

ORDER PAPER

ORDINARY COUNCIL MEETING

Date: Thursday, 22 May 2025
Time: 1.00pm
Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Chair: HWTM Andy Watson

Deputy Chair: Cr Dave Wilson

Membership: Cr Brian Carter
Cr Gill Duncan
Cr Richard Lambert
Cr Piki Te Ora Hiroa
Cr Coral Raukawa
Cr Jeff Wong
Cr Simon Loudon
Cr Greg Maughan
Cr Fi Dalgety
Cr Paul Sharland

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Notice is hereby given that an Ordinary Meeting of Council of the Rangitikei District Council will be held in the Council Chamber, Rangitikei District Council, 46 High Street, Marton on Thursday, 22 May 2025 at 1.00pm.

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AGENDA

1 Welcome / Prayer

2 Apologies

3 Public Forum

No Public Forum

4 Conflict of Interest Declarations

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

5 Confirmation of Order of Business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, [enter item number](#) be dealt with as a late item at this meeting.

6 Confirmation of Minutes

6.1 Confirmation of Minutes

Author: Kezia Spence, Governance Advisor

1. Reason for Report

- 1.1 The minutes from Ordinary Council Meeting held on 16 April 2025 are attached.

Attachments

1. Ordinary Council Meeting - 16 April 2025

Recommendation

That the minutes of Ordinary Council Meeting held on 16 April 2025 **[as amended/without amendment]** be taken as read and verified as an accurate and correct record of the meeting, and that the electronic signature of the Chair of this Committee be added to the official minutes document as a formal record.

MINUTES

UNCONFIRMED: ORDINARY COUNCIL MEETING

Date: Wednesday, 16 April 2025

Time: 9.30am

Venue: Council Chamber
Rangitikei District Council
46 High Street
Marton

Present

HWTM Andy Watson
Cr Dave Wilson
Cr Brian Carter
Cr Gill Duncan
Cr Richard Lambert
Cr Coral Raukawa
Cr Jeff Wong
Cr Simon Loudon
Cr Fi Dalgety
Cr Paul Sharland

In attendance

Mrs Carol Gordon, Chief Executive
Mr Arno Benadie, Deputy Chief Executive
Ms Leanne Macdonald, Group Manager – Corporate Services
Ms Katrina Gray, Group Manager – Strategy, Community and Democracy
Mr Michael Hodder, Advisor to the Chief Executive
Ms Kezia Spence, Governance Advisor

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7 Welcome / Prayer

The Mayor opened the meeting at 9.30am and Cr Wong read the council prayer.

8 Apologies

Resolved minute number **25/RDC/001**

That the apologies were received from Cr Maughan and Cr Hiroa.

Cr P Sharland/Cr R Lambert. Carried

3 Conflict of Interest Declarations

There were no conflicts of interest declared.

4 Confirmation of Order of Business

There was no change to the order of business.

5 Reports for Information

5.1 Hearing of Submissions on the Local Water Done Well - Where's Water @ Rangitikei consultation

The Mayor highlighted that the rules of 10 minutes speaking time.

Ian Rae – Submission 71

Mr Rae provided his notes as a tabled document to officers, these are included as an appendix with the minutes.

Mr Rae spoke of his experience with water CCO's and the failings of these across the country, however if a CCO were set up the importance of having experienced people involved throughout the process.

Summary of key questions from Elected Members and responses

Cr Wilson: You're highly critical of CCO's across the board because you mention different CCO's not just about water, is there a fundamental failing of CCO's? A fundamental issue with them?

Answer: Articles of the incorporations for each case are important, for example Watercare's first priority for Auckland Council was to return a profit, and this became a focus for them. Having a controlling interest is also important, even though Auckland Council is a major shareholder for Watercare they clearly do not have any influence, and this is a worry. The article of the incorporation should be structured for shareholders such as a council to have a say. Even more important for this

council is the impending electoral commission boundaries which is important to keep it tight as you can as part of a CCO.

Cr Duncan: You refer that the Wellington Model is seen as something working, how is that different?

Answer: This is set up as a regional council, it stands as a similar set up as a hospital board and members are elected the same way as councillors, this also comes down to expertise the CCO being set up get the skills on board. Making the comparison of Watercare which did nothing in terms of future proofing, Wellington Water in 20-year period-built reservoirs in Kapiti, created additional waster storage and two new treatment plants sourcing the Hutt River they are far a part in terms of performance.

Mayor: The makeup of the governance board, in current legislation, gives little description who has authority of strategy and pricing, any advice there?

Answer: No, but a matter of setting the CCO up for Council to be a major shareholder and being able to call the shots is important and this is where Auckland has failed. It all comes back to the articles of incorporation.

Cr Wilson: Confirming that in your submission the CCO as a body you are not opposed to, but how it is structured and the importance for ratepayers and council to have a voice within this?

Answer: If set up properly then there should not be a problem but as of recent times, no one has been able to work it properly. This is a fallback option; first preference is that council keeps it under its own control.

Resolved minute number 25/RDC/002

That the report Hearing of Submissions on the Local Water Done Well - Where's Water @ Rangitikei consultation be received.

Cr G Duncan/Cr C Raukawa. Carried

The meeting closed at 9.44am.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 22 May 2025.

.....
Chairperson

Appendix – notes from Submitter 7

GOOD MORNING

FOR THOSE WHO DO NOT KNOW ME

I WAS BORN AND GREW UP IN TAIHAPE, BUT INITIALLY LEFT IN MY LATE TEENS TO STUDY CIVIL ENGINEERING AND HAVE BEEN IN CONSTRUCTION ALL MY WORKING LIFE

MY JOURNEY HAS SEEN ME INVOLVED IN THE TREATMENT AND STORAGE OF POTABLE WATER IN VARIOUS PARTS OF NZ AND MANAGING A NUMBER OF PROJECTS IN WASTEWATER, RANGING FROM PUTTING OTAKI ON TO SEWER IN THE 70'S TO EXTENSIONS TO AUCKLAND'S PURIFICATION WORKS, A NEW TREATMENT PLANT IN TE AROHA, AND MOST RECENTLY UPGRADING WAIOURU'S WASTEWATER PLANT

HOWEVER, I ALSO SPENT SEVEN YEARS IN A SENIOR ROLE WITH AUCKLAND CITY COUNCIL WHERE I BECAME FAMILIAR WITH THE CREATION OF CCO'S WHEN THE SUPER CITY WAS FORMED

SO MY MISSION HERE TODAY IS TO TRY AND CONVINCE YOU NOT TO RUN WITH THE CCO OPTION RECOMMENDED BY YOUR STAFF, TO SOLVE THE 3 WATER ISSUE BEFORE US

I REALISE THAT YOU HAVE MADE YOUR DECISION BASED ON THE INFORMATION GIVEN TO YOU, BUT I DO NOT BELIEVE THAT FORMING A CCO IS THE BEST OPTION FOR YOU OR THE RATEPAYERS

COUNCIL CCO'S DO NOT HAVE A GREAT RECORD IN RECENT TIMES, IN FACT I HAVE

ONLY FOUND ONE SUCCESS STORY AND THAT WAS QUAYSIDE HOLDINGS, A COMMERCIAL ARRANGEMENT BETWEEN Bay Of Plenty DIST COUNCIL AND PORTS OF TAURANGA

HOWEVER, IN THE SAME AREA WE HAD ROTORUA LAKES COUNCIL SET UP A CCO CALLED INFRACORE, IN 2015. TO DELVER MAINTENANCE OF UTIITIES IN THE REGION.

HOWEVER, IT DID NOT WORK AND ITS FUNCTIONS HAVE RECENTLY BEEN MIGRATED BACK TO COUNCIL

LIKewise, WHEN THE SUPER CITY WAS FORMED IN AUCKLAND MOST OF THE OPERATIONAL FUNCTIONS WERE SET UP AS CCO'S

UNFORTUNATELY, THE FIRST TO FAIL BEING PANAKU HOLDINGS, THE COUNCIL PROPERTY ARM, WHICH IS IN THE PROCESS OF BEING MOVED BACK INTO AUCKLAND COUNCIL,

AND MOST OF YOU WILL BE AWARE OF THE MEDIA PUBLICITY ON AUCKLAND TRANSPORT'S POSITION.

AND LASTLY, I REFER YOU TO WATERCARE – SET UP MANAGE AUCKLAND'S WATER –

THIS HAS TURNED INTO A MONSTER WHICH AUCKLAND COUNCIL HAVE LITTLE CONTROL OVER – THEY PAY THE TOP SALARIES, CHARGE LIKE WOUNDED BULLS –

AS AN EXAMPLE, THEIR FEE TO CONNECT TO ANY NEW DWELLING COSTS SOMETHING LIKE \$20,000,

YET IN THE LAST 50 YEARS WHILE AUCLAND'S POPULATION HAS DOUBLED BUT THEY HAVE NOT MADE ANY INCREASE WHAT-SO-EVER IN WATER STORAGE

I WOULD LIKE FINISH BY

MAKING YOU AWARE OF CHRISTCHURCH CITY COUNCIL'S POSITION

WHEN THEY DID THE SAME DUE DILIGENCE, BUT A COMPLETELY DIFFERENT ANSWER

AND IF I CAN QUOTE THEIR SUMMARY

“A COUNCIL CONTROLLED ORGANISATION IS NOT ONLY DISTANCED FROM US BUT IS VERY EXPENSIVE TO SET UP AND PROBABLY VERY EXPENSIVE TO RUN.

