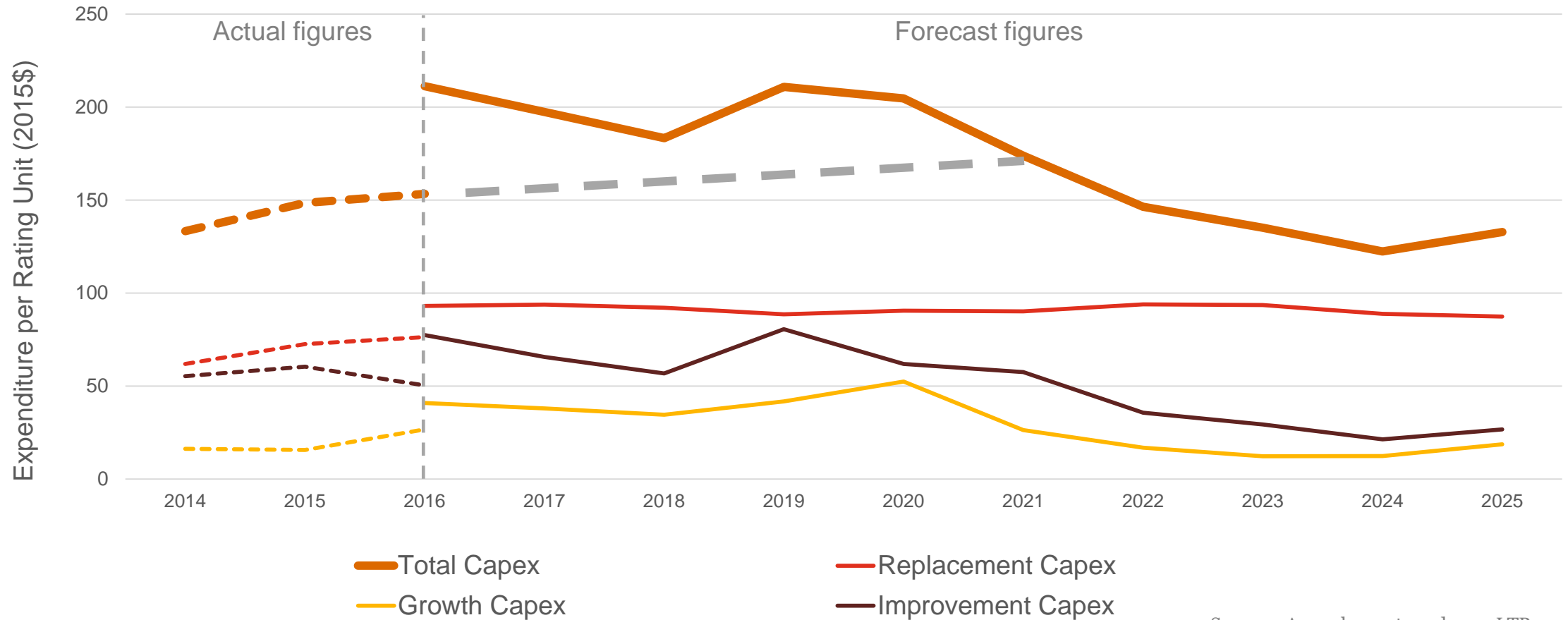
Source: 2015 LTP PWC Analysis

3.6 Renewal capex per rating unit, all councils



Sources: Annual reports and 2015 LTPs

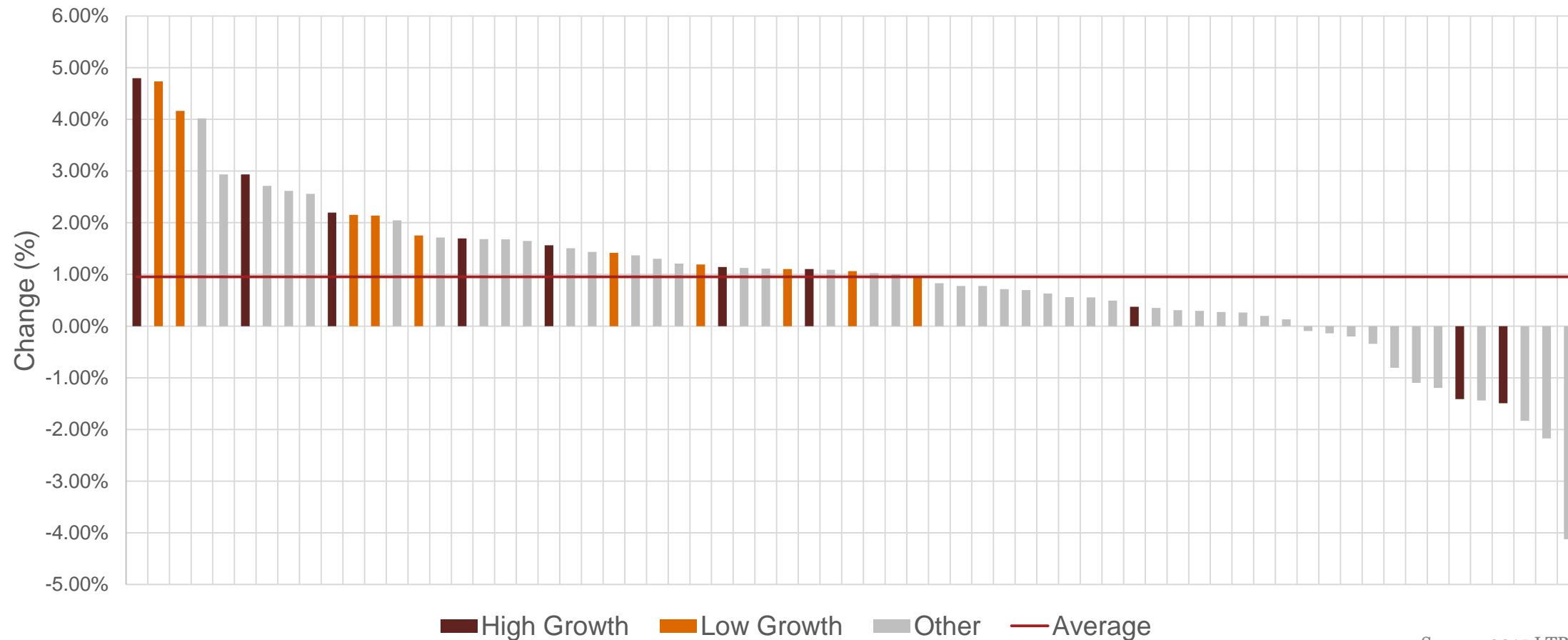
3.7 Water capex per rating unit, excluding Auckland and Christchurch metro area



