

# Attachment H: Water Quality Improvement

## Context

The Water Quality Targeted Rate (WQTR) was introduced in 2018/2019 as part of the Long-term Plan 2018-2028. The WQTR allowed the council to increase its investment in a programme to improve water quality across the Auckland region. This represented the first time significant funding had been ringfenced to address water quality problems. The WQTR is currently set to expire in 2028.

Under the current settings for the WQTR, we have been able to significantly progress water quality projects, including

- infrastructure for stormwater contaminant removal across the region
- rehabilitation of urban and rural streams
- introduction of a proactive regional onsite wastewater system monitoring programme
- safe networks investigations to track down illegal cross connections.
- stormwater upgrades and wastewater/stormwater separation in the Western Isthmus

Most spending and large-scale capital work to date has been focussed on the western isthmus. This was prioritised to address the significant public health risks from combined network overflows. Further separation work is required to improve network performance in the Eastern Isthmus. Further investment allows accelerated contaminant reduction in other priority areas, such as the Wairau creek catchment and catchments affecting the Manukau Harbour, which are under pressure from urban runoff and sedimentation. Funding isn't presently available to allow this work to proceed. This undermines the aspirations of Aucklanders and mana whenua to see improved water quality in all of Auckland's harbours. Climate change is also placing a range of new pressures on water quality and ecosystems. Of these additional climate-induced stresses, only some are directly manageable – drought, for example remains a challenge outside the scope of the Water Quality Targeted Rate. However, water quality targeted rate programmes can enhance our resilience to climate change if additional funding is available. In particular, the urban and rural stream rehabilitation work reduces erosion risks and habitat loss that would otherwise be expected to increase with more extreme rainfall as a result of climate change.

## Consultation Options

The draft Recovery Budget proposed extending the Water Quality Targeted Rate from 2028 to 2031, providing an additional \$150 million. This would enable us to continue the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks) until 2030/2031 and to start water quality improvement projects elsewhere in the city, particularly in coastal areas from Hobson's Bay to St Heliers, as well as the Manukau Harbour from 2028/2029.

We also consulted on an option to increase the Water Quality Targeted Rate in line with the projected average increase in general rates, 5 per cent in 2021/2022 and 3.5 per cent each year thereafter. This would provide an additional \$106 million. This increase combined with the extension to 2031 will provide a total of an additional \$256 million over 10 years and will enable us to deliver the benefits of the rate extension and:

- deliver improved water quality in the Manukau Harbour, Tāmaki Estuary and along the beaches between Parnell and Glendowie with major construction projects starting six years earlier in 2022/2023.
- fund additional litter trap projects to improve freshwater and coastal water quality through contaminant removal across the entire region.
- Increase funding for the other regional work programmes (stream rehabilitation, onsite wastewater and safe networks).

See Attachment A.

## Public Feedback

Public feedback generally supported extending and increasing the Water Quality Targeted Rate, with 45 per cent supporting both the extension and the increase, and 28 per cent supporting the extension only (a total of 73 per cent supporting at least the extension).

- the most common theme from the comments noted in feedback in support of both the extension and increase was that the funding was necessary to address environmental concerns, with many noting swimmability and ecosystem concerns
- those who supported the extension only showed a general level of support but also noted financial hardships due to COVID-19
- many of those who did not support commented that either an alternative funding source or other internal savings should be used to fund this.

Of the 691 pieces of feedback from submitters who identified as Māori, 46 per cent supported both the extension and the increase, 25 per cent supported the extension only and 16 per cent were opposed. Eleven Iwi expressed support for the proposal to extend and increase the WQTR with 8 not putting forward a view.

Of the eleven regional stakeholders who comment on this proposal ten supported both the extension and increase and 1 only the extension.

### **Summary**

Waterways in Tāmaki Makaurau have been contaminated and degraded over many years by changing land use. The Water Quality Targeted Rate (WQTR) was introduced in 2018 to fund additional investment in restoring our harbours, streams, and beaches. The issues the rate seeks to resolve are long-term and require long-term investment. The current rate expires in 2028 and will leave many existing water quality issues unresolved.

The council consulted on either extending, or extending and increasing, the WQTR for an additional three years. The increase would begin from 1 July 2021. The extension only would add \$150 million to investment in restoring water quality. The extension and increase would add \$256 million. This would ensure a more comprehensive response to water quality issues in all catchments, particularly the resolution of long-term problems in the eastern isthmus and Manukau Harbour.

## Attachment A: Options table

	Rationale	Impact on Rates	Impact on Debt	Impact on level of service
Status Quo:	<i>Status quo – maintain rates at same level</i>	None	None	None
Option One: <i>Extend the Water Quality Targeted Rate to 2031</i>	<i>Allows the Eastern Isthmus and Southern Catchments Alignment programmes to be brought forward to 2028/2029. Benefits of improved water quality in the Hobson Bay to St Heliers, Manukau Harbour and Tāmaki Estuary catchments three years earlier. Allows current regional water quality work programmes to continue beyond 2028</i>	\$149.7m in additional rates. The average residential ratepayer will continue to pay \$65.80 each year over the three-year period 2028/2029 to 2030/2031. The average business property will pay continue to \$304 each year over the same period.	This proposal will have no impact on our debt as any additional revenue is offset by additional expenditure	The Eastern Isthmus Programme Southern Catchment Alignment Programme enabled from 2028 Extend the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks).  Improved water quality in the following catchments: <ul style="list-style-type: none"> <li>• Hobson Bay to St Heliers</li> <li>• Manukau Harbour</li> <li>• Tāmaki Estuary</li> </ul>
Option Two: <i>Extend WQTR to 2031 and increase at the proposed rate of increase in the general rate of 5 per cent for 2021/2022, and 3.5 per cent each year after</i>	<i>Allows the Eastern Isthmus and Southern Catchments Alignment programmes to be brought forward to 2020/2021. Benefits of improved water quality in the Manukau Harbour and Tāmaki Estuary catchments achieved earlier. Allows current regional water quality work programmes to be increased and extended from 2021</i>	\$255.8m in additional rates. The WQTR will increase in 2021/2022 by \$3.30 (0.12 per cent on total rates) to \$69 for the average residential property. The WQTR paid by the average residential property will rise to \$94 in 2030/2031. The WQTR will increase in 2021/2022 by \$15.30 (0.09 per cent on total rates) to \$321 for the average business property. The WQTR paid by the average business property will rise to \$435 in 2030/2031.	This proposal will have no impact on our debt as any additional revenue is offset by additional expenditure	The Eastern Isthmus Programme Southern Catchment Alignment Programme from 2021; Including Mill Road, Botany Station Te Irirangi Drive Improved water quality in the following catchments: <ul style="list-style-type: none"> <li>• Hobson Bay to St Heliers</li> <li>• Manukau Harbour</li> <li>• Tāmaki Estuary</li> </ul> Increases and extends the current regional water quality work programmes (contaminant removal, stream rehabilitation, septic tank monitoring and safe networks).