YOU CAN BORROW MORE BUT YOU STILL HAVE TO PAY

IF I HAVE NOT BEEN ABLE TO CONVINCE YOU, AND YOU DO PROGRESS, WITH THE CCO OPTION, MY ONLY REQUEST IS THAT YOU ENGAGE EXPERIENCED LEGAL COUNSEL TO PUT TOGETHER THE ARTICLES OF INCORPORATION.

THERE IS A LADY LOCALLY WHO WAS A PARTNER IN KENSINGTON SWAN IN AUCKLAND OR I AM HAPPY TO RECOMMEND SIMPSON & CO, IN AUCKLAND, WHO ACTED FOR AUCKLAND COUNCIL,

SO, THEY WILL KNOW WHAT WORKS AND WHAT DOESN'T

7 Reports for Decision

7.1 Local Water Done Well: Deliberations on submissions to the Council's consultation document on its proposed model for delivering water services

Author: Arno Benadie, Deputy Chief Executive

Authoriser: Carol Gordon, Chief Executive

INTRODUCTORY COMMENTS FROM HIS WORKSHIP THE MAYOR, ANDY WATSON

1. Since the consultation paper was put out we have been made aware of a number of directions from the Department of Internal Affairs/Government and a greater understanding of Local Water Done Well (LWDW), its principles and how it will be enacted. This addition to the report also serves as an apology to the consultation process that we were not aware of these things at the time of going to print but think that it is essential for Councillors to bear these things in mind when making a determination.
2. Under Regional CCO, efficiency gains for regional entities have been assessed at lying somewhere between 10 and 30% gains. The legislation requires -
 - a) If a council decides to go it alone it still has to ringfence the costs and setup costs for LWDW including loan functions from all other council functions.
 - b) The liability for LWDW moves directly to Councillors (this is a public liability for LWDW). In a regional CCO this liability is passed to the directors of the CCO.
 - c) If going it alone, the ringfenced "unit" of Council will still be under the direction/regulation of the regulator. This comes at a cost and impact.
 - d) That price harmonisation is unlikely to exist at least initially with any type of regional CCO (at least in the formative years) and could be a long-term aim of an entity but not under legislative direction. Pricing discussions, growth strategy etc would be part of the discussions between the formative governance board and the entity directors.
 - e) If going it alone, Council will not have the advantage of Local Government Funding Agency (LGFA) extended funding/preferential interest rates. This facilitates finance over a much longer timeframe and gives –
 - i. A rate decrease to offset the excess of setup costs of the entity
 - ii. Provides for a generational effect.
 - f) That price harmonisation is unlikely to exist at least initially with any type of regional CCO (at least in the formative years) and could be a long-term aim of an entity but not under legislative direction. Pricing discussions, growth strategy etc would be part of the discussions between the formative governance board and the entity directors
3. Harmonisation of price, iwi involvement and governance shareholding agreements will be a discussion over the next two years and probably should be separated from this deliberation.
4. Whichever decisions council makes, there will be a necessity to make LTP amendments, which could cover –
 - i. Relationships to include the entity direction,
 - ii. Rating considerations,
 - iii. Stormwater,
 - iv. Rural Water Schemes.

5. That at the time of consultation on entities, or going it alone considerations, the possibility of a wider entity including Palmerston North and Horowhenua was seen as not being a possibility to these other councils. That position has changed with Palmerston North and Horowhenua both interested in a wider discussion/consideration.

1. Reason for Report

- 1.1 The purpose of this report is to enable Rangitikei District Council (Council) to decide on which water services delivery model to adopt. An implementation plan for the adopted water services delivery plan must be included in the water services delivery plan due with the Secretary for Local Government no later than 3 September 2025.
- 1.2 The report provides information on submissions made to the Consultation Document on the proposed water services delivery model and other community engagement during the consultation period. It addresses issues raised during this process.
- 1.3 Because the water services delivery model proposed in the Consultation Document is a Water Services Council Controlled Organisation (WS-CCO) with Ruapehu and Whanganui District Councils, decisions from those two councils are necessary to ratify any decision by Rangitikei District Council to adopt that model.
- 1.4 Irrespective of the water services delivery model adopted, Council's decisions are needed on the future management of stormwater and the 'mixed-use' rural water supplies, as these are elements in the water services delivery plan.
- 1.5 In addition, Council will want to be aware of any progress in discussions with iwi and hapū across the three councils about giving effect to the Local Water Done Well programme.
- 1.6 Additionally, there will remain some uncertainty until the Local Government (Water Services) Bill is enacted, pending the Government's decisions on amendments recommended in the report back from Parliament's Finance and Expenditure Committee (mid-June), and second and third readings of the Bill. Council is a submitter in that process (discussed further below).

2. Context

- 2.1 At its meeting on 12 December 2024, Rangitikei District Council resolved:
(24/RDC/363) That Council confirms that it favours establishing a Council Controlled Organisation (CCO) to deliver all three water services (drinking water, wastewater, stormwater), transferring the relevant assets to the CCO.
(24/RDC/365) That Council confirms that its first preference is to establish a sub-regional water services Council Controlled Organisation with Whanganui and Ruapehu District Councils, subject to confirmation from those two councils.

AND

That Council confirms that its second preference is to establish a joint water services Council Controlled Organisation with as many other councils as possible within the Manawatū-Whanganui region, subject to confirmation from those other councils.

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(24/RDC/366) That in addition to the prescribed consultation on Council's preferred water services delivery model ('the proposed model') and the prescribed identification of the advantages and disadvantages of the enhanced status quo (i.e. standalone business unit), Council will not include information about any other options which it has considered.

(24/RDC/367) That Council acknowledges the interest from iwi in the Council's delivery of three waters services and confirms it will involve iwi in progressing its preferred water services delivery model.

(24/RDEC/368) That Council acknowledges the current uncertainty about the requirements for rural water supply schemes in the Local Water Done Well reform programme and confirms it will engage with scheme members following the introduction of the further Local Government Water Services Bill (expected December 2024) so that their concerns are included in the Council's submission to Parliament on that Bill.

- 2.2 The Local Government (Water Services) Bill was introduced into Parliament on 17 December 2024 and referred to the Finance and Expenditure Committee, which invited submissions by 23 February 2025. (The Committee's report to Parliament is due on 17 June 2025.)
- 2.3 On 16 January 2025 representatives from Taumata Arowai – the Water Services Regulator met with the chairs of the three 'mixed-use' rural water supplies and elected members. This was an opportunity for the scheme chairs to gain a better understanding of the intentions of Taumata Arowai and the potential implications of the Local Government (Water Services) Bill.
- 2.4 On 21 February 2025, Council uploaded its submission to Parliament on the Local Government (Water Services) Bill. Key themes of the Council submission are:

Mixed-use rural water supply schemes:

Allowing the requirements for a water strategy and drinking-water catchment plan to be produced within Council's Long-Term Plan (LTP) if Council decided not to transfer the schemes to a WS-CCO;

Making explicit that owners of land through which there is reticulation for such a scheme must ensure maintenance of access tracks, irrespective of what the land is being used for.

Shareholders' powers:

Ensuring a better balance between the independence of the WS-CCO board and the ability of shareholders to influence key decisions being made by the board.

Stormwater:

Removing the prohibition on transferring transport stormwater infrastructure to a WS-CCO.

Relationship with Māori:

Adding more references to Māori interests and concerns to strengthen the relationships and partnerships which councils have with Māori, for example that skills, knowledge and experience of the WS-CCO directors includes knowledge of tikanga Māori, te ao Māori and te Tiriti.

Public accessibility of decision-making

Requiring meetings of committees and subcommittees of the WS-CCO board to be subject to LGOIMA in the same as a meeting of the board.

Relationship with Local Government (Water Services Preliminary Arrangements) Act

Reversing the precedence given to the change proposals in the Bill over the alternative requirements in the Act when a council has commenced consultation under those alternative arrangements before the Bill comes into effect.

- 2.5 At its meeting on 26 February 2025, Council resolved (25/RDC/013) to adopt the Local Water Done Well Consultation Document (subject to minor editorial changes) for public consultation and the final approval by His Worship the Mayor.
- 2.6 Consultation opened on 5 March 2025 and closed on 2 April 2025. The Consultation Document 'Where's Water @ Rangitikei?' is attached as Attachment 1. It sought views on three models:
 - Model 1 (Council's preferred option): A WS-CCO with Rangitikei District Council, Whanganui District Council, Ruapehu District Council;
 - Model 2: Maintain the current water services delivery model – in-house management (the 'enhanced status quo');
 - Model 3: A WS-CCO with as many councils in the Manawatū-Whanganui region as possible (noting that other councils in the region have chosen different models as their preferred model).
- 2.7 Community meetings were held in Bulls, Taihape and Marton and responses made to comments and queries posted on Council's Facebook page.
- 2.8 Ruapehu and Whanganui District Councils both resolved that their preferred water service delivery model was the WS CCO: Ruapehu's consultation ran from 10 March 2025 to 11 April 2024, Whanganui's from 17 March to 14 April 2025.
- 2.9 Since March 2025, the three councils have been preparing a draft Collaboration Agreement, based on the template provided by the Department of Internal Affairs. This sets out how the three councils will work together to develop and establish the WS-CCO, including the key activities and programme, allocation of roles and sharing of resources, accountability measures and the governance structure during the period leading up to the establishment of the WS-CCO. Whanganui is the project lead. Independent legal advice was sought prior to the agreements being signed by the three Chief Executives, under delegated authority.

