

23 July 2025

Hon. Simon Watts
Minister of Local Government
Via email: S.Watts@ministers.govt.nz

Tēnā koe Minister,

RE: Supporting Mayor Alex Walker's Call for Rural Water Infrastructure Support

South Wairarapa District Council strongly supports the recent call by Central Hawke's Bay Mayor Alex Walker for urgent, focused support for small and rural councils grappling with the growing scale and cost of water infrastructure reform.

As Mayor Walker has clearly articulated, many rural councils have acted in good faith and made sound, forward-thinking decisions - yet we are now being overwhelmed by compliance burdens, unfunded mandates, and the escalating financial impacts of decades of underinvestment. This is not just a local issue. It is a national one and it is being felt sharply in districts like ours.

Our Situation

There are several similarities between Central Hawke Bay and South Wairarapa. South Wairarapa is a small, rural district with just 7,500 rateable units. Despite our scale, we are responsible for operating:

- 4 wastewater treatment plants (Greytown, Martinborough, Featherston and Lake Ferry)
- 4 freshwater treatment plants (Greytown, Martinborough, Featherston and Pirinoa)
- No reticulated stormwater network
- An extensive rural road network, increasingly impacted by climate, slips, and subsidence.
- An increasing proportion of our community are, or will be, over 65 in the years to come.

On top of this, we are facing a significant forward capital works programme over the next 9 years to meet increasing regulatory and compliance obligations. Two of our wastewater treatment plants are currently operating under abatement or "please explain" notices, with no new connections permitted - despite pressing demand for housing and growth.

We are committed to doing our part. SWDC has entered a collaborative partnership with Carterton, Masterton, and Tararua District Councils to establish the Wairarapa-plus-Tararua water services model (Wai+T) - a fit-for-purpose regional solution designed to deliver greater scale, efficiency, and accountability for our communities. We support the Government's direction under Local Water Done Well, and we are leaning into the opportunity for locally led reform.

However, without government support, the cost of transition, compliance, and service delivery under this new model will simply cripple our community. Whilst we are extremely grateful for the transition funding received at the end of June, the continued financial pressures that are already being felt by our ratepayers will become untenable in the future.

We are not alone in this. Many rural and provincial councils are facing similar pressures. We are doing the right things - investing where we can, working together, planning for the future - but the scale of the challenge now far exceeds the capacity of small districts to carry alone.

We support Mayor Walker's call for:

Targeted government funded capital injections for small and rural councils to help address the backlog of investment, especially for wastewater compliance.

A nationally defined definition of what "affordable" means and how the Commerce Commission will intervene in small rural situations. Like Central Hawkes Bay, an annual charge for water services of \$6,000 or more is unsustainable for the region we call home.

Consideration of how the rebate scheme can be expanded to provide relief for those within the community who are on fixed incomes. Any new Water Services entity needs to be able to access a similar process to Councils for rate rebates.

South Wairarapa stands ready to be part of the solution. We believe the Wai+T model offers a sound approach to rural reform - but need central government to work alongside us to share the load.

We would welcome the opportunity to meet with you to further discuss the challenges and solutions ahead. Our communities cannot afford delay.

Nā māua noa, nā



Deputy Mayor Sadler-Futter

On behalf of South Wairarapa District Council

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