

**MINUTES OF CARTERTON DISTRICT COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE CARTERTON EVENTS CENTRE, 50 HOLLOWAY ST, CARTERTON  
ON WEDNESDAY, 14 MAY 2025 AT 10:00 AM**

**PRESENT:** Mayor Ron Mark, Deputy Mayor Steve Cretney, Cr Brian Deller, Cr Robyn Cherry-Campbell, Cr Steve Laurence, Cr Grace Ayling, Cr Lou Newman, Cr Steve Gallon

**IN ATTENDANCE:** Staff  
Geoff Hamilton (Chief Executive), Karon Ashforth (Corporate Services Manager), Solitaire Robertson (Planning and Regulatory Services Manager), Glenda Seville (Community Services and Facilities Manager), Johannes Ferreira (Infrastructure Services Manager), Marcus Anselm (Communications and Engagement Manager) via videoconference, Robyn Blue (Democratic Services Officer)

Mana whenua

Joel Ngātūere, Ngāti Kahukuraāwhitia – via videoconference

**1 KARAKIA TIMATANGA**

The meeting opened with a karakia by all members.

**2 APOLOGIES**

**MOVED**

That an apology be received from Cr Dale Williams.

Cr L Newman / Cr B Deller

**CARRIED**

**3 CONFLICTS OF INTERESTS DECLARATION**

There were no conflicts of interest declared.

**4 PUBLIC FORUM**

There was no public forum.

**5 YOUTH COUNCIL VIEWS ON AGENDA ITEMS**

Nil.

**6 CONFIRMATION OF THE MINUTES**

Nil.

Speaking notes from the oral submitters are in **Appendix 1**.

1. Amber Craig – Tina te Pu – Rangitāne o Wairarapa
2. Holger Jesson
3. Erica Jar – Sustainable Wairarapa

The meeting went into recess at 10.50 am and reconvened at 11 am.

4. Michael Hewison

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The meeting adjourned at 11.20 am and reconvened, 9 am Thursday 22 May 2025.

## KARAKIA

The meeting re-opened with a karakia by all members.

## APOLOGIES

### MOVED

That apologies be received from Cr G Ayling, Cr R Cherry-Campbell and J Ngātūere.

Deputy Mayor S Cretney / Cr S Gallon

**CARRIED**

## 7 REPORTS

### 8.1 HEARING AND DELIBERATIONS – LOCAL WATER DONE WELL CONSULTATION

#### 1. PURPOSE

To provide Council with the feedback received following the public consultation on Local Water Done Well (LWDW) options and advise on the process for finalising a decision of the future delivery of Water Services for the Carterton District.

### MOVED

That the Committee:

1. **Received** the report.

Deputy Mayor S Cretney / Cr B Deller

**CARRIED**

2. **Heard** the submitters.

Deputy Mayor S Cretney / Cr L Newman

**CARRIED**

3. **Considered** each submission and other feedback received on the LWDW Consultation Document.

Cr B Deller / Cr S Gallon

**CARRIED**

**4. Approves:**

- b) delegating authority to the Chief Executive and Mayor to enter into a Commitment Agreement with the three Wairarapa Councils and Tararua District Council to progress the joint WSCCO.

Mayor R Mark / Deputy Mayor S Cretney

**CARRIED**

- c) the Chief Executive progressing a joint Wairarapa – Tararua Council Owned Organisation Water Services Delivery Plan with Masterton, Tararua and South Wairarapa District Councils, and bring this back for consideration at the 25 June 2025 council meeting.

Cr L Newman / Cr S Gallon

**CARRIED**

- d) delegating authority to the Chief Executive and the Mayor to negotiate key terms and conditions of a joint Wairarapa – Tararua Council Owned Organisation with Masterton, Tararua and South Wairarapa District Councils and bring this back for consideration at the 25 June 2025 Council meeting, noting the following items must be included:
  - (i) a prohibition on price standardisation between the current territorial authority boundaries for a period of no less than 10 years;
  - (ii) a limit of the maximum amount of debt Councils can transfer to the WSCCO based on a consistent measure (e.g. debt / revenue ratio), and
  - (iii) a limit on, or ringfencing of, each Council's capital requirements relative to that district's ability to fund capital repayments;
  - (iv) fair representation of Carterton District Council on the Shareholder Council based on the number of water user connections;
  - (v) An expectation that Ngāti Kahungunu ki Wairarapa and Rangitāne o Wairarapa are represented on the Shareholder Council.

Cr S Laurence / Cr L Newman

**CARRIED**

- e) instructing the Chief Executive to develop a standalone Water Services Delivery Plan as a back-up option.

Mayor R Mark / Cr L Newman

**CARRIED**

- f) a motion of thanks to the management team for the work undertaken to progress the LWDW proposal to this point.

Mayor R Mark / Deputy Mayor S Cretney

**CARRIED**

## Appendix 1 – Notes from the oral submitters

### 1) Amber Craig – Tina te Pū – Rangitāne o Wairarapa

Amber Craig presented and spoke on behalf of Rangitāne o Wairarapa.