3. High-level analysis of submissions received

- 3.1 90 submissions were received to the 'Where's Water @ Rangitikei?' Consultation Document. They are in Attachment 2. One submitter asked to speak with Council: the hearing was held in the Marton Council Chamber on 16 April 2025.
- 3.2 The breakdown of locations provided by submitters is as follows:

Marton	56	66.7% (of the 84 submitters providing addresses)
Bulls	17	20.2%
Hunternville	8	9.5%

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Taihape	3	3.6%
Not stated	6	::

- 3.3 The Consultation Document invited submitters to rate their level of support for each of the three models, using a score from between 1 and 10, on the basis that 1 meant no support' 10 meant 'full support', asking what were the key factors influencing their rating of each of the three models and whether there was another model which they would like the Council to consider. 86 of the 90 submitters provided scores.
- 3.4 The following table totals the scores for each option and calculates a mean. It also shows the number of submitters who fully supported a model (i.e. scored 10) and those who did not support a model at all (i.e. scored 1).

Scoring of models			
	1	2	3
	535	422	332
Mean score	6.22	4.91	3.86
Scoring '10'	26	23	12
Scoring '1'	19	28	38

- 3.5 While this table shows stronger support for Council's proposed model (Model 1) than the other two models, and with a significantly lower number of submitters totally opposed, there is some support for the in-house model (Model 2), although there was a greater number of submitters who were totally opposed. The least popular – and the one most obviously not supported is the 'as many councils as possible in the Horizons region (Model 3).
- 3.6 The following table breaks down this analysis by location. Not surprisingly, given the weight of submissions from Marton, this trend is mirrored by submissions from there. However, submitters from Bulls prefer the in-house option (Model 2), while Hunterville and Taihape show a smaller difference in the range of scores between the three models.

Scoring of models			
	1	2	3
<i>Marton</i>	361	244	213
Mean score	6.45	4.36	3.80
Scoring '10'	18	11	7
Scoring '1'	9	17	23
<i>Bulls</i>	74.5	100	54
Mean score	4.38	5.88	3.18
Scoring '10'	4	6	1
Scoring '1'	7	4	8
<i>Hunterville and Taihape</i>	62	50	43
Mean score	5.64	4.55	3.91
Scoring '10'	3	4	3
Scoring '1'	2	4	5
<i>No location</i>	37.5	28	22
Mean score	6.20	4.67	3.67
Scoring '10'	1	2	1
Scoring '1'	1	3	2

4. Analysis of submissions by theme

4.1 The comments from submitters have been analysed by each of the three models. This is presented in [Attachment 3](#). Because the comments were not made against each model but in a separate question, there is some repetition in that analysis – for example, some comments apply to both WS-CCO models and some apply in support of one model and opposing another. However, the analysis helps understand the reasons for supporting/not supporting each option and enables the key themes to be identified. These are:

- Scale and efficiency
- Local voice and control
- Service to smaller communities
- Cost
- Opportunity to focus on other community priorities

The footnotes contain the submitter reference number, prefaced by #.

4.2 Scale and efficiency

Many submitters considered that ‘larger’ should mean more ‘economically viable’, and that Rangitikei couldn’t manage the level of investment required on its own.¹ More money in the pot, a bigger area, better buying power, being able to do more, potential for shared strategic solutions, increased capability, funding and competency, and

¹ #11.

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leverage from economies of scale were stated advantages of a multi-council organisation.² However, there were different views on what was the right size. Some thought that critical mass for efficiency required a larger group of councils than the Council's proposed three-council WS-CCO model and that this larger group (if not an even larger one) was a preferable long-term solution.³ 'The more brains the better'.⁴ There was also the view that establishing the WS-CCO was a cost, and that this cost was better spread as widely as possible.⁵

Others thought the three-council WS-CCO was a good fit of councils dealing with similar situations and achieved the best balance between efficiency and ensuring local interests were addressed.⁶ A larger WS-CCO risked becoming top-heavy in administration, with smaller areas losing out to city dreams.⁷ There was a concern that the work programmes of a larger WS-CCO would be unbalanced between the different needs and outcomes for rural and urban communities.⁸

Whanganui was seen as demonstrating technical and financial management capability,⁹ while the costs of Palmerston North's Nature Calls wastewater project was seen as a barrier to joining with more councils in the Horizons region.¹⁰

Several submitters considered that a joint CCO was what the Government expected, and might enforce; one thought it would provide a stronger voice to the Government¹¹

Observation

The number of connections deemed economically sustainable has varied. The previous Government's 'four entity' model was based on a view that connections servicing at least 800,000 people were needed to achieve the maximum efficiency.¹² A helpful view has been provided recently by the Local Government Funding Agency (LGFA). It sets out the financial covenants for water CCOs which wish to join the LGFA, with the most flexible position being for those CCOs with more than 50,000 connections. The proposed three-council CCO has approximately 31,000 connections. (for a total population of about 78,750). The implications of that are shown in the following table.

Water connections	Funds from Operation (FFO) to Cash Interest Coverage Ratio (time)	FFO to Gross Debt Ratio	Percentage of Development Contributions recognised in operating revenue
20,000 – 50,000	1.50	9%	50%
Greater than 50,000	1.50	8%	75%

4.3 Local voice and local control

² #5, #6, #11, #12, #13, #19, #20, #21, #30, #34, #43 #44, #49, #78.

³ #31, #38, #63.

⁴ #50.

⁵ #27, #43.

⁶ #6, #15, #16, #18, #19, #23, #41, #55, #61, #64, #77.

⁷ #23.

⁸ #14, #36.

⁹ #61.

¹⁰ #9, #61, #81.

¹¹ #15, #16, #22, #23, #36, #39.

¹² Water Industry Commission of Scotland, Economic analysis of water services (Final report), pp. 15 and 58.

This theme stressed the importance of maintaining Council's ability to make decisions on what the Rangitikei District needs. Submitters expressed concern that Rangitikei would be left voiceless and powerless in a multi-council organisation. It was preferable to take advantage of local knowledge, remain totally independent, be responsible for 'our own water'; the in-house model was best for keeping costs down. One submitter considered that CCOs had not been successful. In talking with the Council during oral hearings, this submitter emphasised the need to get legal advice on the constitutional arrangements for any proposed CCO.

However, as noted above, some submitters thought that the three-council model was small enough to ensure local issues were addressed.

Some submitters linked retaining ownership of the assets to ensuring a local voice was maintained, expressing concern about the water assets being forfeited to a multi-council organisation.

One submitter saw an advantage from the multi-council model was that it was detached from political interference. There were different views about Council's current performance, ranging from 'local control has meant local failure' to 'nothing wrong with the way Council has managed water to date'.

Observation

The Consultation Document notes that the community would not be directly involved in decision-making by the WS-CCO. However, there are matters that the legislation will prescribe for public consultation by the WS-CCO, and the Council may also determine what matters it expects it and the community to be consulted on through their Statement of Expectations and other means. The Consultation Document also notes that councils will be able to influence a multi-council CCO as shareholders. The shareholders' committee is responsible for jointly setting shareholder expectations of the CCO Board. The Council's stated priority is that all members of the shareholders' committee will have equal voting rights.

The responsibilities and powers of the shareholders' committee will be defined by statute. The Local Government (Water Services) Bill proposes to allow shareholders to determine, in the Constitution for the CCO, whether they will formally approve the Board's water services strategy (which is to include pricing) and budget.

There is an important qualification to the scope of local decision-making. In depicting how a multi-council-controlled organisation will work, the Consultation Document notes that regulators and legislators will also have influence on the Board. In particular, the Water Services Authority – Taumata Arowai prescribes standards for drinking water and wastewater (and monitors compliance with these), while the Commerce Commission, as economic regulator, will have powers to require the Board to provide a range of information about its performance and to prescribe price-quality paths. These regulators would have similar impacts on all water service delivery model, including the enhanced status quo.

The Consultation Document notes that in the proposed multi council-controlled organisation, Rangitikei's 'water assets would be owned by the councils who are the shareholders in the new multi council-controlled water organisation'. The detail behind this statement is that (a) each council transfers its assets to the CCO, so the assets are owned by the CCO and (b) the CCO is owned jointly by the shareholder councils.

4.4 Service to smaller communities

As noted above, some submitters considered a WS-CCO could mean improved services. However, other submitters considered that small communities would experience lower service in a multi council-controlled organisation. One submitter suggested that Taihape would lose out in a WS-CCO model.

Observation

The Consultation Document notes that, in the short term, Rangitikei District Council does not forecast changes to the levels of service committed in the 2024-2034 LTP, irrespective of which water service delivery model is chosen. However, a WS-CCO could make changes, for example to ensure alignment in levels of service between the geographical areas serviced, or to meet new regulatory requirements.

