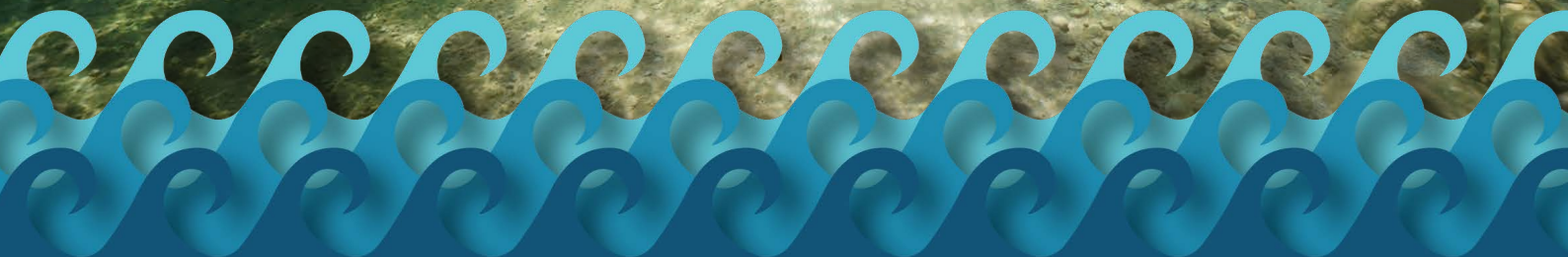




# LOCAL WATER DONE WELL IN TARARUA

Have your say before  
Tuesday 22 April 2025

**WATER YOU  
RECKON?**





# CONTENTS

4

Mayor's message

5

What is Local Water Done Well?  
Why are we diving into this?

6

What are Tararua's current water services?

8

Let's pour over the details of Tararua's water situation today

12

New delivery models for water services

14

Option 1

18

Option 2



**22**

What does this mean for your pocket?

**24**

Here are some other matters to float your way

**26**

Water reforms streaming into the future

**28**

Making water charges flow fairly in the future

**30**

Key points to consider when giving your feedback

**32**

Timeline

**33**

Have your say

**35**

Submission form







**“Te Ora o ngā mea kātoa, ko te Wai; ki te kore te Wai, kāore he painga o ngā mea kātoa”**

*Recital from the Ancient Whare Wananga 1865*

**“The life of all things is water; without water, nothing can thrive”**

**We need your feedback NOW on how to manage our water services in Tararua**

**Councils all over New Zealand are responding to new legislation and Central Government’s “Local Water Done Well” policy. This policy sets out that all councils must consult with their communities on how they will manage and deliver their water services in the future.**

The previous government first mandated the 3 Waters Reform with 4 entities across New Zealand. This approach promised better efficiency and affordability but removed our voice in the process which is why we stood against it. Having a say in what matters is important to us.

The choices we make now on our waters will not only affect our current generation but will also have lasting impacts on generations to come.

The options we are consulting on include joining a Council Controlled Organisation (CCO) “water organisation” with Wairarapa councils (South Wairarapa, Carterton, and Masterton), or continuing to operate alone.

Together, we need to consider important factors such as the financial impact on water users, and the pros and cons of collaborating with neighbouring councils.

Councils across New Zealand are facing huge challenges in providing water services. The increase in population results in more demand, more waste and higher standards. Like other councils in the country, one of our major challenges is the failure of long-life water assets – for example pipes installed in the early 1900s, some of which are clay pipes.

This is New Zealand’s first experience with water infrastructure reaching the end of its lifespan. These issues are further compounded by more extreme weather events. We now must have our eyes on the future.

We face an urgent need for new solutions to our water services challenges. However, these solutions come with a hefty price tag that we cannot bear alone. Costs are bound to rise, and our task now is to find ways to minimise these expenses while ensuring the best outcomes for our community.

Although no decision has been made yet, working with other councils could help deliver water services more efficiently and cost-effectively.

Other advantages of joining other councils include having a stronger negotiating position, having improved access to funding, and combining resources, leading to more efficient and consistent service delivery.

The final decision on forming any new water entity must be made by 30 June 2025, and the sustainable water services delivery plan must be approved by Central Government by 3 September 2025.

This decision will shape the future of water services in our district for generations to come, and now more than ever, we need you to share your thoughts, ask questions, and be part of this conversation.

Noho ora mai - All the best.

Tracey Collis - Mayor.





# What is Local Water Done Well?

The current government is rolling out new water reforms with legislation called 'Local Water Done Well'. This aims to make sure that water assets stay under council ownership either directly or indirectly, and lets each council decide the best way to provide water services to their communities.

## Why are we diving into this?

Costs have been increasing for water services in New Zealand for some time, and everyone agrees that we need to find better ways to provide safe and reliable water that is as affordable as possible.

The current situation is that for many councils, it is a huge challenge to deliver safe, resilient, and customer-responsive water services at the least cost possible.

In our district, and many other districts in the country, pipes and other water infrastructure are

This is the most significant change since the 1989 local government reforms in how we carry out services to improve our infrastructure and service delivery for water, wastewater and stormwater in New Zealand. It is an intergenerational decision that will set in motion the future of our most basic human needs: water.

aging, consents are expiring, and treatment standards are becoming stricter. In addition, more people are moving into towns, increasing the demand for water and putting more pressure on our wastewater systems.

Intense storm events are challenging our stormwater systems, while droughts require us to store more water and find alternative sources. Our aging infrastructure in the older parts of our towns is nearing the end of its functional life, with leaks and blockages causing issues.

We are asking for you to **have your say** on how your Council will manage drinking water, wastewater, and stormwater in the future.





# What are Tararua's current water services?







## Drinking water in Tararua

**Over 5,700 residential properties are serviced through the following individual water supplies:**

**8** water intakes, including **2** bores  
**7** water treatment plants  
**1** pump station and **14** reservoirs

**267kms** of water supply pipelines (that's approximately the same distance as Dannevirke to New Plymouth)

Average age of our pipelines: **50 years**  
**47kms** of laterals



## Wastewater in Tararua

**Over 5,300 customers are connected to Council's wastewater systems. Our wastewater network includes:**

**7** wastewater treatment plants  
**21** sewer pump stations

**95kms** of wastewater pipelines (that's approximately the same distance as Dannevirke to Hastings)

Average age of our pipelines: **80 years**  
**1,100** maintenance chambers



## Stormwater in Tararua

**Over 5,000 customers benefit from Council's stormwater systems**

**28kms** of stormwater pipelines  
**26kms** of open channel drains and streams

Average age of our pipelines: **37 years**  
**1,100** maintenance chambers and sumps





# Let's pour over the details of Tararua's water situation today

- There is no external funding for water services. Rates pay for all three waters - some are fixed by charges, some by water meter, and a small amount is charged to all ratepayers for wastewater in their property value rates
- 29% of all rates are for drinking water, wastewater and stormwater
- There are 63 water consents with over 4000 consent conditions
- We have a total of 6.5 kms of earthenware pipes with an average age of 89 years which should all be replaced in Year One of the Long Term Plan at a cost of \$6.7 million, but this work has been spread over six years
- At present, there is about 26% water loss over the four main towns

💧 \$259m is estimated to be required over the next twenty years to fix and maintain water services (including inflation)

💧 Operating expenses over the next 20 years for our water services are expected to be \$208m (including inflation)





In 2024/25, Tararua ratepayers connected to a Council Water Supply Scheme will pay an average of:

**\$922\***

for drinking  
water

**\$976\***

for wastewater

**\$184\***

for stormwater

That's an average of **\$2,082\*** per year!

\* These figures are GST exclusive



## **DID YOU KNOW?**

Water pipes only need to be replaced about every 80 years.

What we build in large water construction projects will last many decades. This means the investment helps our community now, and for generations to come.

**That's why this decision is so important!**








## What we propose to invest in Tararua’s water over the next 10 years

Our proposed investments in water are outlined in our 2024-2034 Long Term Plan. It shows we are proposing to spend \$135,300,201 on water services over the next decade.

As our district grows, with more people, homes, and businesses, we need to ensure we have enough water. This includes installing pipes in development areas, setting up pump stations to move drinking

and wastewater around our towns, and managing stormwater from heavy rain.

Mitigating climate change is very important. Over the next decade, we will focus more on this, including installing larger underground pipes, creating wetland environments, and maintaining our streams. We'll also work closely with developers to ensure new developments are designed to handle more intense rainfall in the future. We may also need to find new sources of drinking water.