Rangitāne o Wairarapa are kaitiaki for the environment, whose role is to interpret the knowledge of their ancestors. Māori fully understand the holistic nature of the environmental ecosystem. Water is a taonga in te ao Māori, and the concepts of tāpu and noa are intrinsically linked. These concepts relate to water and waste water, and how they are managed. To break tapu is a hara / violation.

CDC needs to ensure the involvement of iwi/hapū and whānau to ensure culturally-appropriate solutions for LWDW. This includes the complete removal of treated wastewater being discharges into streams and waterways.

**Rangitāne o Wairarapa supported Carterton remaining as a stand-alone water services provider.**

### 2) Holger Jesson

Holger's background is audit, assurance and risk, and that is the lens he put on the consultation document.

He said that he has two issues with the proposal:

- He challenges the assumptions
- There are significant risks that he believes are not fully understood

The assumptions in the proposal are:

- Efficiency
- Cost savings

All major projects predict efficiency and cost-savings, but the reality is that it may not happen. Health NZ and the school lunch programme are such examples.

Predicting the price for water in 20 years is impossible – we wouldn't be able to predict the price of butter in 20 years. . . Prediction of the cost of water does not predict the cost of rates.

Issues with the assumptions:

- There is misleading pricing. If the cost of water reduces, people may think that the rates may reduce.
- There is an issue of stranded overhead costs that need to be paid for (i.e. operating expenses that remain after the business unit has been fully divested), as well as the additional overhead costs in the CCO. Basically, the Council is paying twice for overhead costs.

He would rather see the money invested in infrastructure than invested in overhead costs.

Risk:

Holger went through four financial statements and compared the amount each Council is spending on water. The table below shows that CDC is spending about 30 cents in every dollar on water, while Tararua is spending about 16 cents/dollar. There may be many reasons for this. However, in terms of an Investment Plan, would the CCO invest in the district that has the best infrastructure in place, or would they try to close the gap where water hasn't had a high priority in the past? Carterton may be at a disadvantage when it comes to the CCO's investment priorities.

	Infrastructure Assets	Water Systems Assets	%
	\$000.000	\$000.000	
Carterton	238.5	70.1	29.4
Masterton	978.1	251.4	25.7
South Wairarapa	512	126.8	24.8
Tararua	1115.8	180.2	16.1

### Issues

- Cross Subsidisation – this can be avoided with a very good cost-coding system in place. But if not, then you may have to divide the maintenance cost and overhead costs by 4 and everyone pays their share.
- Shared debt is a risk that needs to be managed. For example, if there is an infrastructure project in Masterton which the CCO has to finance by taking on a loan, Carterton may be responsible for the paying the interest and principle as part of a shared debt agreement.
- Setting priorities at the CCO.
- Managing limited resources at the CCO.

### Summary

#### **Holger supports the Carterton only option.**

#### Cons

- We are gifting away \$70M of infrastructure assets
- We may be disadvantaged due to our advanced infrastructure in the Investment Plan in the next 5-10 years
- We have the risk of shared debt
- We are losing the power to make decisions for Carterton and/or set priorities for Carterton
- There is a risk of cross subsidising other regions

#### Pros:

- Hope of reduced water costs in 20 years – not rates
- There may be promised efficiencies.

### **3) Erica Jar – Sustainable Wairarapa Incorporated (SWI)**

1. For communities to actually understand the complexity of the local proposal and make an informed decision, it is important that all four councils produce one set of metrics that can be directly compared.
2. The creation of a Tararua-Wairarapa CCO will be one of the most complex LWDW operations in the country, with a mix of communities from very small, such as Castle Point and Ngāwi, through to Masterton, a town of approximately 30,000 people. The operation will also manage water for manufacturing, some primary production, and solar farms across the region.