4.5 Cost

This was a theme for many submitters. Those who supported a WS-CCO typically commented that costs, being shared, would be lower than continuing with the in-house model. This included the ongoing running costs. Those who preferred the in-house model typically commented that a WS-CCO would mean higher costs, because it would be a new organisation, a new bureaucratic structure, and would cost a lot to set up. One submitter wrote of personal experience with higher costs from being a customer of Auckland Watercare.

Observation

The Consultation Document acknowledges both perspectives about cost. It also notes that water will cost all communities a lot more in the future – regardless of which model is chosen, because of issues such as mitigation for climate change, population growth, ageing infrastructure, new standards increasing the cost of compliance, health requirements and government policy.

4.6 Opportunity to focus on other community priorities

The Consultation Document states that, with water services managed by a WS-CCO, Rangitikei District Council will have increased ability to focus on other community priorities such as roading, parks and reserves, and community hubs. One submitter saw this as an advantage of the three-council WS-CCO. Another submitter suggested that the Council should take the opportunity to resize, identify and prioritise the skills required to deliver the intent of the reforms being promoted by Central Government, significantly reduce operating overheads and reduce increases in rates.

Observation

The financial projections in the Consultation Document focus on the likely cost of water. Any significant change in the delivery of other community priorities (and the implications for rates) would be a matter for consultation in Council's 2027-2037 Long Term Plan.

5. Other matters raised by submitters

5.1 Alternative models

5.2 Two submitters favoured the previous Government's approach.¹³ One submitter preferred that water was controlled by central government and managed a regional level by the existing regional councils.¹⁴ One submitter suggested a regional water board, thinking of the Wellington Regional Water Board.¹⁵ The Consultation Document asked for comment on the three models included, together with a single CCO and a consumer trust,¹⁶ so these answers are out of scope.

5.3 Iwi engagement

Some submitters wished to include iwi and hapū in whatever model was chosen.¹⁷ Others did not wish this.¹⁸ This issue is considered later in the report (section 8)

5.4 Privatisation

Some submitters were concerned that a multi council-controlled organisation was a step toward privatisation.¹⁹ The Government has been clear that this is not the intention.²⁰

5.5 Rural water supplies

One submitter asked that rural water schemes remain under local control (i.e. continue to be managed by Council).²¹ The Consultation Document notes that until the legislation currently being considered in Parliament is finalised and passed into law, the Council remains uncertain about the best approach for safeguarding Rangitikei rural water supply schemes.²² This issue is considered later in the report (section 9).

5.6 Liabilities and risks

One submitter asked what are the risks and liabilities for the Council in being a shareholder of the proposed three council CCO, noting that the CCO will be able to borrow significantly more money to provide water infrastructure.²³

This issue is being considered (by all three councils) in drafting the Collaboration Agreement for establishing the three council CCO, especially the Commercial Terms Sheet, and the Constitution for the proposed CCO. These 'foundation' documents are all based on templates provided by the Department of Internal Affairs and the intended responses by the councils will be independently reviewed by an external legal advisor.

5.7 Implications for unconnected ratepayers

Several submitters asked whether the 'public good' water charges (through the rates) would continue.²⁴ The Consultation Document notes that the modelling includes a provision for the public good charge.²⁵ However, the provisions in the Local Government

¹³ #3, #30.

¹⁴ #4.

¹⁵ Established in 1972 to 'investigate, construct, extend, enlarge, maintain, and repair waterworks for the bulk supply of pure water to constituent authorities'.

¹⁶ Page 20.

¹⁷ #3, #6, #52, #56

¹⁸ #2, #58, #60, #65

¹⁹ #33, #37, #38.

²⁰ Clause 18 of the Local Government (Water Services) Bill prohibits a water services provider from transferring its ownership of water services infrastructure or of any other interest in a water service, unless to another water service provider.

²¹ #72.

²² Page 13.

²³ #61.

²⁴ #24, #25, a question posed at Whanganui's engagement meeting in Fordell.

²⁵ Page 17.

(Water Services) Bill would require a multi council-controlled organisation to have implemented charges on a connection basis within five years.²⁶

5.8 Price harmonisation

The consultation document explains price harmonisation as ‘being the situation where all water users would pay the same price, regardless of where their properties are located’. The financial analysis for the two multi WS-CCO models has assumed price harmonisation from 2028/29. However, while underpinning the benefits of a joint model, price harmonisation has not been formally adopted and is therefore not guaranteed, this would be being a business decision decided by the proposed WS-CCO.²⁷

While obviously influencing the cost to consumers, just two submitters commented specifically on price harmonisation. One looked for assurance that Rangitikei would not be subsidising districts which have not maintained their own infrastructure.²⁸ Another submitter expressed concern about the real impact of price harmonisation. Although made in the context of Model 3, it implies a concern that the disparities between Rangitikei and Ruapehu on the one hand and Whanganui on the other may mean the actual costs to the two smaller councils are higher than projected.²⁹

Observation

Clause 60(3) of the Local Government (Water Services) Bill would allow the proposed WS-CCO to set charges in accordance with its adopted water services strategy. However, as noted above (section 4.3), currently the Local Government (Water Services) Bill gives discretion to the shareholders to decide whether the CCO board will require their approval for the WS-CCO-produced water services strategy.

Before establishing the WS-CCO, each participating council will be negotiating terms, conditions and caveats of joining, which is likely to include the question of price harmonisation. That could mean levelling of waters-related charges and tariffs within each district (termed ‘local pricing’), or across all three districts.

At the time of writing this report, an unknown aspect over pricing is the power given by clause 225 in the Local Government (Water Services) Bill to the Commerce Commission, as the named economic regulator, to impose price-quality regulation. This means that the Commission can set minimum and maximum prices and minimum and maximum revenues. The purpose of this is to ensure that prices are fair as well as incentivising innovation, investment and efficiencies. It allows the Commission to prescribe differential pricing, requiring customers to pay for the costs more directly associated with providing them with water. If Rangitikei, as a shareholder of the WS-CCO, required price harmonisation within the District (as is the case now), the Commission could intervene to change that. And that intervention could also apply if an in-house service delivery model were adopted.

Such regulation is in addition to the two initial types of regulation – information disclosure and revenue threshold – and performance requirements. The Commission’s regulatory powers extend to all water service providers, including councils which choose

²⁶ Clause 63(5).

²⁷ Page 17.

²⁸ #39.

²⁹ #61.

to retain water services. Currently, Watercare Services Ltd (in Auckland) is the largest operating WS-CCO in New Zealand subject to this oversight.

The Commission has indicated that price-quality regulation could be imposed on any regulated supplier following designation, through the Order-in-Council process, from 1 July 2026 but their indicative work plan shows this being actioned from 2027/28. So, this is best addressed by the future WS-CCO.

The extra costs of economic regulation will be imposed on all water service providers. The structure, design, apportionment and implementation of this levy was consulted on earlier this year, and the anticipated associated costs included in the financial modelling.

5.9 Rain-water tanks

Several submitters wanted to see residents being encouraged to install rainwater tanks.³⁰ This is an issue best addressed through the District Plan. .³¹

5.10 Selection of independent directors

One submitter suggested that the board of independent directors should be selected from a Government approved list of certified, competent professionals, expert in successful water services provisions in urban and rural scenarios.³² The Government has left the selection process for the shareholders to determine. The Constitution template from Internal Affairs includes a 'Board skills matrix' as Schedule 3 but is left blank for the shareholding councils to complete. While the shareholding councils determine the competencies they require for directors, they must align with:

- the general specification in clause 40 of the Local Government (Water Services) Bill,³³
- the requirements in section 57 of the Local Government Act 2002, including considering the relevance of tikanga Māori,
- the provisions in each council's Appointment of Directors policy, and
- the disqualifications specified in section 151 of the Companies Act 1993.

5.11 Metering

Two submitters raised this issue.³⁴ Currently, the only supplies in Rangitīkei which are charged through meters are properties in Hunterville township and extraordinary water users (businesses, rural properties and, in general, properties having a swimming pool).

The cost of implementing meters is not included in the financial analysis for the various water service delivery options modelled. However, a WS-CCO may in future consider metering for improved management of water demand or as a water conservation measure for example. Such measures would reasonably be expected to be included in the Water Services Strategy, and therefore subject to shareholder and public scrutiny.

³⁰ #24, #62, #85.

³¹ For example, Kāpiti District Council requires new residential development connected to the public potable water supply and reticulation network to provide rainwater storage tanks, water re-use systems or other water demand management systems to supply water for toilets and all outdoor non-potable uses. INF-MENU-P19. This gives effect to the Regional Policy Statement (policy 40) from Greater Wellington Regional Council.

³² #44.

³³ The Constitution template from Internal Affairs includes a 'Board skills matrix' as Schedule 3, intended to 'ensure compliance with section 40' of the Bill.

³⁴ #8, #26.

5.12 Further consultation

One submitter wanted full, active consultation.³⁵ While the Council is not required to undertake further consultation on its proposed model – necessarily because an implementation plan must be included in the water services delivery plan which is due with the Secretary for Local Government by 3 September 2025 – the Local Government (Water Services) Bill includes several specific requirements to consult with the community on key documents.