	Infrastructure growth projects	Upgrading what we have to provide the same level of service	Renewal projects	Total
 Water supply	\$7,753,498	\$9,859,420	\$57,500,767	<b>\$75,113,685</b>
 Wastewater	\$3,972,200	\$22,100,000	\$25,943,028	<b>\$52,015,228</b>
 Stormwater	\$750,000	-	\$7,421,288	<b>\$8,171,288</b>
<b>Total</b>				<b>\$135,300,201</b>



Some examples of the big-ticket items for renewal in Tararua include:

**Water supply**

- ◆ Dannevirke impounded supply \$7,134,000
- ◆ Dannevirke water rural main line plant to Reservoir 2 \$7,821,000
- ◆ Dannevirke water rural main line Reservoir 2 to town \$7,891,000
- ◆ District network renewals \$30,164,000
- ◆ Woodville water reservoirs \$3,464,000

**Wastewater**

- ◆ District network renewals \$22,760,000

**Stormwater**

- ◆ District network renewals \$8,463,000

All these projects and costs are included in the options that we are consulting on.

**If Option 1 is chosen these would all be carried out by the Wairarapa & Tararua water organisation (CCO).**

**It would be up to the water organisation to determine the timing of the work.**

We believe these projects are necessary, and some are legally required due to new drinking water quality regulations. This means we need to add extra water treatment facilities.





# New delivery models for water services



Under the new legislation, councils can now have different setups, like owning water organisations together or with consumer trusts. There are new requirements set out to handle water services, such as:



### Minimum requirements

New legal requirements now apply to local government water services providers.



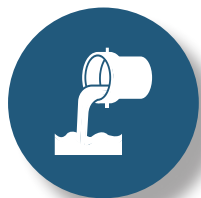
### Economic regulation

The Commerce Commission will be keeping an eye on how local water services are run with new economic rules.



### Drinking water regulation

Changes are being made to how we deal with drinking water to make it more efficient and effective. This includes how the Water Services Authority, also known as Taumata Arowai, regulates the system.



### Wastewater standards

Wastewater standards are getting an upgrade too. There will be new standards and national engineering design standards to make sure the environment is protected and that everything is designed properly.



### Urban Stormwater regulation

A new approach to Urban Stormwater Management and treatment is getting a makeover. This includes better ways to handle overland flow paths and watercourses in urban areas.



### Water services delivery plan

Local Water Done Well recognises the importance of local decision making and flexibility for the community. Each Council must create a water services delivery plan and submit it to Central Government. This plan will show how they will meet all legal requirements and standards.

### Council can either:

- 💧 Continue managing water services ourselves, “our existing” or “stand alone approach” or;
- 💧 Join with other councils to share services, or some other arrangement



# So what are the options? Let's dive into the details

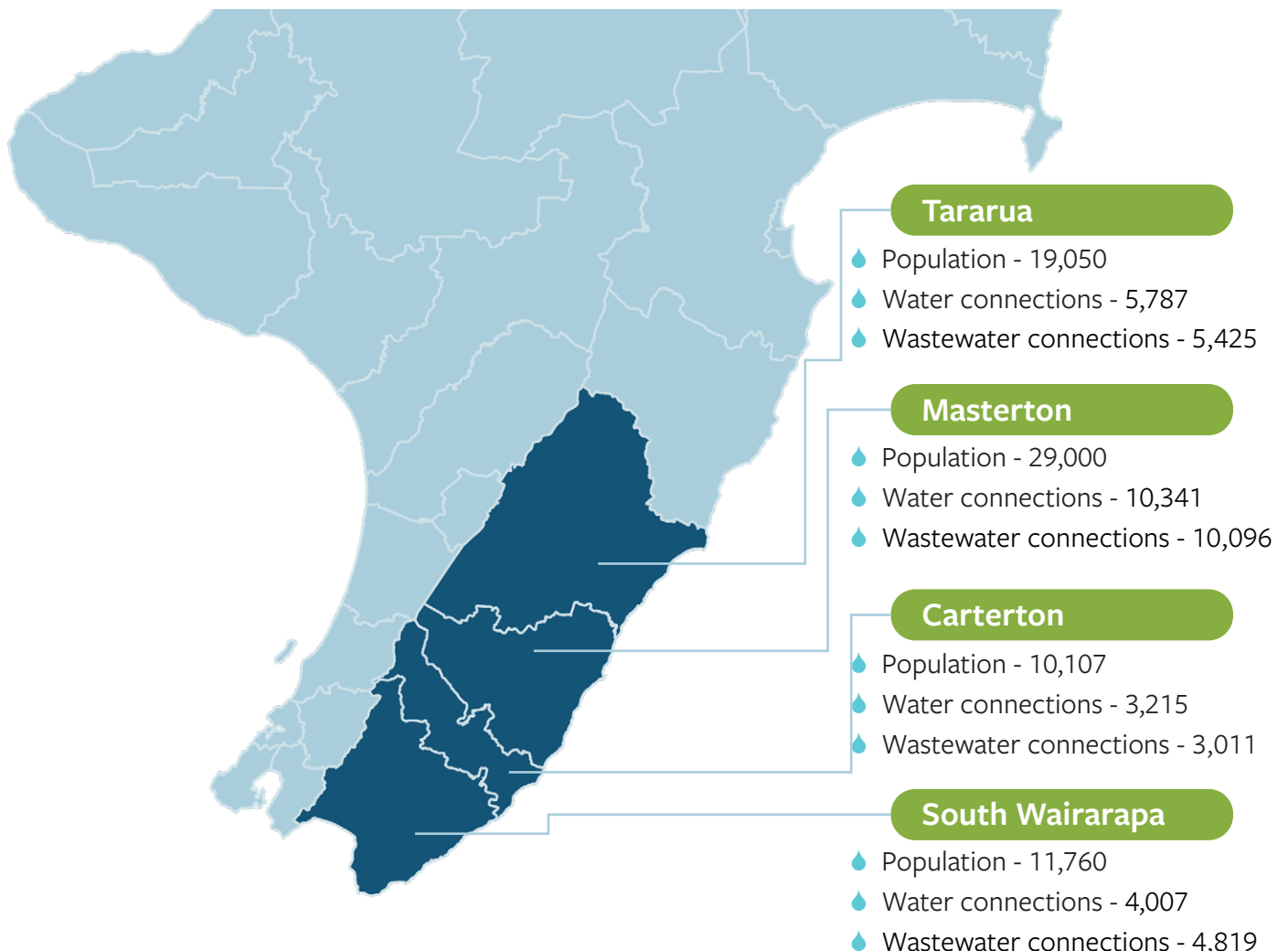
Council has considered the factors affecting water service delivery together with long-term goals for the Tararua District and its communities, and are considering the following option against our existing approach:

**Proposed  
option**

## Option 1 – Wairarapa & Tararua

### A multi-council owned water organisation (CCO)

A jointly owned water organisation by the three Wairarapa district councils (Masterton, South Wairarapa, Carterton) and Tararua District Council. These councils have similar sized communities, geography and climate, face similar challenges and share iwi cultural ties. This follows work in 2024 where models were also considered with the Manawatū-Whanganui councils, and the decision was to pursue the joint option with the Wairarapa councils. This model is considered financially sustainable as required by legislation.







**Combining Wairarapa and Tararua councils would work financially with the planned revenue, debt, and investment levels.**

Each council has different needs and costs for their services, this has been kept in mind to make sure prices reflect the actual costs for each area.

The joint plan is set to bring many benefits to the

communities of the four districts. By teaming up with other councils, water services become more affordable, with access to more funding and better borrowing power. It also sets up a more corporate structure that can plan and provide long-term investment in water services infrastructure.

**This is how it could work:**



**Ownership**

CCO jointly owned by the councils of Masterton, South Wairarapa, Carterton, and Tararua. The assets for water, wastewater and stormwater would be owned by councils by their shareholding of the water organisation.



**Governance**

Independent Board of Directors, joint Council shareholders and iwi committee (see page 24)



**Delivery**

The committee provides oversight by setting priorities and performance expectations, to represent the community and give direction to the Board. The water organisation will be responsible for the delivery of water services



**Accountability**

The Board Chair reports to the oversight committee, which in turn reports to the councils, ensuring accountability to the community through consumer protection requirements and new financial reporting



**Funding**

The CCO will be financially separate from councils. Revenue from water charges will pay for operating costs (excluding depreciation) with sufficient money to invest in future infrastructure, and pay both interest and debt



# Pros

## of the joint Wairarapa and Tararua option are:

Adopting the Wairarapa-Tararua option will be more affordable for water users in comparison to option 2 (more details on page 22).

By working together, the Wairarapa and Tararua councils can make their water services more resilient and stable.

The water services reform opens up opportunities for Council Controlled Organisations (CCOs) to access more funding and operate more efficiently.

It also allows for greater investment in water infrastructure—far beyond what councils can currently afford on their own.

This means better services and job opportunities for local businesses.

With many resource consents coming up for renewal across the Wairarapa-Tararua region, a larger entity could bring greater efficiency and cost savings.

Council will have less debt because our assets will be sold to the CCO and Council will repay existing water services debt.



