



**SOUTH WAIRARAPA
DISTRICT COUNCIL**

Kia Reretahi Tātau

AGENDA

Strategy Working Committee Meeting Wednesday, 5 March 2025

I hereby give notice that a Strategy Working Committee Meeting will be held on:

Date: Wednesday, 5 March 2025

Time: 10:00 am

**Location: Supper Room, Waihinga Centre, Texas Street
Martinborough**

**Janice Smith
Chief Executive Officer**

Order Of Business

| | | |
|----------|--|-----------|
| 1 | Karakia Timatanga – Opening | 4 |
| 2 | Apologies | 4 |
| 3 | Conflicts of Interest | 4 |
| 4 | Acknowledgements and Tributes..... | 4 |
| 5 | Public Participation | 4 |
| 6 | Urgent Business..... | 4 |
| 7 | Matters Arising from Previous Meetings | 4 |
| 8 | Decision Reports from Chief Executive and Staff | 5 |
| 8.1 | Adoption of Local Water Done Well Delivery Model Options Consultation Document | 5 |
| 8.2 | Adoption of 2025/34 Long Term Plan Consultation | 11 |
| 9 | Karakia Whakamutunga – Closing..... | 15 |

1 KARAKIA TIMATANGA – OPENING

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tātou i te rangi nei
Aroha atu, aroha mai
Tātou i ā tātou katoa
Hui ē! Tāiki ē!

May peace be widespread
May the seas be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

2 APOLOGIES**3 CONFLICTS OF INTEREST****4 ACKNOWLEDGEMENTS AND TRIBUTES****5 PUBLIC PARTICIPATION****6 URGENT BUSINESS****7 MATTERS ARISING FROM PREVIOUS MEETINGS**

8 DECISION REPORTS FROM CHIEF EXECUTIVE AND STAFF

8.1 ADOPTION OF LOCAL WATER DONE WELL DELIVERY MODEL OPTIONS CONSULTATION DOCUMENT

Author: Robyn Wells, Programme Manager, Local Water Done Well

Authoriser: Paul Gardner, Group Manager, Corporate Services

File Number: N/A

PURPOSE

The purpose of this report is to seek Council adoption of the Local Water Done Well Delivery Model Options consultation document.

Please note that the Draft Local Waters Done Well Delivery Model Options Consultation Document will be tabled at the meeting.

EXECUTIVE SUMMARY

Under the government's Local Water Done Well legislation, Councils have new options for delivering water services. They can choose to establish or be part of new water organisations that can be owned by councils and/or consumer trusts. They can also choose to be part of a joint arrangement or can remain with their existing water delivery model.

Under the Local Government (Water Services Preliminary Arrangements) Act (the Act), councils must submit a Water Services Delivery Plan to the Secretary for Local Government by 3 September 2025. Within the WSDP councils must identify their proposed model to deliver financially sustainable water services. They must also explain the consultation and engagement undertaken in the development of the plan and identification of the proposed model.

On 18 December 2024, South Wairarapa District Council resolved to further develop the Wairarapa + Tararua water services delivery option and to appoint two members of council to the Advisory Oversight Group (AOG) who were delegated to develop a draft consultation document for this option.

Council also noted that it was making use of the alternative decision-making and consultation arrangements provided in the Act.

Significant work and progress have been made by the project team overseen by the AOG who have now endorsed the Wairarapa + Tararua option piece of the Consultation Document.

Council staff have then supplemented the document with the SWDC existing delivery method option and recommend the LWDW Consultation Document for adoption under the legislative requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 part 3, sections 60 – 64.

RECOMMENDATIONS

Officers recommend that the Strategy Working Committee:

1. Adopt the Local Water Done Well Delivery Model Options Consultation Document.
2. Delegate authority to the Chief Executive to approve minor edits that don't change the intent of the content, prior to publication of the Local Water Done Well Delivery Model Options Consultation Document.
3. Notes that the minutes of the Advisory Oversight Groups meetings, held in public excluded sessions, will be released upon the publication of the Local Water Done Well Delivery Model Options Consultation Document.