6. Informal community engagement during the consultation period

- 6.1 Mayor Andy Watson hosted three community meetings during the consultation period. Attendance at the meetings in Bulls and Taihape was very low, with fewer than five members of the public at each. By contrast, 30 people came to the Marton meeting. This meeting happened on the same day the public became aware of Rangitikei Wheelie Bin's liquidation, so it is difficult to gauge how many were there to vent their frustrations with that situation compared with those who were genuinely engaged in the Local Water Done Well consultation.
- 6.2 Council's communication team shared one media release at the beginning of consultation titled "Rangitikei District Council prefers a collaborative approach to future water services delivery".
- 6.3 Social media proved to be an especially effective platform for the Local Water Done Well consultation, allowing Council to understand and answer resident questions directly, and break down a complicated topic into easily digestible pieces of content.
- 6.4 Council's communication team created and shared nine Local Water Done Well social media posts during the consultation period, encouraging conversation and engagement from residents about what Local Water Done Well means for them. In total, Council's Local Water Done Well content reached just over 30,000 Facebook accounts. Roughly 40% of Councils online following resides in Rangitikei, so the reach for this content went much further. Some of it will be due to interest from people living in neighbouring districts and beyond, probably attributable to Rangitikei being one of the first councils to launch consultation.
- 6.5 Although it is difficult to quantify exactly how many Rangitikei residents were reached, one indication is post engagements. Of the 30,000 accounts reached, Council's communications team fielded just over 1,000 engagements. These engagements ranged from simple likes and reactions to Council's posts, to about 100 meaningful and thoughtful comments that encouraged two-way communication with residents about what Local Water Done Well means for Rangitikei. Some examples of these exchanges are provided in [Attachment 4](#).
- 6.6 Taking all Council's communications and engagement efforts together, sentiment from Rangitikei residents can be generalised into the following themes:
 1. For Model 1, would Rangitikei ratepayers be subsidising Whanganui and Ruapehu capital works?

Observation

³⁵ #52.

The Consultation Document shows that under either multi council CCO model, the costs to Rangitikei residents would be the same as under Model 2 (enhanced status quo – inhouse) but lower if price harmonisation is implemented.³⁶ This would be true for Ruapehu residents too. Under full price harmonisation, Whanganui’s costs are initially slightly higher for the three council CCO.

2. How the formation of a multi CCO would impact on the services that they currently receive

Observation

This issue was raised in submissions and is addressed in section 4.4 above.

3. The financial implications (on bill payers) of going with Whanganui and Ruapehu, versus going it alone.

Observation

This question is addressed in the financial assessment section of the Consultation Document.³⁷

7. Feedback from submissions to Ruapehu and Whanganui District Councils’ consultations

Ruapehu

- 7.1 A total of 31 submissions were received on Council’s consultation on Local Water Done Well. Online support was evenly split with 12 supporting and 12 opposing the proposed approach, with one skipping the question. One submitter did not answer the question, but suggested they would support the option if it meant improved water services delivery. One written submission supported the proposal, while three opposed it and two did not express a preferred option, as they felt they lacked the information to make an informed decision. The two key themes which emerged from feedback were the cost of service and the threat to local influence in decision-making.
- 7.2 Those who supported the three-council WS-CCO model typically mentioned the need to improve water services, with a particular focus on stormwater and potable water. There was a broader range of themes from those who did not support the proposed three-council WS-CCO model, indicating less galvanised reasons for opposition. Local voice was raised as a concern for several submitters who submitted against the proposal, who did not want Ruapehu to “sell out” and pointed out that there have been similar regional organisations that, in their opinion, have eroded local voice. Two submitters also voiced concerns over another separate bill.
- 7.3 Ruapehu also asked submitters whether stormwater should remain with the Council or be transferred to the WS-CCO: views were evenly divided on this question. They were also asked to rate the importance of several decision-making criteria. Cost of service and local influence were rated the most highly.

Whanganui

- 7.4 Whanganui undertook a numerical summary of submissions to its Consultation Document on the same basis as was done for Rangitikei:

³⁶ Page 17.

³⁷ Pages 17-18.

ITEM 7.1

	Average score (1= no support, 10= full support)
Model 1 – multi council-controlled organisation with Rangitikei and Ruapehu district councils (preferred option).	3.3
Model 2 - Whanganui District Council - council-controlled organisation.	2.8
Model 3 - multi-council controlled organisation with as many councils in the Manawatū-Whanganui region as possible.	1.9
Model 4 - in-house business unit (status quo).	8.2

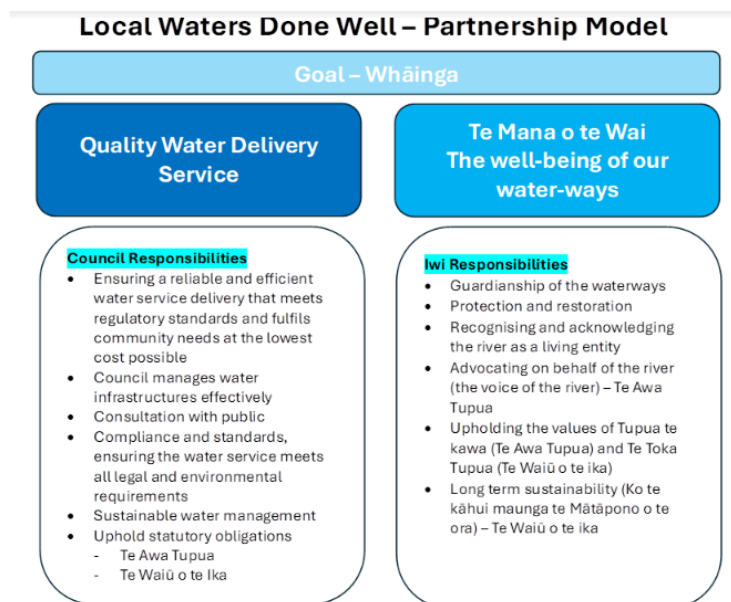
- 7.5 Cost and/or the impact on rates was a top concern for those supporting both Whanganui-only and joint models.
- 7.6 Those who preferred a joint approach recognised the additional benefits which occur because of scale – such as shared resources/collaboration, catchment alignment and attracting technical experts/skilled staff. Some who supported model 1 felt the three-council model was a good size to still have sufficient local influence.
- 7.7 Those who preferred the Whanganui-only models mentioned concern about subsidizing other district's water services and losing local influence over decision making. They were also concerned that any new CCO entity would introduce more bureaucracy/complexity (which often linked to concern about the costs of CCO models). There was a strong 'if it's not broke don't fix it' sentiment, as well as concern that water metering would be introduced under any new water services model.

8. Mana Whenua Implications

- 8.1 Section 81 of the Local Government Act 2002 requires the Council to facilitate participation by Māori in its decision-making processes, to consider ways in which it may foster the development of Māori capacity to participate, and to provide relevant information. That obligation remains irrespective of what water services delivery model is adopted.
- 8.2 The report which Council considered at its meeting on 12 December 2024 noted that part of the regional appraisal project included researching examples of how local government has partnered with Iwi/Māori for consideration when developing the governance structure of the proposed model.
- 8.3 Within Rangitikei this year, there have been meetings with Te Rōpu Ahi Kā (on 12 February 2025 and 8 April 2025) and an operational meeting with Ngā Wairiki Ngāti Apa, both to provide information on the work done in reaching agreement with Ruapehu and Whanganui District Councils to consult on establishing a CCO involving the three councils and to explore and understand the concerns and priorities of iwi and hapū. The consultation document notes that the Council believes there is a role for iwi representation that brings a Te Ao Māori perspective to the shareholder decisions, a sentiment shared by both Ruapehu and Whanganui District Councils.
- 8.4 Clause 239 of the Local Government (Water Services) Bill amends section 6 of the Local Government Act 2002 by providing that a council-controlled organisation includes a water organisation within the meaning of section 4 of the Local Government (Water

Services) Act 2024. if the organisation is owned by one or more local authorities and the local authorities hold more than 50% of the shares and voting rights in the organisation. This means that it is legally feasible to appoint one or more iwi/hapū representatives (with voting rights) to the shareholders' committee, provided that the councils retain more than 50% of the voting rights.

- 8.5 As a basis to forming a shared understanding, Council's Mana Whenua Strategic Advisor shared with Te Rōpu Ahi Kā at its hui on 8 April 2025 the following visual representation of the complementary roles of the representatives of the councils and of iwi/hapū:



- 8.6 A critical issue for all three councils is balancing the time requirements set by the Government against achieving a firm foundation for meaningful and enduring collaboration with iwi/hapū in giving effect to Local Water Done Well. The submission from Ngā Wairiki Ngāti Apa asks that the Council ensures that hapū and iwi can play a significant role in the future management of water, and lets them know how hapū and iwi interests will be accommodated. The submission expresses a concern that 'there is no undertaking to get hapū and iwi agreement before proceeding with these proposals'³⁸.
- 8.7 While the three councils have agreed that Iwi engagement should be initiated by each Council using its existing relationships and structures, the commitment must be one that is accepted by iwi and hapū across all three councils. For Whanganui and Ruapehu that includes specifically acknowledging and respecting the statutory settlements Te Awa Tupua (over the Whanganui River) Whanganui and Rangitikei District Councils also have obligations to uphold the Ngāti Apa Settlement 2010, and all three councils must acknowledge the statutory settlement of Te Waiū o Te Ika.
- 8.8 Accordingly, the recommendation is for Council to resolve to continue discussion with the District's iwi and hapū, in collaboration with Ruapehu and Whanganui District Councils, on how best to combine iwi and hapū responsibilities as kaitiaki of the waterways and land with the Council's responsibilities for a safe and efficient provision of water services into the future. These discussions should also acknowledge and align

³⁸ #82.

with statutory obligations of Te Waiū o Te Ika, Te Awa Tupua and the Ngāti Apa Settlement 2010.