# Cons

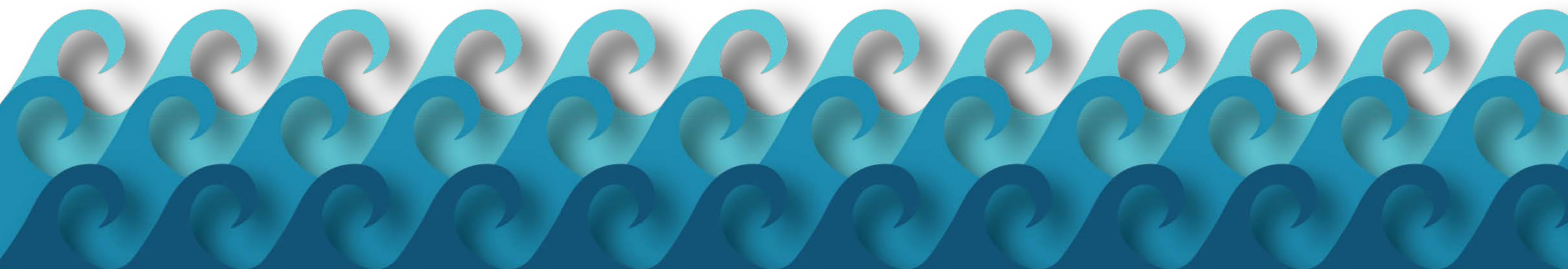
## of the joint Wairarapa and Tararua option are:

Setting up a water services company for multiple areas is going to be complex.

All borrowing needs approval, and there's some risk involved with a multi-council organisation's debt levels and the agreement on those levels when it gets started.

There's also the chance that councils might lose their in-house expertise and understanding of water services over time.

Loss of control over the direct management of water assets and how services are delivered.





## Service level implications for Option 1 - Wairarapa & Tararua

### Requirements

#### Water service

Would meet legal requirements and likely improve long-term water services by making them more efficient.

#### Impact on Council services

Money from, and delivery of water services will be separate from other Council activities.

#### Growth and development

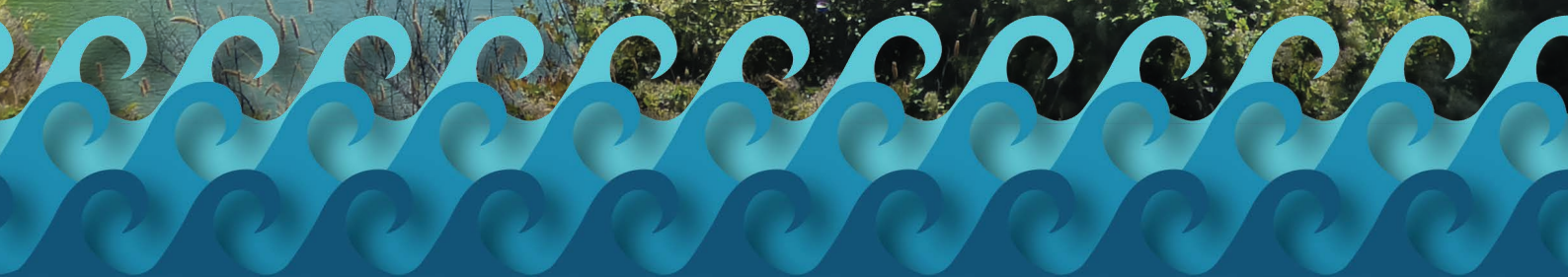
Should help better plan for and manage future growth.

#### Climate change mitigation

Being a larger organisation means better efficiency, more borrowing power, and greater ability to prepare for climate change—like improving water storage and resilience.

#### Civil defence response

Part of the Wellington (South-Wairarapa, Carterton, and Masterton) and Horizons regional emergency management systems.





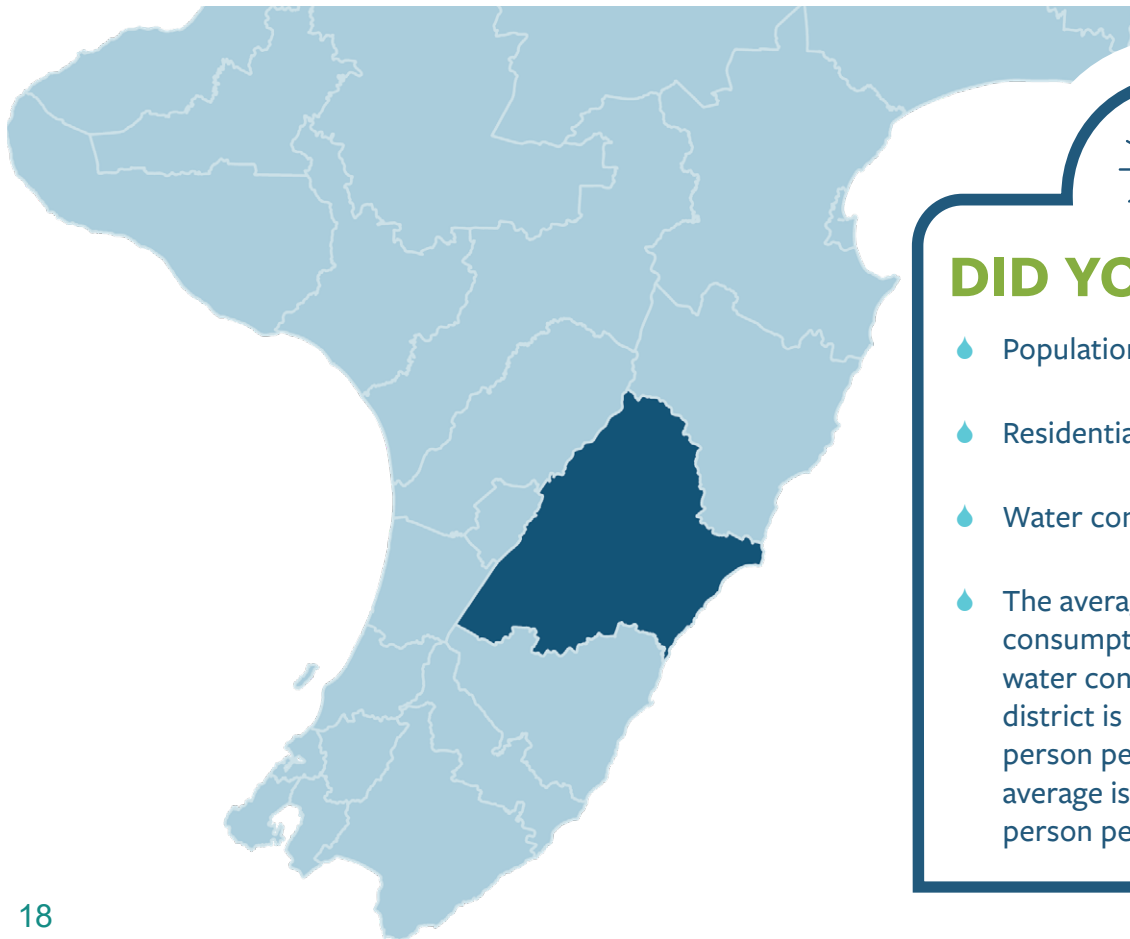


## Option 2 – stand alone

### The existing approach for delivering water services

This option would see Council continuing to manage and deliver the district's water services, but under a different set of regulations. However, for the reasons outlined on the following pages, this option is financially difficult to achieve. That is because we will need to meet new Local Water Done Well sustainability requirements. Council would have to make major changes to its water infrastructure projects and their timing to make it compliant with the new rules.

We wouldn't typically consult on an option that is difficult to meet legal requirements. However, Central Government requires all councils in New Zealand to consult on its 'existing approach'.



### DID YOU KNOW?

- Population: **19,050**
- Residential properties: **8,117**
- Water connections: **5,787**
- The average water consumption for residential water connections in our district is high at **315L** per person per day. The national average is **227-263L** per person per day



### Ownership

Council continues to own the water services assets for the Tararua District



### Governance

Council still makes decisions regarding water services, but it will be subject to new regulatory oversight and engineering standards. Council still sets priorities and performance expectations



### Delivery

Council will deliver services to the required standards and complete projects to the pricing and cost charged to users of the water services



### Accountability

Council is still accountable to ratepayers but will also be accountable to the Water Services Authority – Taumata Arowai and the Commerce Commission



### Funding

Funding will be set through Council rates, and fees and charges but must be consistent with the pricing required by the Commerce Commission to meet a set of financial sustainability measures





# Pros

## of the single Council model:

Minimal interruption to business as usual.

Direct control of work programme and an already established model.

There are existing relationships and processes in place.

Existing technical knowledge and expertise within the organisation.



