

Market Announcement



6 May 2024

Local Water Done Well solution for Auckland Council

Auckland Council is working with the government on its water reform programme, Local Water Done Well, to continue delivering sustainable water services to Auckland in an affordable way.

On Sunday (5 May 2024) a solution was announced for financial independence for council-controlled organisation Watercare, through the prohibition on Auckland Council providing financial support.

The announcement was made at a joint press conference at Watercare's Central Interceptor in Māngere by Prime Minister Christopher Luxon, Local Government Minister Simeon Brown, and Auckland Mayor Wayne Brown.

The plan, which has been unanimously endorsed by Auckland Council's Governing Body, means assets and operations remain in council ownership; a more financially sustainable delivery model can be employed; and enables stronger central government oversight, economic and environmental regulation.

It is expected that once the change is fully implemented, Auckland Council will have lower borrowing requirements, as Watercare will undertake its own borrowings.

International credit ratings agency S&P Global Ratings has determined the model would mean Watercare's borrowing is separate from Auckland Council for credit rating purposes.

The proposal must be passed in legislation and is expected to be introduced later this month. All parties are committed to ensuring a smooth transition for all stakeholders through the process.

The council is due to adopt its Long-term Plan 2024-2034 by the end of June 2024 which will include updated ten-year financial projections.

ENDS

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