9. Rural water supplies

- 9.1 The Consultation Document notes that, until the Local Government (Water Services) Bill currently being considered in Parliament is passed, the Council remains uncertain about the best approach for safeguarding Rangitikei's 'mixed-use' rural water supplies.³⁹ Council's submission on the Bill made several suggestions on this issue.
- 9.2 The following table summarises the advantages and disadvantages of transferring the schemes or retaining them under direct Council control.

If transferred

Advantages	Disadvantages
<ul style="list-style-type: none"> Access to a larger pool of professional expertise in the WS-CCO staff focussed on the provision of water services, with potential to improve the effectiveness and efficiency of the schemes, and extend them. 	<ul style="list-style-type: none"> Loss of Council interest and support (i.e. potentially rather isolated within the WS-CCO).
<ul style="list-style-type: none"> Ready access to finance for capital upgrades (because of higher LGFA limit for the WS-CCO) 	<ul style="list-style-type: none"> Loss of scheme member management control, in terms of levels of service, maintenance, charges, capital programme.⁴⁰
<ul style="list-style-type: none"> Council not 'distracted' by what would be an outlier activity (and the costs of preparing the prescribed plan, strategy and reports for that) 	<ul style="list-style-type: none"> Uncertainty of pricing, and the prospect of it becoming unaffordable
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Loss of local knowledge of schemes (especially for Hunterville and Erewhon) which may reduce maintenance of the reticulation and the reliability of supply.
<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Unknown willingness to negotiate with Taumata Arowai over acceptable solutions.

If not transferred

Advantages	Disadvantages
<ul style="list-style-type: none"> Current scheme management continues, with direct Council interest and support 	<ul style="list-style-type: none"> Additional cost to Council in terms of preparing⁴¹ <ul style="list-style-type: none"> A drinking water catchment plan and consult on it Develop a water services strategy and consult on it Prepare and adopt an annual water services report
<ul style="list-style-type: none"> Maintenance of Erewhon (by knowledgeable Taihape contractor) and Omatane (by scheme members) can continue 	<ul style="list-style-type: none"> Need to secure servicing arrangement for Hunterville, as this is currently done by Council staff who will transfer to the new WS-CCO
<ul style="list-style-type: none"> Scheme members able to influence the timing of capital works and the rates to be set for scheme members. 	<ul style="list-style-type: none"> There may be nobody at Council with any expertise in water reticulation, management of takes etc., which may increase the costs to the schemes when this advice is needed.
<ul style="list-style-type: none"> Council able to negotiate with Taumata Arowai on the nature and timing of implementing acceptable solutions. 	<ul style="list-style-type: none"> Because of the ring-fencing requirement, Council may need to increase charges to gain the funding needed for the agreed capital programme. (Council will not have any other water revenue.)

³⁹ Page 13. This means the three 'mixed-use' supplies, Erewhon Hunterville and Omatane. Putorino is not used for drinking water and thus out of scope of the legislation.

⁴⁰ The Local Government (Water Services) Bill does not repeat the provisions in sections 238-243 of the Water Services Legislation Act 2023 for a rural supply plan, which gave a profile to a committee/representatives of such schemes. Something similar could be included in the WS-CCO constitution.

⁴¹ This assumes these provisions of the Local Government (Water Services) Bill will be enacted unchanged. - i.e. Council's suggestion in its submission was not accepted.

- 9.3 The water services delivery plan needs to be explicit on how Council intends the District's rural water supplies to be managed. There has been discussion with the chairs of the Erewhon, Hunterville and Omatane schemes on the two viable options, which are:

EITHER

- (1) to include the three 'mixed-use' rural water supply schemes in the list of water assets to be transferred to the WS-CCO, provided that Ruapehu and Whanganui District Councils agree to include a provision in the future WS-CCO Constitution requiring the Board to enter into a service contract with the current scheme management committees (or words to that effect);

OR

- (2) to not include the three 'mixed-use' rural water supply schemes in the list of water assets to be transferred to the WS-CCO, and to signal the Council's intention for a discussion about such a transfer or a service arrangement with the WS-CCO Board within the first two years of its establishment.

- 9.4 If option 2 is preferred, the current provisions in the Local Government (Water Services) Bill – when enacted – will mean that the Council is a 'water services provider' with statutory obligations to prepare a water services strategy and the other documents noted in section 9.2.

- 9.5 Erewhon and Hunterville scheme chairs have both told Council that it is their preference to keep the current arrangements.⁴² That view is reflected in the suggested recommendation.

10. Stormwater

- 10.1 The financial analysis for both multi-council controlled WS-CCO models was based on all stormwater assets being transferred from each council to the new CCO. However, the Local Government (Water Services) Bill changed the arrangements from those announced in September 2024. Clause 10(2)(b) prohibits a territorial authority from transferring to a water organisation the authority's responsibility for the operation of transport corridor stormwater infrastructure.

- 10.2 The briefing from the Department of Internal Affairs on 13 June 2024 to the Minister of Local Government considered that the 'primary purpose of [transport stormwater infrastructure] is for transport purposes. It would include all infrastructure owned or operated by a transport corridor manager to collect or discharge stormwater relating to a transport function of the corridor'. The benefit claimed from this approach is to help councils identify which stormwater assets they may wish to transfer. This enforced separation means that the Council must be regarded as a water service provider for that portion of stormwater assets which cannot be transferred. That duplication may be a factor in many councils deciding not to transfer any stormwater assets. Such councils are unable to secure the raised borrowing threshold from the Local Government Funding Agency for stormwater. However, those assets retained as "transport corridor

⁴² At its meeting on 19 December 2024, Council received the submission from the Erewhon Rural Water Supply Subcommittee, opposing any transition away from the current management structure. The minutes of the Hunterville Rural Water Supply Subcommittee's meeting on 10 February 2025 note the view to 'stay at the Council operating as now' and look at options of subcontracting to the new entity for expertise and personnel.

stormwater infrastructure” should continue to attract NZTA shared funding per the Council’s Financial Assistance Ratio (FAR).

- 10.3 The Department’s solution to this potential overlap was to allow a water service provider to enter into a service agreement with any one or more entities that have a statutory role, function, or interest in the operation of any stormwater infrastructure in the provider’s service area ‘to support the integrated management of stormwater infrastructure’. This is reflected in clause 176 of the Local Government (Water Services) Bill. However, as WaterNZ observes in its submission, it is unclear whether this agreement includes transport corridor operators. In addition, WaterNZ submitted that the definition of ‘transport corridor stormwater infrastructure’ needs to be defined to include the point of connection with urban stormwater networks and to include clarification that, even if a council cannot transfer responsibility for a transport corridor stormwater network, it can still choose to contract with a water organisation to manage the transport corridor stormwater network.⁴³
- 10.4 Given these comments from the water sector’s lead organisation, the Finance and Expenditure Committee may recommend to the Government that these ambiguities are addressed through amending the Bill. That decision is at least a month away. In the meantime, Council sought the view of an experienced consultant, whose experience is that the ‘transport corridor stormwater infrastructure’ is only a small portion of the stormwater network in roads (in urban areas) and that the balance of stormwater networks (whether in roads or not) can be legally transferred.
- 10.5 The suggested recommendation is for Council to accept expert technical advice that the intention behind clause 10 in the Local Government (Water Services) Bill prohibiting transport corridor stormwater infrastructure from being transferred outside the Council’s direct control is confined to a very small number of assets and does not materially affect the ability for the Council to transfer stormwater assets to the WS-CCO, and that the Council resolves to do this. This decision does not commit Ruapehu or Whanganui to make a similar decision.

11. Options considered

- 11.1 Section 61(2) of the Local Government (Water Services Preliminary Arrangements) Act provides that the Council’s decision-making –
 - (a) must identify both of the following two options for delivering water services:
 - (i) remaining with the existing approach for delivering water services; and
 - (ii) establishing, joining, or amending (as the case may be) the WSCCO or the joint local government arrangement; but
 - (b) may identify additional options for delivering water services; and
 - (c) must assess the advantages and disadvantages of all options identified.
- 11.2 Council’s consultation document complied with these requirements, noting all the models considered but not put forward for comment by submitters and adding a third model (as many councils in the Horizons region as possible). This reflected advice from

⁴³ In its submission to the previous Government’s Water Services Legislation Bill, WaterNZ proposed that the new water services entities ‘take full responsibility [for] control of the water quality in both public stormwater networks and ‘transport stormwater systems’.

Simpson Grierson received on 13 December 2024 (i.e. the day after Council's meeting on 12 December 2024). This advice noted that the change proposals in Local Government (Water Services Bill – which would prevail over what was specified in the Local Government (Water Services Preliminary Arrangements) Act 2024 – meant a risk of having to undertake a further consultation unless a third 'reasonably practicable option' was included in the consultation.