# Cons

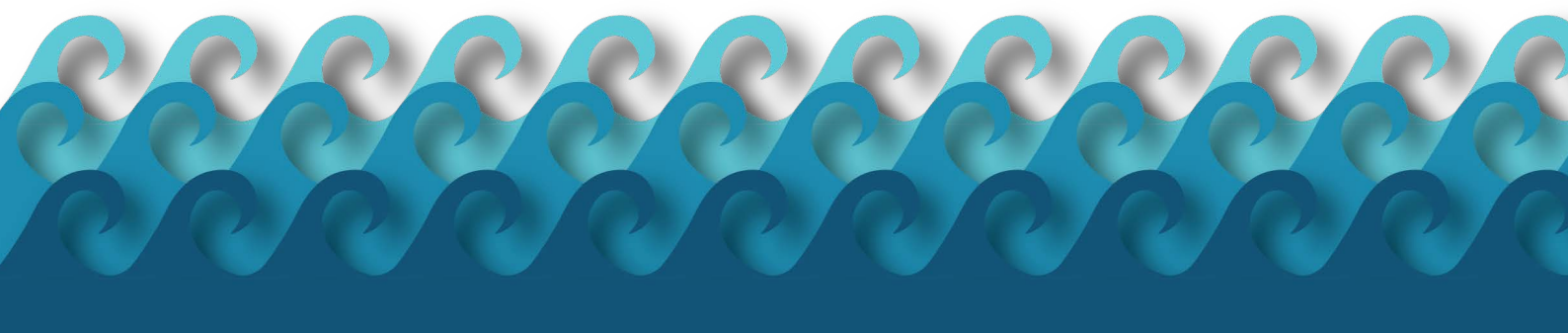
## of the single Council model:

Continuing the existing approach will result in higher water bills for water users, and concerns about affordability for the community.

This is because Council will struggle to access enough funding to meet the required level of services, manage growth, and replace aging water services assets.

This option would not meet the legal requirements. Local Water Done Well requires councils in New Zealand to prove financial sustainability for the future. This option is too costly for our council and ratepayers.

Unable to compete within the sector for expertise and contractors.





A top-down photograph of several young children in a classroom or playroom. They are gathered around a stainless steel sink filled with water. The children are wearing colorful aprons and are using various plastic containers like jugs, cups, and bowls to play with the water. Some are pouring water, while others are holding containers. The scene is bright and active, capturing a moment of hands-on learning or play.

## Service level implications for Option 2 - stand alone

### Requirements

#### Water service

### Implications

May struggle to meet basic legal standards, and inability to attract technical staff

#### Impact on Council services

Minimal impact, as water services are already separate from other council activities.

#### Growth and development

Limited funding for water services could slow growth in Taranua towns.

#### Climate change mitigation

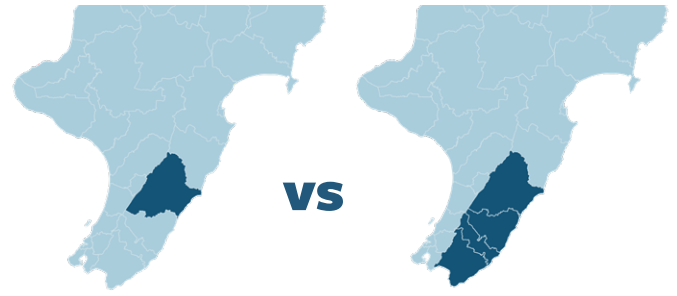
Hard to invest in due to cost pressures.

#### Civil defence response

No change; would remain part of Horizons regional emergency management system



# What does this mean for your pocket?



Indicative Average Cost Per Year, Per Household Connected to Water Supply

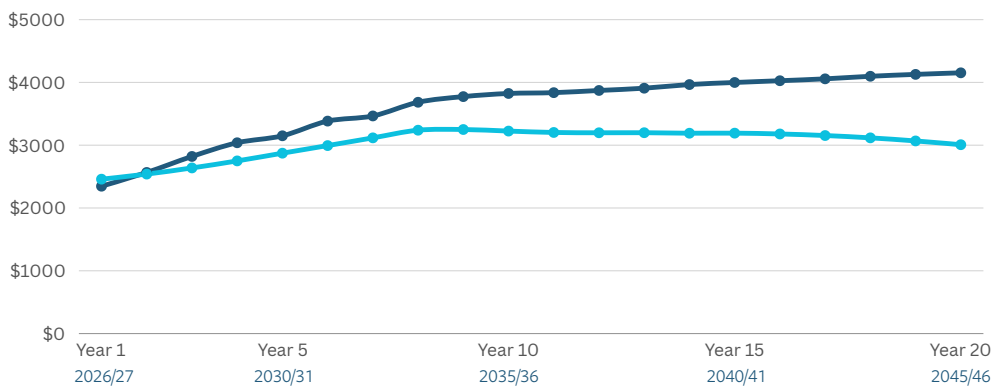
Considering that costs for water will increase, over time, adopting the joint Wairarapa-Tararua model will be **more affordable** in comparison to option 2

Over the next 20 years, our joint approach could save **an average of \$11,200\*** per water services connection

The saving will increase each year until by year 20, the saving will be **an average of \$1,118\*** (in today's dollars) per water services connection

It is a common rule that when establishing a new business, you will not get direct results. However, there will be results over time as the responsibilities transfer and a new business model is up and running. We expect that the transition will occur over a 5 year period.

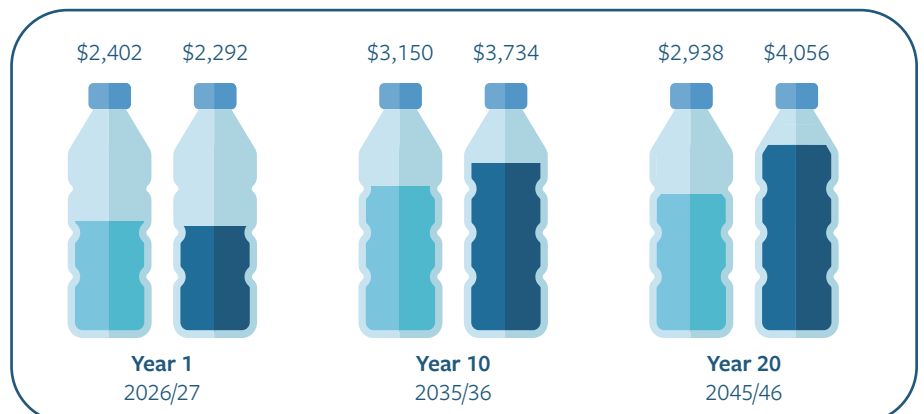
\* The numbers are indicative only. They reflect assumptions at a point in time and are provided to aid decision making. These numbers include GST but not inflation.



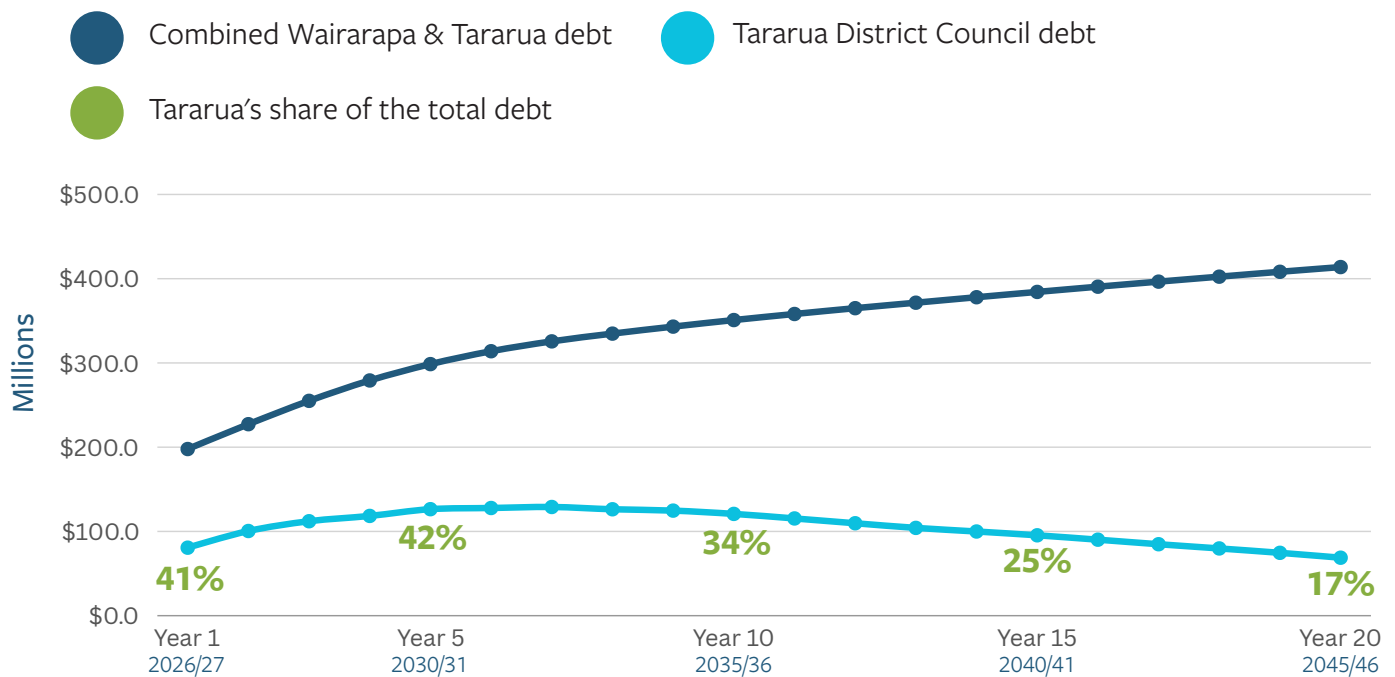
(An average connection has been calculated by dividing all costs, divided by the estimated number of connected users).