BACKGROUND

The Water Services Preliminary Arrangements Act ("the Act") received royal assent on 2 September 2024. The Act requires all councils to prepare a Water Services Delivery Plan (WSDP) and submit the plan to the Secretary for Local Government for approval no later than 3 September 2025. Councils must also give effect to approved WSDPs.

Under the Act a key decision required of councils when preparing a WSDP is whether to continue delivering services as usual with changes to meet new legislative requirements (colloquially known as the 'status quo') or enter a joint arrangement with other councils and submit a joint WSDP. Council can also decide to change the operating model and create a stand-alone or joint Water Services Council Controlled Organisation (WSCCO), a Council Owned Organisation (COO) or other suitable model, for example shared services or a Community Trust.

In all cases the revenues, assets, expenses and debt of water services must be separated or ringfenced from all other Council services. This will mean in the future, the charges for water, wastewater and stormwater services will be funded 100% by those connected to, or able to connect to these services through the new operating model. At present SWDC's water services are funded 100% through targeted rates.

The Government introduced the third and final piece of LWDW legislation on 10 December 2024 that is currently in sub-committee. This legislation, the Local Government (Water Services) Bill, is expected to be enacted in mid-2025 and will establish the enduring settings for the new water system including the economic and regulatory oversight functions.

DISCUSSION**Consultation on the Proposed Model**

Under Part 2 Section 13 (k) of the Act, territorial authorities must prepare a water services delivery plan to include the anticipated or proposed model or arrangements for delivering water services (including whether the territorial authority is likely to enter into a joint arrangement or will continue to deliver water services in its district alone).

Contents must also include a summary of any consultation undertaken as part of developing the information included in the plan under paragraph (k).

The Act goes on to set out consultation and decision-making requirements in place of certain consultation and decision-making requirements set out in the LGA2002 that may be used establishing joining of amending a water services council-controlled organisation (or are deciding whether or not to do so).

These Alternative requirements are set out in Part 3 Sections 60 – 64.

South Wairarapa District Council have elected to use the alternative consultation and decision-making requirements in the Act.

The alternative process for decision-making requires that local councils must identify both the existing approach and the proposed option for water service delivery; may identify other options; and must assess the advantages and disadvantages of all options considered. This analysis must be made publicly available when consulting on the change proposal.

The Act provides that under the alternative consultation approach, consultation need only be carried out once before a decision is made to join a multi-council owned water organisation or another model. In providing for a streamlined consultation process, the Government expects that communities have a good understanding of the implications of the proposal.

As enacted in the legislative processes, the community is now being asked to consider the merits of two model options set by Council. A Consultation Document (Appendix 1) is being prepared to support public understanding of the options presented and to invite the public to indicate their preference.

Consultation Timeline

The Local Water Done Well consultation period will open on Friday 7 March 2025 and close on Sunday, 6 April 2025. Throughout this time, there will be several opportunities for our community to speak with elected members and council officers regarding the two options, their relative advantages and disadvantages, the expected impacts on the community and the information on rates, debt, and levels of service.

Council will hear submissions on Wednesday, 23 April 2025, and have an opportunity to deliberate on Wednesday, 8 May 2025.

A Council meeting will be held as soon as practicable and before 30 June 2025 to adopt the on Wednesday, 26 June 2024 to adopt the preferred option to be included as the proposal included in our WSDP.

OPTIONS

| Option | Advantages | Disadvantages |
|---|---|---|
| <p>1. Adopt the Local Water Done Well Consultation Document with minor amendments (Recommended)</p> | <p>Council will meet the legal obligations required under the Water Services (preliminary Arrangements) Act 2025, Sections 13 and 60 - 64</p> <p>This will enable Council to discuss the LWDW options with our community.</p> <p>This will enable an opportunity for our community to provide indicate a preference on the options after consideration of the impacts and advantages / disadvantages.</p> <p>Council will have insight into the preferences of the community before making final decisions on the proposal to include in the WSDP.</p> <p>Any further delay in adoption will impact Councils ability to meeting the submission of the WSDP by the legal deadline.</p> | <p>No disadvantages have been identified.</p> |
| <p>2. Adopt the Local Water Done Well Consultation Document with significant amendments</p> | <p>No advantages identified.</p> | <p>Any substantial or significant amendments would impact on the agreed project timelines as the budget and/or Consultation Document would need to be revised and brought back to Council for adoption.</p> |

Option 1 is recommended as it will enable Council to proceed with community consultation using the Alternative Requirements under the Local Government (Water Services Preliminary Arrangements) Act 2024.