- 11.3 The numerical analysis of submissions noted earlier in this report (section 3.5) shows that the majority of submitters supported the Council's proposed model, i.e. a joint council-controlled organisation with Ruapehu and Whanganui District Councils.
- 11.4 However, it is possible that either or both Ruapehu and Whanganui may decide against such a WS-CCO, meaning that Rangitikei would need to decide on another model, so that the water services delivery plan could still be completed and submitted to the Secretary for Local Government by the due date, 3 September 2025.⁴⁴ Meeting this deadline is important. Section 19 of the Local Government (Water Services Preliminary Arrangements) Act prescribes delays in establishing a joint arrangement as the only basis for the Minister of Local Government to consider if a council wants an extension to the deadline, although the Minister has power to consider other exceptional circumstances.⁴⁵ Section 25 of that Act allows the Minister to appoint a Crown facilitator if the council (or group of councils) appears unlikely to submit a water services delivery plan by the due date. Section 36 stipulates that the costs are borne by the council (or group of councils).
- 11.5 To allow for further consideration of an alternative model, Council's finance team has reviewed the financial projections for the enhanced status quo/in-house model (Model 2 in the consultation document). The detail of these projections is set out in section 12.
- 11.6 At its meeting on 12 December 2024, Council decided against a single council CCO. The disadvantages of that model meant that it was not further considered as a transition option. Financial covenants released by the Local Government Funding Agency in April show a requirement for a FFO (Funds from Operations) to gross debt ratio of 12% (compared with 9% for the proposed WS-CCO). This would mean the projected revenue – i.e. cost to consumers – would need to increase (or debt – i.e. capital investment – to decrease). These covenants do not apply to the in-house model.
- 11.7 Palmerston North City Council invited elected members of Rangitikei, Ruapehu and Whanganui District Councils to a workshop on 8 May 2025, to discuss the possibility of them joining with Palmerston North and Horowhenua. Although Manawatū and Kāpiti District Councils preferred an in-house model, they also sent representatives as they had formed part of 'The Four' modelled with Palmerston North and Horowhenua. A follow-up meeting was arranged between the Mayors and Chief Executives of Palmerston North, Ruapehu, Rangitikei and Whanganui on 15 May 2025 at which a wider approach was further considered.
- 11.8 One outcome from the 8 May meeting was an understanding of how local pricing could be used to gain advantages from a larger WS-CCO – even if that was just confined to Palmerston North, Horowhenua, Rangitikei and Ruapehu. This would mean that no council would be worse off: "all consumers pay no more than they otherwise would:

⁴⁴ This would also apply if Rangitikei decided to withdraw from the proposed CCO.

⁴⁵ The Minister's stance of 'no extensions' was reinforced by Internal Affairs' Partnership Director at the Palmerston North workshop for elected members from the region on 8 May 2025.

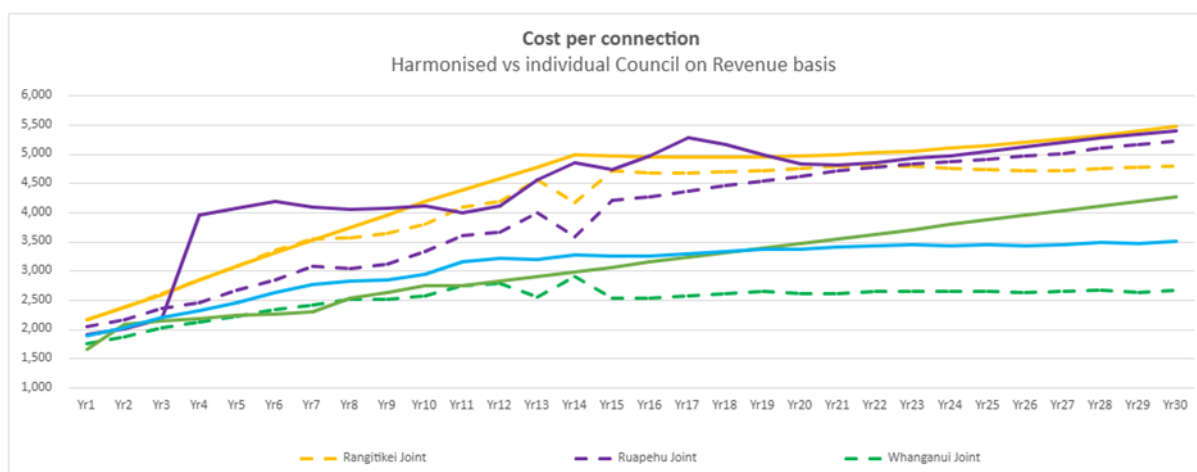
where savings are realised, these can be shared, and all customers can pay less than they otherwise would". This 'non-harmonised' approach is considered in more detail in section 12. However, the modelling as prepared by MorrisonLow showed a marked upward spike in pricing for 2034/35 followed by equivalent downward movements in 2035/36-2036/37 for Rangitikei, attributable to the significant capital investment anticipated by Rangitikei for wastewater scheme upgrades per the Infrastructure Strategy. This has been corrected and a new model has been prepared. It is acknowledged that capital cost may significantly reduce given the draft national wastewater standards, yet to be confirmed and to take effect.

- 11.9 Of particular relevance to this issue is section 62(3) of the Local Government (Water Services Preliminary Arrangements) Act: this provides that the Council which has made a decision on its proposed water services delivery model is not required to undertake any further consultation before making a decision on the water services delivery model.

12. Financial implications

- 12.1 The Consultation Document contained summary projections for all three models.⁴⁶ The WS-CCO allows for access to increase funding in future (through increased borrowing and on improved terms) while leaving sufficient debt headroom within Council borrowing to fund the other activities of Council. The financial projection for the WS-CCO in the Consultation Document was prepared on the basis of price harmonisation across all three councils being in effect from 2028/29.
- 12.2 Since then, as noted in section 11.6 above, the Local Government Funding Agency has released its view on the financial covenants which will determine the lending available to WS-CCOs. The proposed WS-CCO with Ruapehu and Whanganui has 31,000 connections meaning that it will need to show a FFO to Gross Debt Ratio of at least 9%. The calculation for the Consultation Document had assumed 8%. The difference means that the cost per consumer rises by about \$100.
- 12.3 In addition, community feedback to Whanganui's Consultation Document has shown some resistance to the price harmonisation basis for the WS-CCO calculation, on the basis that Whanganui consumers should not be subsidising consumers in the other two districts. This concern could be addressed by adopting a non-harmonised or 'local pricing' approach, meaning that the starting point is the costs for consumers projected in the 2024-2034 LTPs, plus known and quantified additional impacts e.g. quality and economic regulation levies; LGFA Financial covenant impacts .
- 12.4 The following chart shows the difference between *harmonised* and *non-harmonised* approach.

⁴⁶ Page 17.



- 12.5 The harmonised approach across all three councils is depicted by the teal blue line . This is the mean cost per connection across the three districts. The difference between the teal blue line and the individual solid line for each council shows lower costs per consumer for Rangitikei and Ruapehu, and higher costs for Whanganui consumers.
- 12.6 The non-harmonised or local pricing approach is depicted by the yellow, purple and green dotted lines: these are the cost per connection when the council is part of the WS-CCO. The difference between the solid and dotted lined represents the savings from efficiencies from the WS-CCO. All three councils’ consumers in this case benefit from these savings.
- 12.7 The Chief Executive will explore the possibility of this local pricing’ concept further with the other two councils.
- 12.8 As noted above (section 10.5), Council’s finance team has reviewed the financial projections for the enhanced status quo/in-house model (Model 2 in the consultation document).
- 12.9 The Consultation Document noted that the in-house would not qualify for access to increased borrowing through the Local Government Funding Agency, and thus be unlikely to meet the legislative requirements for financial sustainability.⁶³ However, if Council were to obtain a credit rating, this would allow borrowing to increase from the current limit of 175% of revenue to 280%. This would provide a sufficient basis for the intended capital works programme for three waters until at least 2033/2034 in the meantime, other options for joining with other councils could be explored, an undertaking which would be noted in the implementation plan, which is an integral part of the prescribed water services delivery plan.

13. Impact on strategic risks

- 13.1 The infrastructure strategy in the 2024-34 Long Term Plan comments on risks associated with climate change, and notes the need to appropriately invest in infrastructure in order to mitigate against future climate impacts. The report which Council considered at its meeting on 12 December 2024 addressed this issue, highlighting that the proposed three council-controlled organisation allowed for access to increase funding in future (through increased borrowing and on improved terms) while leaving sufficient debt headroom within Council borrowing to fund the other activities of Council.
- 13.2 This increased investment can mitigate the strategic risk of “Climate change responsiveness is ineffective” (rated “Extreme”, in the unmitigated state, and

“Moderate” for current mitigations) through targeted and appropriate (increased) investment in waters infrastructure by a water organisation as a CCO of Council.

- 13.3 In addition, Council considered that the three council-controlled organisation (through clear direction provided by way of a Statement of Expectations) could be expected to enhance Council’s mitigations to the similarly rated risks of

- obligations with environmental protection are not met,
- changes to governmental legislation are transformational, and
- failure to honour the commitments of Te Tiriti o Waitangi.