This means:

- Existing approach (Tararua stand alone) - single Council model
- Wairarapa & Tararua model



## Council debt position



If we remain as a single entity (option 2), we can't pay off our debt as quickly because we need to set aside funded depreciation for future replacements and expenditures on water assets. However, if we opt for the CCO (option 1), rather than putting savings aside for the future, we will be able to **pay off our debt faster**.

Under the joint approach we **will be able to borrow more** at a more favourable interest rate. This will be used to replace some of our infrastructure which is in critical need of replacement or renewal. With the existing approach, we will not be able to fix the pipes that have reached the end of their life cycle on time.

The joint option allows access to **additional funding** and consequently projects are more likely to proceed on time so that service levels can be maintained.

Under the new rules, council would have to seek an official credit rating, and we would expect our interest cost to increase significantly. This may not need to happen if we join with other councils.

## Investment in our water services

We've looked at how much investment is needed for water services over the next 20 years.

Continuing with our current approach (Option 2 - stand alone) may not be financially sustainable. That means we may not be able to fully fund the work needed to maintain and improve our water infrastructure. If this happens, Central Government could step in and require us to set up a new model - like a council-controlled organisation - to manage water services.

With our proposed multi-council water organisation (Option 1 - Wairarapa & Tararua), we'd be able to borrow more money and fund the full investment needed for water services.

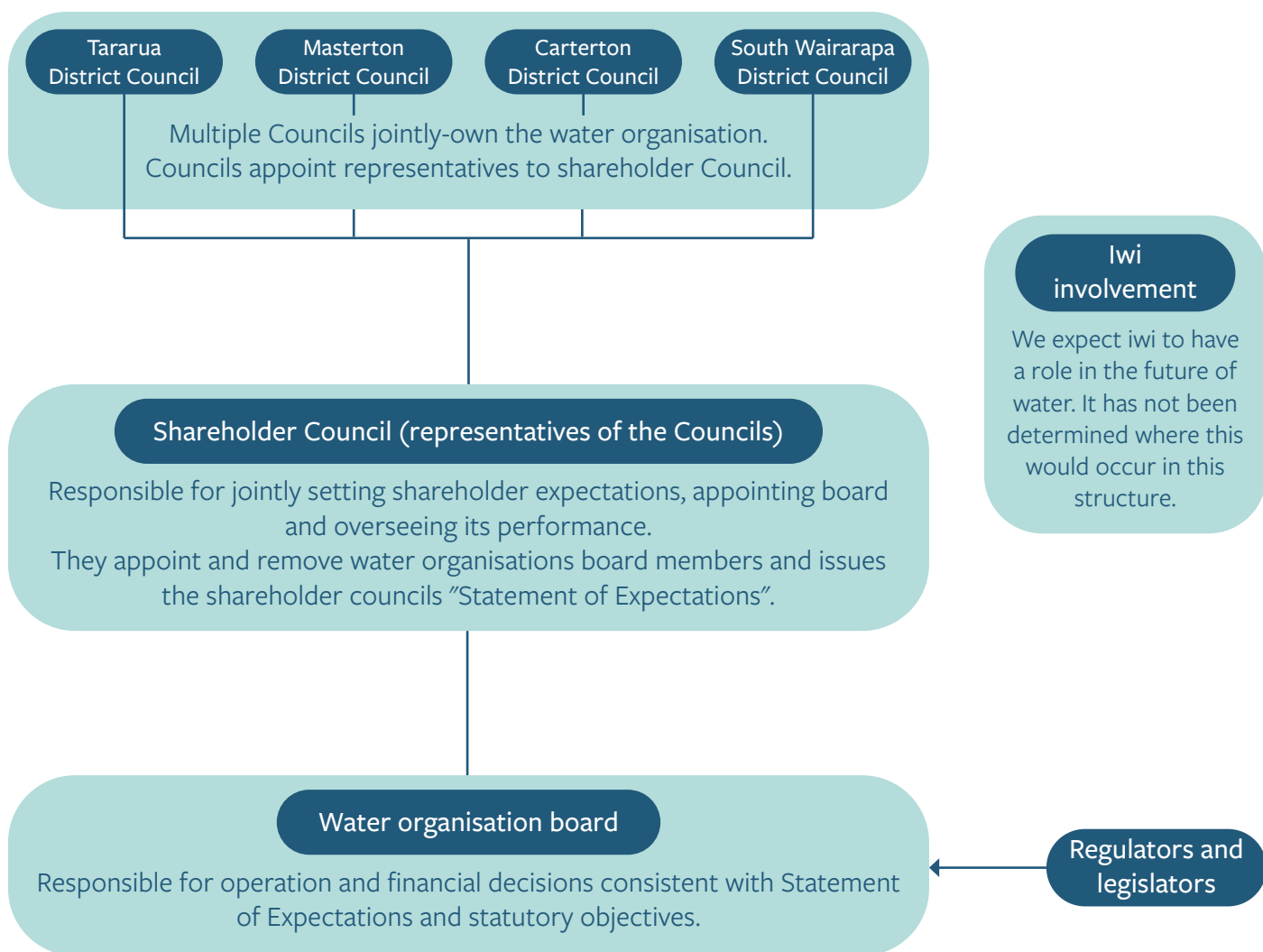
Over the next 20 years, we expect to spend \$208M on operating costs and \$259M on capital costs to keep our water services running and improve infrastructure.



# Here are some other matters to float your way

## This is how a jointly owned water organisation could be structured.

This diagram is based on a diagram from the Department of Internal Affairs. However we've added iwi to the side to recognise that we believe they should have a role.



## Pricing over time

Each council currently sets its own water charges, and a joint CCO would not have to standardise them (charging all consumers the same) across the districts. Councils would like the focus to be on improving services and reducing costs first.

Government plans to phase out property value-based water charges, so pricing will change over time, whether councils keep their system or join a CCO. However, basing the pricing on water use won't mean the same charges for everyone.

Any decision to standardise charges in the future

would be made by the CCO, with councils input. If the CCO makes the decision to bill for the cost of water services, this cost will no longer be included in your rates. Revenues from water charges will pay for operating costs (excluding depreciation) with sufficient money to invest in future infrastructure, and pay both interest and debt.

Cost estimates for the next 10 years are based on councils' Long-Term Plans, but long-term projections are less certain due to changing laws and population growth. More details are available in an independent report and FAQs on our website.

## Financial modelling fit for purpose

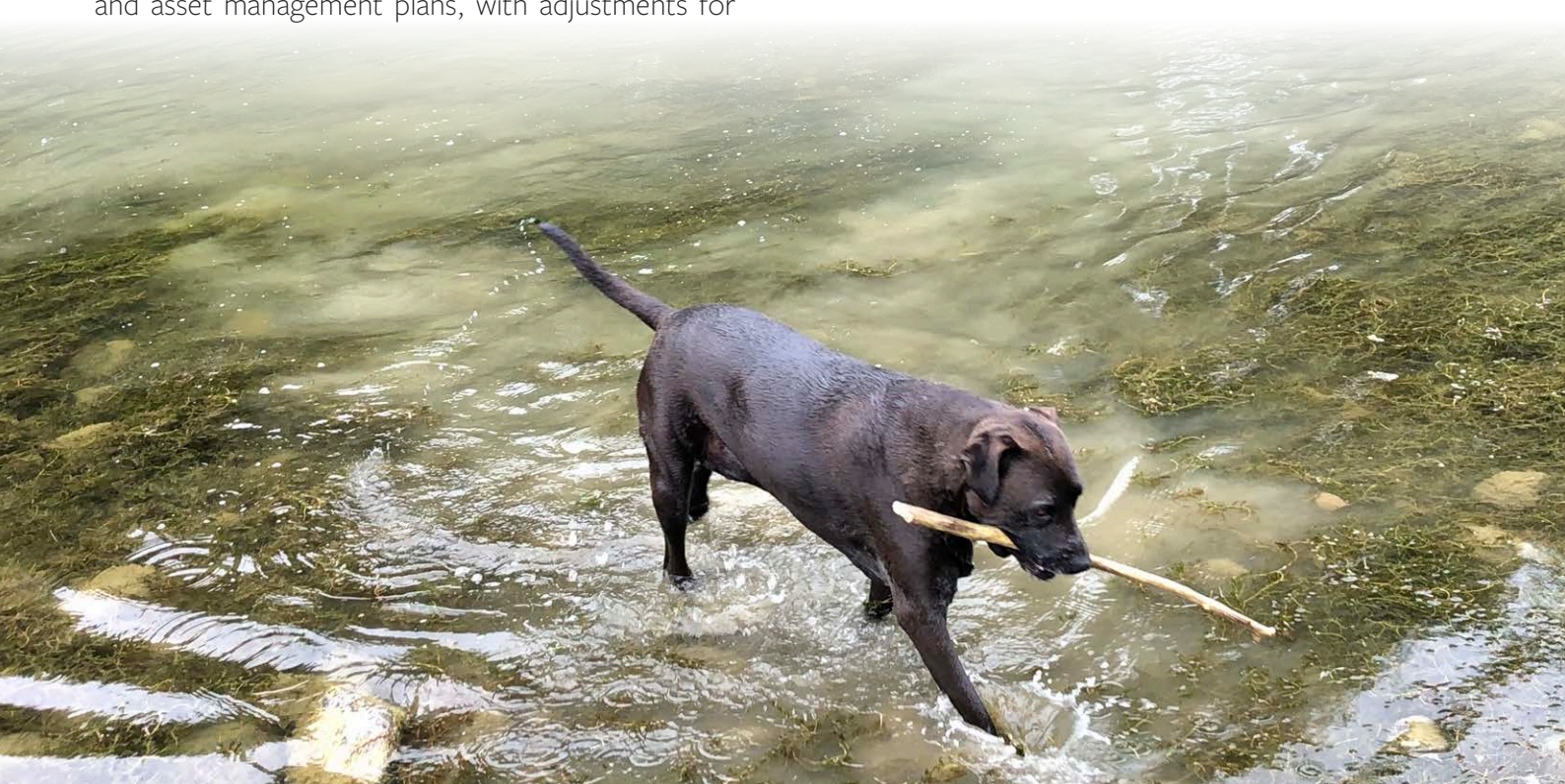
The financial modelling has been thoroughly reviewed since mid-2024. Independent consultants and the Department of Internal Affairs provided reports, which were peer-reviewed for both the Wellington Region and Manawatū-Whanganui decision points in late 2024.