This will allow Council to receive community feedback to select the option that will become the prosed delivery model to deliver financially sustainable water services to be included in our Water Services Delivery Plan.

It is also recommended that delegation authority be given to the Chief Executive to approve minor edits that don't change the intent of the content, prior to publication of the Local Water Done Well Delivery Options Consultation Document.

CONSIDERATIONS

Financial

Work on Local Water Done Well comprises an approved project to be funded through Better Off Funding available to council.

Climate Change

There are no positive or negative effects on climate change from this decision.

COMPLIANCE SCHEDULE

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

| Compliance requirement | Staff assessment |
|--|---|
| State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy | <p>This is a matter of high significance. Consultation will follow the alternative requirements as outlined in the Act.</p> <p>The consultation period will run for a minimum of one month. During the consultation period, all relevant documentation, including a submission form and relevant background information will be made available on our website. Physical copies will be available at Council Office and libraries in each of the three wards.</p> <p>The community can find out about the consultation through several channels. The opportunity to have a say on the water delivery options for water service delivery will be promoted by print and digital advertising and pop-up events. We will also encourage community partners, representatives, and community groups to promote the opportunity to have a say to their networks.</p> <p>A communications and engagement plan for consultation has been developed.</p> |

| | |
|--|---|
| <p>State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the Long Term Plan) that relate to this decision.</p> | <p>This consultation process regarding the selection of a proposed model to deliver water services also serves to communicate what to expect from the change process within a regulated environment.</p> <p>The new regulations require water services to be financially sustainable and "ring-fenced" from other Council activity. Financial sustainability of the chosen model must be demonstrated within the water services delivery plan (WSDP), which will be submitted to the Secretary of Local Government for consideration and approval by 3 September 2025. If councils are not able to deliver an acceptable WSDP, the Act provides powers to the Minister of Local Government to facilitate arriving at an acceptable solution.</p> <p>The Government has indicated a preference for regional solutions in achieving a sustainable water services delivery model. To make this more accessible, the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) provides an alternative consultation process to that set out in the Local Government Act 2002.</p> |
| <p>State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.</p> | <p>Iwi representatives sit on the Advisory Oversight Group (AOG) providing governance to the Wairarapa-Tararua option. They have full voting rights on the group alongside representatives from the four councils.</p> |
| <p>Chief Financial Officer review</p> | <p>The Chief Financial Officer has not reviewed this report.</p> |
| <p>State the possible implications for health and safety</p> | <p>There are no health and safety implications identified.</p> |

APPENDICES

Nil

8.2 ADOPTION OF 2025/34 LONG TERM PLAN CONSULTATION

Author: Nicki Ansell, Lead Advisor, Policy & Projects
Authoriser: Paul Gardner, Group Manager, Corporate Services
File Number: NA

PURPOSE

To adopt the 2025/34 Long Term Plan Consultation Document and supporting information and allow public consultation to open 7 March 2025.

Noted that the appendices (consultation document and supporting information) will be tabled on the day of the meeting as the audit opinion is yet to be received.

EXECUTIVE SUMMARY

- The [Local Government Act 2002](#), under section 93, requires all Council's to have a Long-term plan (LTP). The purpose of the LTP is to describe the activities of the local authority and describe the community outcomes for our region. The LTP is typically for a period of 10 years and requires the local authority to review and adopt its LTP every three years. The last LTP for South Wairarapa District Council was June 2021.
- In February 2024, the Government introduced the Water Services Acts Repeal Bill. The bill contained an additional clause to allow local government authorities to defer their 2024/34 LTPs and instead develop an Enhanced Annual Plan for 2024/25.
- South Wairarapa adopted their Enhanced Annual Plan 2024/25 on 26 June 2024 and now under section 49 of the [Water Services Acts Repeal Act 2024](#), must adopt a Long-Term Plan for the period 1 July 2025 – 30 June 2034 (nine years).
- The Consultation Document for the 2025/34 Long Term Plan is presented to this meeting for adoption