Sources: Annual reports and 2015 LTPs

4. Operating expenditure trends

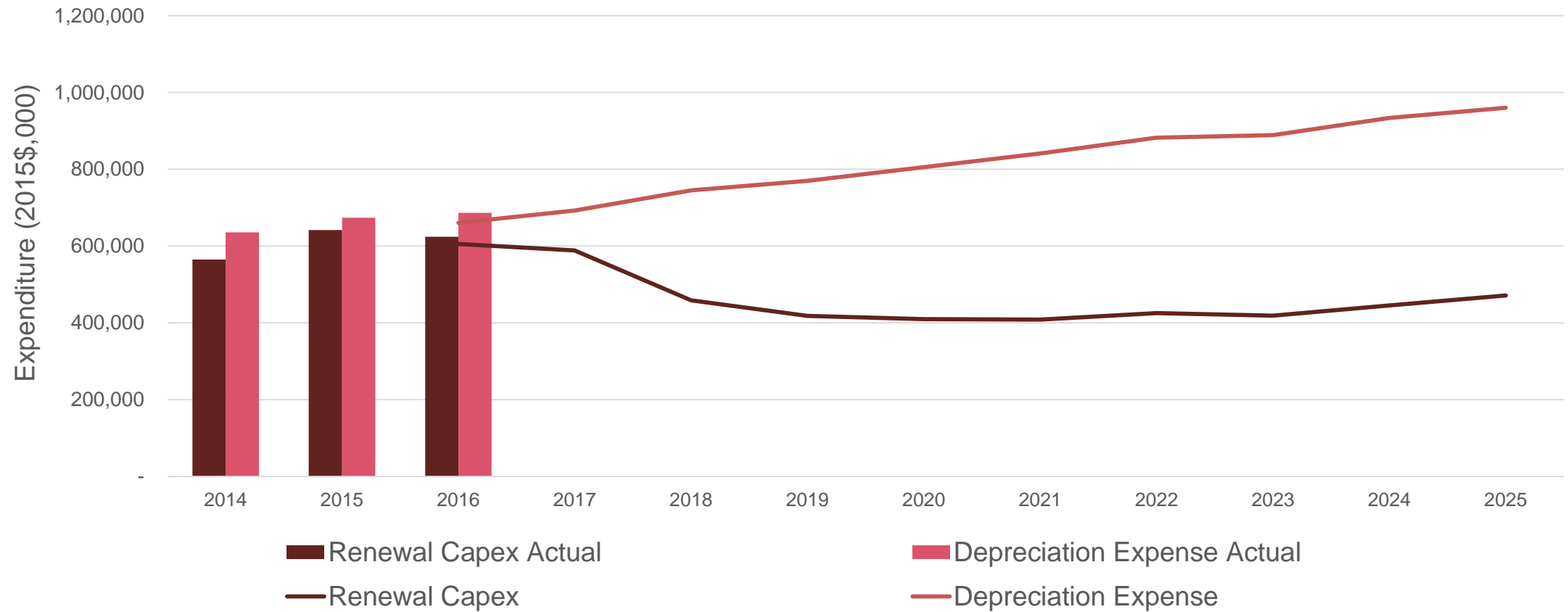
4.1 Annual average change in 3 waters total opex plus depreciation over 10 years per rating unit, by council