The current models, based on audited long-term plans from Masterton, Carterton, and Tararua councils, have been updated into 2025. The South Wairarapa model uses a draft plan currently under consultation. All capital works follow Council Infrastructure Strategies and asset management plans, with adjustments for

Carterton District Council. Further oversight has been provided from Crown Infrastructure Partners and the Local Government Funding Agency. Both models account for new regulatory charges starting 1 July 2025.

The Wairarapa Tararua model, developed by M Townsend Consulting, remains indicative, based on multiple assumptions and the legislative basis is still under review in Parliament.

Check out our website for more information on this.





# Water reforms streaming into the future

Central Government wants councils to do a better job of reporting and managing water services. They also want water services to be separate from other council activities (this is called “ring-fencing”) and financially sustainable.

To make sure this happens, councils must submit a Water Services Delivery Plan (WSDP) by 3 September 2025. If they don't, Central Government can step in to find a solution.

Central Government prefers councils to work together in regional groups to manage water services.

A new law, called the Local Government (Water

Services Preliminary Arrangements) Act 2024, sets out how councils should consult the public about their options. The new law says that Council is required to explain the current approach and consider working with other councils, assess the pros and cons of each option, and share this information with the public before making a decision.

You and your whānau / family are being asked to choose between two possible models and what they mean for your town. To inform your choice we have explained the effects on rates, debt, levels of service and water service charges. The two proposed models will be discussed in following pages.

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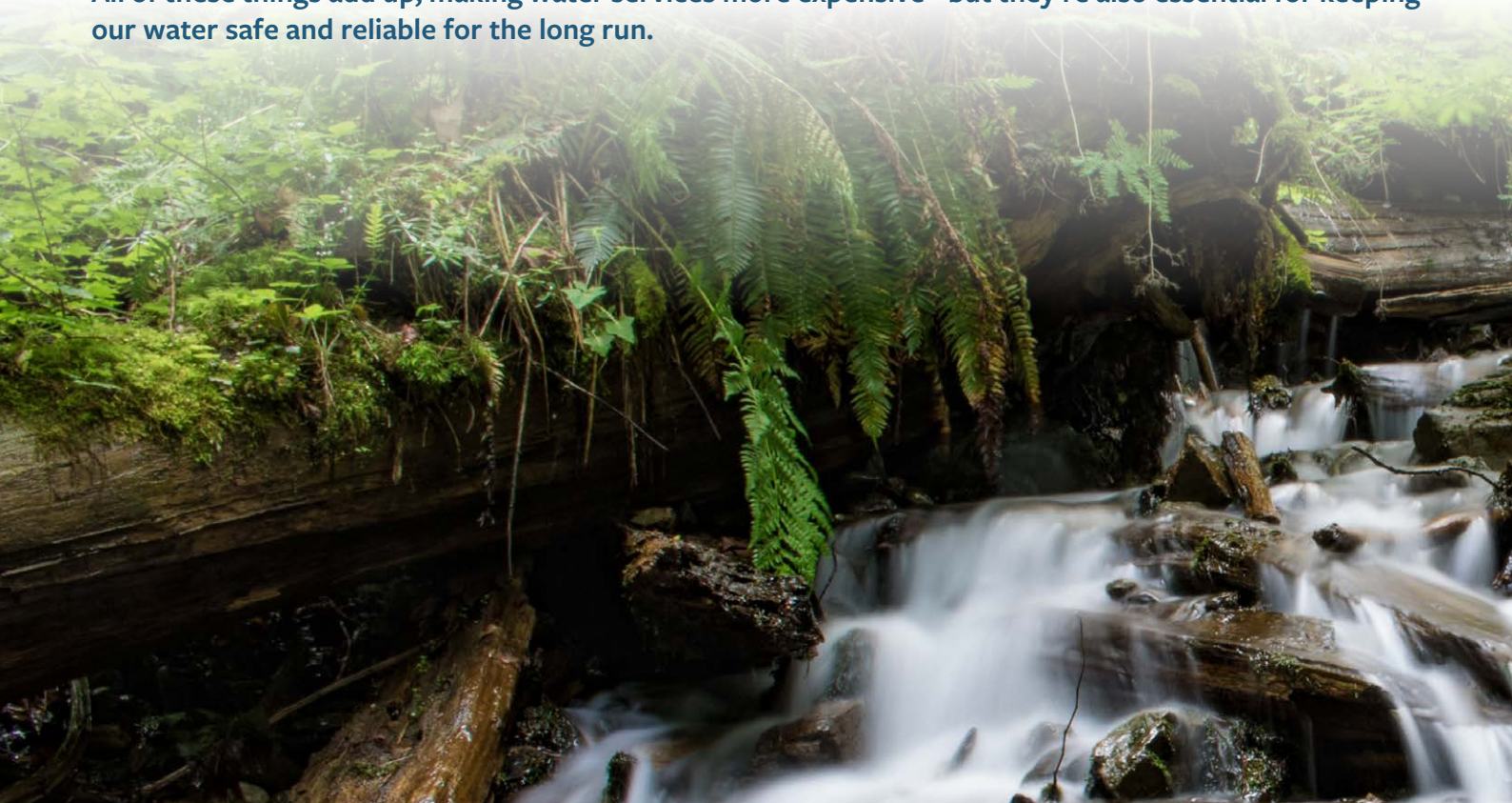
No matter which option we go with, the reality is that providing safe water is going to cost everyone more in the future. There are a few big reasons for this, like:

- 💧 meeting the new drinking water, wastewater and stormwater standards
- 💧 changes in government policy to ensure financial stability
- 💧 the need to prepare for climate change

On top of that, as our communities and industries grow;

- 💧 demand for water increases, and when this happens, wastewater increases too
- 💧 a lot of our old pipes and systems need upgrading or replacing

**All of these things add up, making water services more expensive - but they're also essential for keeping our water safe and reliable for the long run.**





## Our assumptions

Our financial estimates for the next 10 years are based on councils' Long-Term Plans and are fairly reliable. However, predictions beyond 20-30 years are less certain due to changing laws, population growth, and other factors. These estimates are high-level and based on assumptions detailed in our independent report and FAQs on our website.

This is what we have assumed in our calculations:

The new water entity will collect revenue for the four councils and manage stormwater assets under a service agreement.

The new water services organisation could start as early as 1 July 2026.

Efficiency improvements for the new CCO will begin in Year 4.

Setting up the new entity is being estimated to cost \$5 million, which will be covered by debt.

The models assume that for Option 1, established costs will be incurred to create a joint water organisation, and for Option 2, the existing approach will incur additional compliance costs that are not included in councils' LTPs.





# Making water charges flow fairly in the future

## What are water meters?

Water meters are installed on properties that are part of a Council water supply scheme, measuring the volume of water consumed. This information is used to calculate the amount a property is charged for water usage.

