



The Northern Action Group

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The 3 waters proposal - stretching credibility!

Let's look at Mahuta's 30 June Press release.

1. Classic PR propaganda tactics straight out of Edward Bernays' 1920's "Propaganda" playbook:
 - a. Say something true or appealing to get people supportive and engaged (water quality is important: drinking dirty water can make you sick: some councils are not fixing water problems; improving water will cost money; some ratepayers can't afford their rates);
 - b. Pay "experts" to support your narrative (S&P, Beca, Water Industry Commission for Scotland); talk about results from "modelling" but don't provide any details that can be questioned;
 - c. Manufacture a crisis or emergency to scare people into supporting your action (build a "system in crisis" story from isolated outlier events);
 - d. Repeat bold statements (councils' ... three waters services...system ..is ...ineffective, inefficient, and not fit for purpose) and tout your proposals continually, until some people actually believe you ("the case for change is compelling").
2. There is no national crisis - its a localized problem - this is just using apocalyptic language to scare people into thinking that the only solution is for the (benevolent) Government to take it over for us.
3. There is no financing advantage to be had. This is a manufactured argument. Government sets the rules on Council funding that restrict borrowing and mean higher interest costs. (e.g. Watercare currently has to increase water charges to pay for basic capital investment). Government can easily agree to provide targeted funding (at Government funding rates) for councils' water infrastructure.
4. Look at the numbers at face value:
 - a. We are told investment of up to \$185B is needed in water infrastructure over 30 years. Either it is, or it isn't. Doesn't matter how or who delivers it.
 - b. Someone has to pay for that - there are no free water bottles.
 - c. For around 2m ratepayers, that's ~\$93,000 each, or \$3,100 p.a.
 - d. Under Mahuta's proposal costs will somehow miraculously be between \$800 and \$1640 - an average of - \$1,220. \$2,000 a year per rating unit saving.... really? Where? How? after all that unnecessary restructuring cost we are somehow only going to need \$73B water infrastructure investment? (a \$112B saving?)

T: 09 422 6347

W: www.nag.org.nz

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- e. ..and where's that saving? Ah.. but...the proposal actually CREATES up to 9,260 FTE jobs. (no prizes for guessing where those will be).
 - f. Well, we can't create jobs by destroying jobs so this has to be an additional cost -right? At an average NZ wage of \$56,000 (more for Wellington bureaucrats) that is \$519m p.a. or \$260 p.a. for each New Zealand ratepayer.
 - g. So this is looking like it will cost \$260 per head MORE than letting Councils do it themselves (plus whatever taxpayers' money the Government is planning to spend on creating this new structure)
 - h. Since there are more jobs, not less, any saving has to be in materials - so perhaps they will replace pumps with paddles, and transport water in wakas rather than pipes??
5. The governance structure is just a political construct: Does anyone seriously believe that the proposed appointed, unrepresentative bureaucracy will actually prioritise small rural projects over politically impressive iconic and big urban ones? Just look at the Auckland amalgamation experience if you think that!
6. Centralization doesn't transfer money from urban to rural areas - just the reverse. Population centres with more votes will get investment paid for by outliers.
7. However bad they are - and the larger they are the less fair and more partisan they seem to be - local councils are elected and representative - so we can hold them accountable.
8. Centralized national bureaucracies are much less so - and only indirectly through national elections every 3 years.
9. If Government really cares, there are better ways to spend taxpayers' money. It can set national water standards, require councils to deliver on them (actually improving and not reducing accountability), and have taxpayers subsidize the small and poor areas that can't afford to pay their water bills.

If you thought Mahuta's power grab was the solution to your local water problems, time to sit down and have a drink – local water of course!.

William Foster
Chair
Northern Action Group Inc.
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