3. Each of these many installations has operating idiosyncrasies, which will make it costly to integrate into a single entity and maintain in the future, potentially limiting the ability to reach the economies of scale required to financially benefit the water users within the proposed CCO.
4. The CCO will be funded by a low population base that is also the poorest in the Wellington region. From this perspective, are the councils confident that the financial forecasts for the proposed CCO will attract and hold onto appropriately qualified and experienced staff and fund the different and varied operations?
5. Is there enough scale to separate ourselves from Wellington in a manner that has suitable staff to manage, plan, and implement a CCO?
6. Only South Wairarapa District Council has identified the level of debt it will be transferring to the proposed Tararua-Wairarapa CCO. This raises two further questions:
  - a. How much debt will the other Councils be transferring to the new entity?
  - b. How much debt will the new entity be carrying before it even starts?
7. The New Zealand Government has stated clearly that these CCOs are its preferred model for LWDW. How is the NZ Government supporting the proposed entity to make it financially viable? Speaking plainly, what money is the NZ Government contributing to get this entity off the ground, and what conditions come with any financial support?
8. In separating water debt out from the rest of the individual Council's operations, all Councils have identified that this will allow the proposed CCO to increase their debt to 500 times their operating revenue, a level of debt that has little chance of ever being paid back, forcing the CCO's customers to servicing the interest through their water invoices. Considering again that Wairarapa has a small population with low-income residents, where is the social equity in invoicing these people for interest on corporate debt?
9. Separating water debt out from the rest of the individual Council's operations, will also reduce their debt initially, but as pointed out in the South Wairarapa District Council's consultation document, this provides the opportunity to borrow for other Council operations, ultimately keeping their debt levels the same, or even increasing them.
10. This doubling down on debt for operations will increase rates by double billing. While all four councils show on a graph that the projected rates with the CCO will be lower than maintaining the status quo, SWI is suspicious of the accuracy of the figures. The only way that ratepayers will know is when we receive our first invoice!
11. SWI is concerned that the environment has not featured in the proposals for the new structure. The LWDW operation has the potential to have a profound effect on the local and regional environment, and any new entity should be working to improve the current situation, for example, where consent extensions allow the discharge of wastewater into rivers beyond publicly and environmentally acceptable quantities. But who will be measuring environmental impact and change?
12. Where do water races fit in the new structure?
13. Where do aquifers fit into the new structure? It is deeply concerning that aquifers are being touted as 'new water' when these are water stores that should be restricted in their use.
14. Where does a potential dam/pond/reservoir for agricultural water storage fit into the new structure?
15. How will the individual Councils work with the proposed CCO? An example of this question can be found in wastewater operations. As oxidation ponds fill with sludge, whose responsibility would it be to solve that issue? The water would be the CCO's, but who owns

the sludge? And who owns the solution to the sludge (for example, a biogas fermenter such as Watercare in Auckland has)?

16. The proposal documents focus little on the makeup of the CCO board. Are the four councils willing to bring in outside expertise to develop the structure to deliver the complex operation? SWI does not support the use of consultants/contractors, as has been the practice in Wellington Water.
17. SWI desires an efficient professional water authority without the petty 'local patch' politics that have plagued the Wairarapa for decades. 'Point scoring' rather than give and take.

In summary:

**Sustainable Wairarapa Incorporated (SWI) supports a Tararua-Wairarapa CCO in principle**, but there is not enough information about the current proposal to make an informed decision for a new, highly complex entity (financially and structurally).

How can we as a community develop the trust that the CCO will deliver with too little information? If SWI and the populace of our communities knew the principles the CCO was being built on, we would be better able to support or decline specific parts of the proposal.

Our hope in supporting the principle of the CCO is that it will be less bureaucratic and more consultative.

The CCO should deliver better and cheaper water services than the current Council operations.

Moving forward:

For SWI to convert our 'in principle support' to 'confirmed support', our membership needs:

- a. A complete set of information from each authority that is directly comparable. This should include, but is not limited to, the transferable debt on water operations, leakage, and current consent information.
- b. The potential structure of the CCO from Board through to the operational level.
- c. Relatively accurate future operational costs of the CCO.
- d. A working party that represents all four councils, iwi, and environmental watchdogs, to sit down and work to understand the scale of the issue, solutions, and whether the ability to borrow 500 times the operational revenue will be sufficient to implement the solutions. If it is not, then the NZ Government should be approached to provide sufficient funding to ensure the successful transition of water services to the proposed CCO.
- e. The up-front benefits of a CCO to communities – regardless of NZ Government push for a CCO, what is the benefit that will pull a low-income region in? Borrowing and economies of scale have been mentioned, but will the service be demonstrably better than our current offering, and who will measure this proposed improvement?

#### 4) Michael Hewison

Michael is Chairman of the Waiohine River Committee. He has an engineering/ project background. and identified it is extremely important to get this change right.

#### **He identified he supported the joint Wairarapa-Tararua water services option**

##### Key points

- The change needs to be fair, measured, fit-for-purpose, cost effective and efficient, and reflective of the community
  - Costs will quickly become unmanageable with code of practice requirements and monitoring etc
  - His submission highlighted the need for a small team doing the small jobs around town, and contractors managing bigger jobs
- There needs to be a very strong process for board selection, and an ability to easily remove non-performers.
- There need to be very strong guidelines to the board to follow regarding community expectations and levels of service.
- There need to be minimum standards e.g. for water supply, leak testing, repair of mains and laterals leaks, and metering etc.
- There is a need to not only harmonise the 10 year LTP but also to harmonise/optimise the contents of each Council's 10 year LTP to ensure all functions are identified and compared, if necessary using some form of weighted averages or other mechanism – so “apples are being compared with apples”.
- He is concerned there a too many unknowns, and this change has been mandated to move too quickly.
- If Council no longer has technical expertise in house, it may not be able to know how well things are being managed.
- The change must be designed such that it can move as easily and quickly as possible to a Unitary Authority. The economics of moving to this make sense – with 40% of each Council's business being transferred to the CCO.

## 8 KARAKIA WHAKAMUTUNGA

The meeting closed with a karakia by all members.

**The meeting closed at 11.35 am**

**Minutes confirmed:** .....

**Date:** .....