RECOMMENDATIONS

That *the Strategy Working Committee*:

1. Receives the 2025/34 Long Term Plan Consultation Document and supporting information report.
2. Adopts the supporting information to be provided alongside the Consultation Document (to be tabled):
 - Draft Infrastructure Strategy
 - Draft 2025 Significance and Engagement Policy
 - Draft Environmental Scan
 - Draft Fees and Charges for 2024/2025
 - Draft LTP 25-34 Significant Assumptions for Consultation

- Draft Revenue and Financing Policy PI-FDT-001
 - Draft Financial Contributions Policy
 - Draft LTP 25-34 Accounting Policies (Forecast Financial Statements)
 - Draft LTP 25-34 Financial Strategy for consultation
 - Draft Postponement of Rates Policies 2021 M1200
 - Draft Treasury Management Policy PI-FDT-003
 - Draft Remission and Postponement of Rates on Māori Freehold Land PI-FDT-005.
3. Adopts the 2025/34 Long Term Plan Consultation Document (to be tabled).
 4. Authorises the Chief Executive to make any minor editorial amendments to the documents.
 5. Approves the following process for consultation:
 - a) That consultation is open from 7 March through until 6 April 2025
 - b) That Oral submissions for the 2025/34 relating to the Long Term Plan consultation will be heard 16 April, with a backup day of 17 April 2025.
 - c) That deliberations for the 2025/34 Long Term Plan will take place 14 May 2025
 - d) That final adoption for the 2025/34 Long Term Plan is 25 June 2025.

BACKGROUND

The Council must prepare an LTP Consultation Document that meets legislative requirements under section 93B of the Local Government Act 2002 (LGA) and enable our community to have a say on what is important now and in the future. It is an important document that outlines our services, how we maintain our district's infrastructure, our budgets and new projects to be undertaken that make our district an even better place to live.

The LTP Consultation Document is not a draft Long Term Plan. Council is not permitted to create a draft Long Term Plan under the requirements of the Local Government Act 2002. However, it must prepare a Consultation Document that present the key decisions that the community are asked to provide feedback on. The supporting information must also be adopted and be available to explain the overall objective of the Council's proposals for the next 9 years and the effects of these on rates, debt, and levels of services. Therefore, before the Council can adopt the Consultation Document, it must first adopt the information that is relied on by the Consultation Document, and which provides the basis for the preparation of the 2025/34 LTP under section 93G of the LGA.

DISCUSSION

The activities and associated budgets proposed for the 2025/34 LTP have been developed through line-by-line reviews and workshops with the Mayor and Councillors and with guidance from officers. The Community Boards have been given the opportunity to provide input, and this is included in the Consultation Document.

Elected members have played an active role in developing the information that provides the basis for our proposed LTP. Workshops have provided members the opportunity to debate and discuss the following:

- Priorities for the next nine years in our district
- Expectations for rates increases
- Expectations for levels of dept
- Capital work programmes
- Levels of service for our community

The proposed budgets represent the best balance between financial prudence and service delivery to the community. The proposed LTP Consultation Document contains a focus on alternate ways to distribute rates, operating our water network and prioritising our roading improvements.

COMPLIANCE SCHEDULE

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

| Compliance requirement | Staff assessment |
|---|---|
| State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy | This is a matter of medium-high significance. |
| State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the Long Term Plan) that relate to this decision. | This report complies with The Local Government Act 2002 and section 49 of the Water Services Acts Repeal Act 2024. |
| State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. | Te ao Māori means long term views related nature and people and their interconnections are of significance to Māori. Work is being done with the Māori Standing Committee around engagement during the LTP consultation. |
| Chief Financial Officer review | The Chief Financial Officer has reviewed this report. |
| State the possible implications for health and safety | Although there are no direct implications, it is noted that topics related to rates can be concerning for some. |

APPENDICES

Nil

9 KARAKIA WHAKAMUTUNGA – CLOSING

Kua mutu ā mātou mahi
Mō tēnei wā
Manaakitia mai matou katoa
O mātou hoa
O mātou whānau
Aio ki te Aorangi

Our work is finished
For the moment
Blessing upon us all
Our friends
Our families
Peace to the Universe