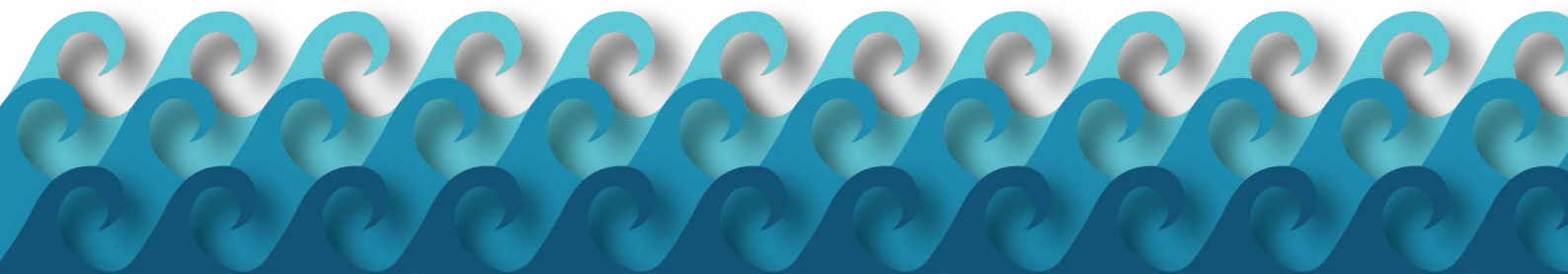
## You can't manage what you can't measure!

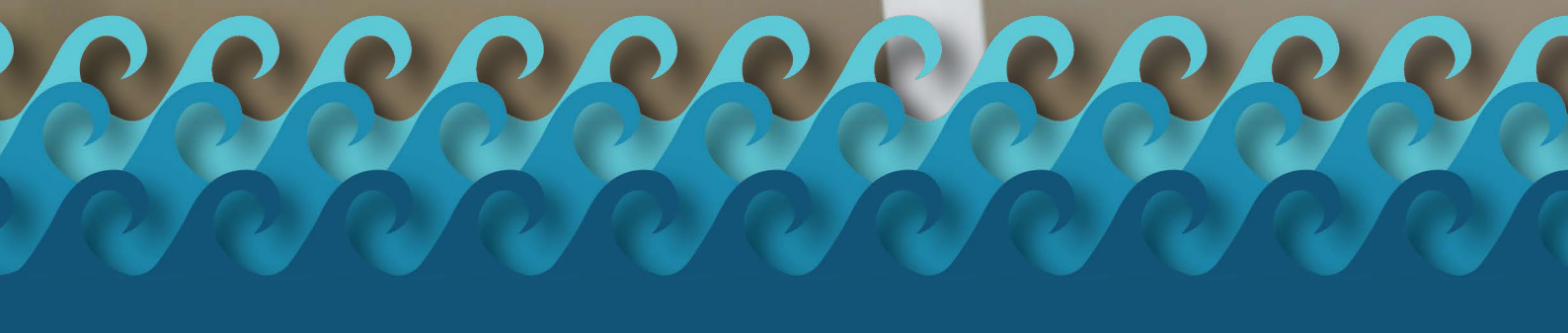
Councils across New Zealand are implementing water meters. Currently, in our district, 658 water users have meters installed. That is about 11.4% of the 5,787 water users connected to a council water supply scheme. Tararua District Council plans to introduce water meters for everybody connected to a Council water supply scheme, this a big undertaking that will be rolled out over the next five years.

Water meters help keep track of how much water is used, which encourages people to use it more wisely. Plus, it can help keep water costs fair—people who use more water pay a bit more, while those who use less can save. It's a smart way to protect our water resources for the future and make sure they're shared fairly. It also means we can spot leaks early, protect our precious water sources, and avoid costly upgrades down the line. At the end of the day, it's about making sure there's enough water to go around—now and for future generations.

As councils work together to create a water services organisation, they'll need to figure out how water is charged in a consistent way. Using water meters is a way of doing this, especially since the legislation requires that pricing reflects the cost of services while making sure everyone has fair access to water, and that all revenue is reinvested to avoid overcharging.

This means that in the future, you might receive a separate water bill, just like you do for electricity or internet, and you would contact the water organisation directly for any concerns. The key thing to remember is that this approach will ensure water is priced fairly and equitably, making sure the costs are spread in a way that benefits everyone.







# Key points

## Ownership remains local - no matter what

A key concern for many residents is whether these changes will lead to privatisation. **The law is clear: water assets must remain publicly owned.** The legislation includes several requirements to ensure water assets cannot be sold or transferred to private entities without extensive legislative and community consent.

While ownership remains with councils, the **day-to-day management of water services may change.**

## Stand alone - our programme of work still belongs to us

In our current Long Term Plan, our Council has a large work programme of water-related projects. This includes (but is not limited to) development of the district's stormwater network and reticulation, a large programme of extensions and developments to existing wastewater assets and wetlands, and extensions to the water supply networks across the district including improvements to pressure management of the Norsewood water network.

## Joint CCO

If the decision is made to form a joint Council-Controlled Organisation (CCO), the CCO will be responsible for the work programme. That includes things like upgrading pipes, clearing drains and grates etc. Central government will likely require a new water services strategy to be developed in the next few years. This may result in changes to the timing and priority of projects. However, Council shareholders will continue to have input into these decisions, and special responsibility for stormwater.

## There is flexibility to choose how stormwater services are delivered

Councils will have the flexibility to choose the delivery arrangements that best suit their circumstances going forward. This includes transferring all or some aspects of stormwater service provision to a water services organisation (i.e. the multi-council CCO) or contracting to a water organisation to provide services. Pending legislation, it is anticipated that councils will be required to prepare stormwater risk

management plans and stormwater bylaws to protect critical stormwater assets and support actions to identify how risk to the network and the community can be managed.

## More resources means more resources

Rather than each council trying to manage its water services in isolation, councils are considering the option of **collaboration through a shared service model.** This could mean forming a **Council-Controlled Organisation (CCO)** to manage water infrastructure across multiple districts. By pooling resources, councils can:

- ◆ Reduce costs through shared investment in infrastructure.
- ◆ Improve service quality and efficiency.
- ◆ Access specialist expertise and workforce capacity.

This model has already been successfully used across the country in areas like roading and waste management. The key is to **retain local input into decision-making** while ensuring services are delivered in a cost-effective and sustainable way.

## We've modelled the costs for different options

Right now, each council charges differently for water services. This could change, as Central Government plans to have the Commerce Commission oversee water pricing to make sure it's fair—balancing the need to complete projects and keep costs manageable.

Central Government is also considering removing property value rates as a way of charging for water and replacing this with the use of water meters. Studies show that people use water more carefully—and spot leaks sooner—when they're charged based on how much they actually use.

Councils in Wairarapa and Tararua are at different stages of introducing water meters. This means it will take several years before all areas switch to metered charges.

We've completed financial modelling to estimate potential costs for different options. These estimates are based on our Long-Term Plans (10-year plans), which give us a reliable idea of costs for the next decade. Predicting 20 or 30 years ahead is harder because things like laws, population, and infrastructure needs will change.

Our independent modelling report is available on our website, where you can also see the assumptions we've



made (e.g. future projects, interest rates, and expected revenue).

### We're talking in actual current costs to help make things better

In the past, Council has used **inflated numbers** to show costs. These included extra amounts for things like inflation (rising prices over time). While this helps with long-term planning, it can sometimes make things seem more expensive than they are right now.

In this consultation document, we'll be using the **actual current costs with GST included**. This means the numbers will show what you would pay today, without extra amounts added in for the future.

The average connection cost has been calculated by dividing all costs for each service of water, wastewater and stormwater by the current and then projected number of connected users for each service. This factors in existing and future levels of service and growth.

### This has the potential to result in some changes for local jobs

If a joint water organisation is created, local staff may be required to move to the new organisation, with full support during the transition. This change will also bring more investment in water projects, which means more local job opportunities.

If services remain with the council, staff will keep their roles and continue working locally. In either case, there will be new jobs created in areas like environmental monitoring, maintenance, and compliance.

### Water services need to be financially sustainable

Councils must balance the cost of maintaining and upgrading water infrastructure with affordability for ratepayers. Water services require significant ongoing investment, and councils must ensure they have a sustainable funding model in place.

Many councils will need to **reassess their water rates and billing structures**. Some may move towards **user-pays pricing**, where residents are charged based on actual water use rather than a fixed rate; this would be achieved through the use of water meters.

### There will be changes to how water is billed

One of the biggest questions residents and ratepayers have is how these changes will affect their water

**bills**. The answer depends on how each council chooses to manage its water services – and we've prepared some information to help you to understand what this could look like if a water organisation is formed and what this could look like if council decides to continue to manage water independently. See page 25.

Whatever model is chosen, councils must ensure **affordability and transparency**, with clear explanations on how water charges are structured and spent.

### We believe pricing should reflect local needs and priorities

If councils in Wairarapa and Tararua decide to work together in a shared water organisation (CCO), this doesn't mean prices will automatically be the same across all areas.