Source: 2015 LTPs

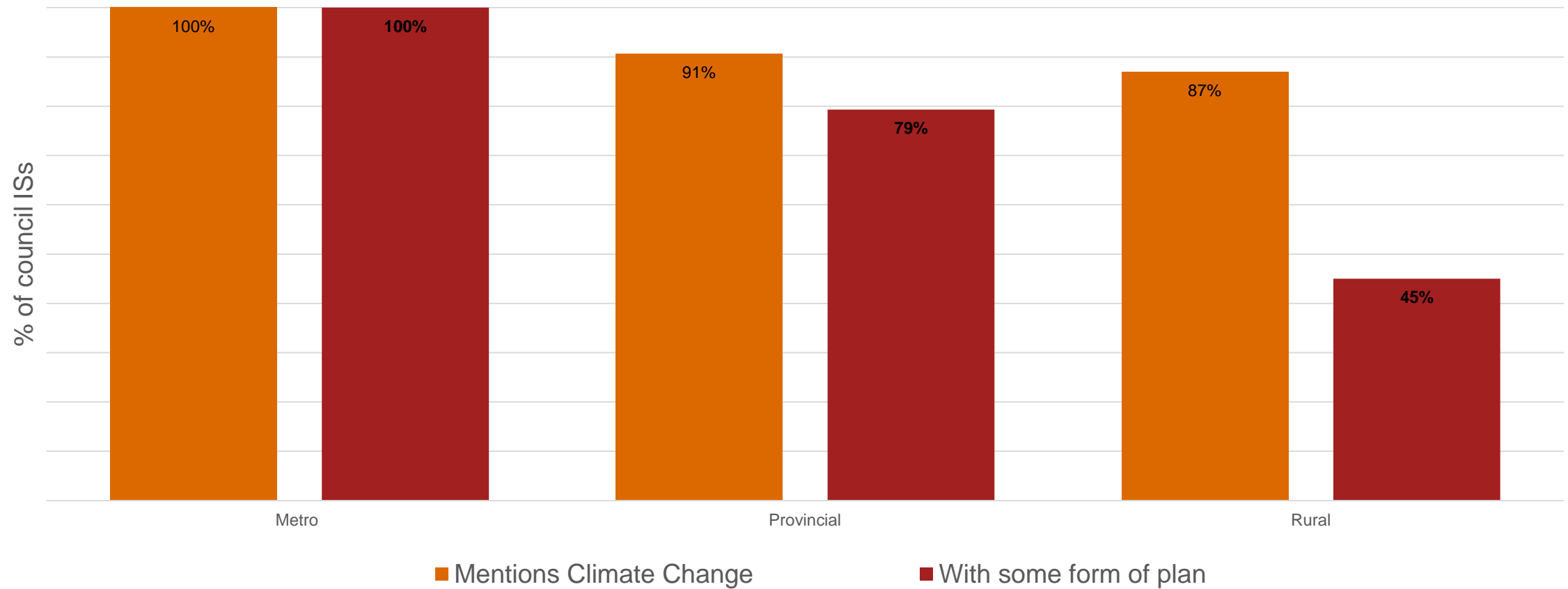
5. Other analysis

5.1 3 waters renewals vs depreciation, all councils



Sources: Annual reports and 2015 LTPs

5.2 Consideration of climate change example ISs, by council sector type



Appendix A - Restrictions

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