Right now, we don't want to average prices across districts for a few key reasons:

- ◆ **Different Costs for Different Areas:** Each area has its own unique costs for water services based on things like population size, infrastructure, and specific local needs. Averaging prices could mean some districts would pay more than they should, while others would pay less than they need to, making it harder for councils to fund projects effectively.
- ◆ **Local Needs and Priorities:** The needs of each district are different. We want to be able to prioritise projects that are important for each community, rather than being forced into a one-size-fits-all approach.
- ◆ **Focusing on Savings:** We want to focus on the potential cost savings from working together. By sharing resources and expertise, we can keep costs down without immediately changing the way prices are set.

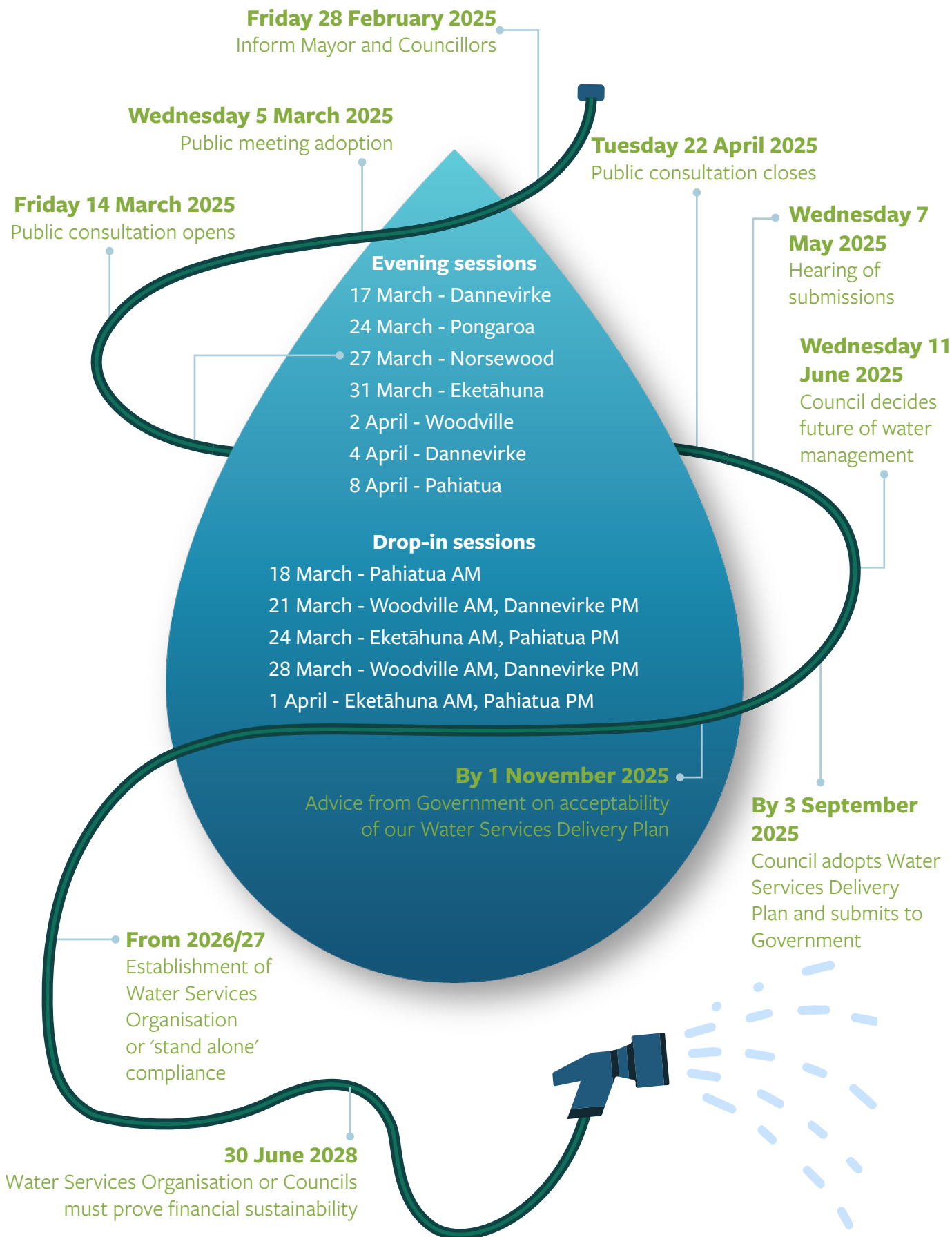
If prices do change in the future, the new joint water organisation will make the decision, with oversight from councils. The Commerce Commission will also have a role in setting the rules to ensure fairness.

A shared water organisation could decide to standardise water charges for everyone in the future—this a process called price harmonisation—but this has not (and cannot) be decided right now.

**Further detailed notes and documents can be found on the TDC website.**



# Timeline



# Have your say

You have until  
**Tuesday  
22 April**  
to have  
your say!

## Come to a drop-in session

### Evening sessions 7:00pm-8:30pm

- 17 March - Dannevirke Town Hall
- 24 March - Pongaroa War Memorial Hall
- 27 March - Norsewood War Memorial Hall
- 31 March - Eketāhuna Community Centre
- 2 April - Woodville Sports Stadium
- 4 April - Dannevirke Town Hall
- 8 April - Pahiatua Town Hall

### Drop-in sessions AM and PM

- 18 March - Pahiatua Council Chambers 8:30-11:30am
- 21 March - Woodville isite Meeting Room 9:00-11:00am
- 21 March - Dannevirke Council Chambers 1:00-4:00pm
- 24 March - Eketāhuna War Memorial Hall 9:00-11:00am
- 24 March - Pahiatua Council Chambers 1:00-4:00pm
- 28 March - Woodville isite Meeting Room 9:00-11:00am
- 28 March - Dannevirke Council Chambers 1:00-4:00pm
- 1 April - Eketāhuna War Memorial Hall 9:00-11:00am
- 1 April - Pahiatua Council Chambers 1:00-4:00pm

*For more information on drop-in sessions, keep an eye on our Facebook page or website*

## Where to find information

You can find supporting reports and existing communications by Councils on Local Water Done Well on our websites:



Tararua District Council  
[www.tararuadc.govt.nz](http://www.tararuadc.govt.nz)



Carterton District Council  
[www.cdc.govt.nz](http://www.cdc.govt.nz)



Masterton District Council  
[www.mstn.govt.nz](http://www.mstn.govt.nz)



South Wairarapa District Council  
[www.swdc.govt.nz](http://www.swdc.govt.nz)

We know you may have questions, and we're here to help answer them. We have a range of ways for you to get in touch with us, and to make your submission.



Scan the QR code to be taken to our consultations webpage

## Make a submission!

Making a submission is the most important thing you can do. It also means that if you'd like, you can choose to speak to Elected Members about your views at our hearings. Simply tick the box on the submission form to do that and we will be in touch to arrange a time.

You can make a submission in three easy ways:

1. On our website [tararuadc.govt.nz/consultation](http://tararuadc.govt.nz/consultation)
2. Fill in a hardcopy form from one of our libraries or customer service centres and drop it in a box in person
3. Fill in a hardcopy form and post it to us:  
**Local Water Done Well Consultation**  
**FreePost 69367**  
**PO Box 115**  
**Dannevirke 4942** (please note NZ Post delivery timeframes)





# Local Water Done Well in Tararua

## SUBMISSION FORM



### Privacy

All submissions are made publicly available on our website and at Council libraries. Your personal information, including your name and contact details, are confidential and will not be published. We collect your contact information so we can keep you up to date with the outcome of the proposal.

For more information, see our privacy statement on our website [www.tararua.govt.nz/privacy](http://www.tararua.govt.nz/privacy)

Read the options at [www.tararua.govt.nz/consultation](http://www.tararua.govt.nz/consultation)

Submissions close Tuesday 22 April 2025

### Personal details

Title:  Mr  Mrs  Miss  Ms

First names

Surname

Mobile phone number

Email

Age group (we're asking people's age as this is a decision that will impact our district for decades, and different age groups may have different opinions)

- 9 and under  10-19  20-29  30-39  40-49  50-59  
 60-69  70-79  80 plus

Do you live within the Tararua District boundary?  Yes  No

Does the Tararua District Council provide your drinking water and/or wastewater?  Yes  No

Would you like to come to a hearing and speak to Elected Members about your submission?

Yes  No If you ticked yes, we'll be in touch to confirm the date and time

### Let's find out what you think about the options

Which option do you prefer?

- Option 1 - a multi-council controlled water organisation (CCO)  Option 2 - stand alone, the existing approach

Please tell us more about your thoughts on these options

Hardcopy feedback forms can be filled out and sent to:  
Local Water Done Well Consultation, FreePost 69367, PO Box 115, Dannevirke 4942







06 374 4080 - 06 376 0110



[www.tararua.govt.nz](http://www.tararua.govt.nz)



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**TARARUA**  
DISTRICT COUNCIL