- 13.4 The proposed option should also mitigate two of Council’s other strategic risks rated as “High”:

insufficient capability and capacity to fulfil agreed commitments, and
capital programme falters.

14. Decision Making Process

- 14.1 As noted above, section 62(3) of the Local Government (Water Services Preliminary Arrangements) Act provides that the Council which has made a decision on its proposed water services delivery model is not required to undertake any further consultation before making a decision on the water services delivery model.

- 14.2 However, legal advice from Simpson Grierson (confirmed by Audit New Zealand) is that the transfer of the Council’s water assets to the proposed CCO before 1 July 2027 triggers the requirement to amend the Council’s 2024-2034 Long Term Plan.⁴⁷ Sections 63(1) and (2) of the Local Government (Water Services Preliminary Arrangements) Act is explicit that – provided the Council is using the alternative requirement specified in the Act – if the Council is required to amend its long-term plan to give effect to a proposed model for delivering water services under a water services delivery plan, the Council is not required to consult on such a proposal. This does not change the requirement under section 94(2) of the Local Government Act 2002 to have a report from the Auditor-General, even though there is not a consultation document so the requirement in section 93D(4) has no effect.

- 14.3 This is a complex and significant matter. It affects the timeline for implementing the WS-CCO, and it has implications for Council’s own resources and those of the councils which commit to working with us to establish a WS-CCO.

- 14.4 It is possible that this requirement will be modified or removed during the Select Committee process before the Bill is finalised and passed, but that is unknown at this time.

- 14.5 Council’s decisions will need to take account of the decisions to be made by Whanganui and Ruapehu District Councils.

Attachments:

1. Consultation Document (under separate cover)
2. Collated submissions (under separate cover)

⁴⁷ If the transfer is done on or after 1 July 2027, it would be included in the 2027-2037 Long Term Plan.

3. Analysis of submissions ↴
4. Facebook extracts ↴

Recommendation 1

That Rangitikei District Council **receives** the report ‘Deliberations on submissions to the Consultation Document *Where’s Water @ Rangitikei?*’.

Recommendation 2

That Rangitikei District Council **receives** the submissions made to the Consultation Document *Where’s Water @ Rangitikei*, and **expresses** its appreciation to those people who provided these.

Recommendation 3

That Rangitikei District Council **notes** that Ruapehu and Whanganui District Councils have consulted with their communities on the same model for delivering water services.

Recommendation 4

That Rangitikei District Council **endorses** the Collaboration Agreement with Ruapehu and Whanganui District Councils (based on a template from the Department of Internal Affairs) setting out how the three councils could work together to establish a Water Services Council Controlled Organisation and signed by the Chief Executive, under delegated authority [on xxxxx].

Recommendation 5

That Rangitikei District Council **notes**

- a) the considerable divergence of views expressed by submitters to Consultation Document *Where’s Water @ Rangitikei?*
- b) the majority preference for the establishment of a joint Water Services Council Controlled Organisation (WS-CCO) with Ruapehu and Whanganui District Councils rather than continuing to provide water services directly.

Recommendation 6

That Rangitikei District Council **resolves** to continue discussion with the District’s iwi and hapū, in collaboration with our regions councils, on how best to combine iwi and hapū responsibilities as kaitiaki of the waterways and land with the Council’s responsibilities for a safe and efficient provision of water services.

Recommendation 7

That, having regard for sections 61 and 62 of the Local Government (Water Services Preliminary Arrangements) Act 2024, Rangitikei District Council –

- a) **agrees** to continue working with Ruapehu and Whanganui District Councils in establishing a WS-CCO,
- b) **agrees** to continue discussion with Palmerston North City Council and Horowhenua District Council about establishing a WS-CCO with them and other councils,
- c) EITHER
Council has a **preferred** position to work with Ruapehu and Whanganui district councils to establish a WS-CCO.
OR

Council has a **preferred** position to work with Palmerston North City, Horowhenua, Ruapehu and Whanganui district councils to establish a wider WS-CCO.

- d) **notes** the continued work in preparing a joint water services plan containing an implementation plan for a joint WS-CCO to the Secretary for Local Government on or before the prescribed date, 3 September 2025, and
- e) **resolves** that the shareholding councils for the joint WS-CCO invite the participation of our iwi and hapū in the WS-CCO design process to the extent that the legislation allows.

Recommendation 8

That Rangitīkei District Council **notes** that Parliament's Finance and Expenditure Committee is not due to report on the Local Government (Water Services) Bill until 17 June 2025, with enactment probably in August/September 2025, which means the outcome of the Council's submission will not be known until then, i.e. after the intended adoption of the water services delivery plan.

Recommendation 9

That Rangitīkei District Council **resolves** to accept expert technical advice that the intention behind clause 10 in the Local Government (Water Services) Bill prohibiting transport corridor stormwater infrastructure from being transferred outside the Council's direct control is confined to a very small number of assets and does not materially affect the ability for the Council to transfer stormwater assets to the WS-CCO, and that the Council **resolves** to do this.

Recommendation 10

That Rangitīkei District Council **notes** the advantages and disadvantages of transferring the three 'mixed-use' rural water supply schemes (Erewhon, Hunterville and Omatane) to the Water Services Council-Controlled Organisation (WS-CCO) and the outcome of discussion with the chairs of these three schemes and **resolves** to not include the three 'mixed-use' rural water supply schemes in the list of water assets to be transferred to the WS-CCO, and to signal the Council's intention for a discussion about a service arrangement with the WS-CCO Board within the first two years of its establishment for any scheme which requests this.

Submitter	In favour	Submitter	Opposed
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ANALYSIS OF SUBMITTERS' COMMENTS IN LOCAL WATER DONE WELL CONSULTATION**Option 1 – three-council CCO: Rangitikei-Ruapehu-Whanganui**

2	Larger should be economically viable	19	This is an attempt at change that 'might' improve the skills and knowledge currently available. But the critical mass for efficiency is too small to be effective
4	I trust the council to have done sufficient due diligence and recommended the most practical option for our area.	25	My concern would be that council wouldn't reduce rates by the water percentage of rates, and then the new entity would increase the rates leaving the ratepayers out of pocket. Also the assets that have been ratepayers would forfeit to the new entity.
5	Bigger area, more money to help pay for it.	27	Setting up a brand-new organisation is going to be expensive whatever size it is. Scale then needs to come into this. If set-up costs or transition costs can be spread as widely as possible (in terms of population) then the cost is going to be less to the individual ratepayer than a model which uses a lower population base. I personally don't think Rangitikei councillors have given enough weight to this in establishing a preferred option of going with a three council CCO.
6	Combine councils working together for better and improved services	31	Volume supply product: size from day one should be way more capital cost efficient [so Option 3 preferred]
9	The CCO with Rangitikei, Ruapehu and Whanganui District Councils would retain local opinions but achieve economies of scale. I believe the centralised system should've been implemented years ago (3 Waters period during previous gov't) for improved environmental outcomes.	56	I believe options 1 & 3 will see RDC lose control of 'our assets' and our vice will diminish. Yes, there may be benefits with loans and interest rates but we are giving away and losing too much for little gain. My rates are almost \$4,000 per year. 40% of my rates is 3 waters. Will I get a \$1600 rebate on my rates? As 40% of the work council does, will the Mayor and Councillors take a 40% pay deduction?
10	Costs	59	Bigger voices and communities would take preference over us, and we would be left voiceless and powerless to effect change for the better for our community.
11	I think thanks to previous councils there has been significant underinvestment in the three waters in the district. I think that	60	Model 1 does not have analysis or assumptions listed to convince me that there is a reasonable intelligent purpose to

1

Submitter	In favour	Submitter	Opposed
	with a larger rating base our Council alongside Ruapehu and Whanganui can do significantly more. I do not think it is viable for Rangitikei to have this level of investment on their own.		this. The need for extreme borrowing was not justified at the public meetings and the costs shown for Model 2 are clearly based on ridiculous figures that will prove to not be held up over time.
13	Bigger pool to select from to provide resources and services and to keep costs low for ratepayers	63	Counter-intuitive to put two small population densities, a large catchment together with a large town as it is still going to cost ratepayers greatly in years to come.
14	Best option compared with multi-council-controlled option as we won't fall through the cracks with multiple councils being involved. Also likely to be accepted by the Government	68	Diverse needs and water quality over three distinct geographic areas will equal inequitable funding requirement
15	Large enough to meet government requirements and access (presumably) sufficient borrowing; hopefully still small enough to have our local interests taken into account.	69	Taihape needs are marginalised by larger organisations.
16	Meets government requirement, allows better access to borrowing, hopefully retains protection of local interests	70	I don't want another bill called 'The Water Bill'
18	Seems to balance all the factors the best	71	CCOs in recent times have not been successful
20	I acknowledge that council has done a lot of work and I'm really supportive of the new bores [for Marton]. However, I feel more support from bigger councils would be beneficial. I like the idea of Manawatu/Wanganui as there would be more money in the pot, but I would worry that Marton being so small would be a low priority. Therefore I support the first option as has the Best of both.	73	Model 1 talks of 'The board would be informed by expectations which are set out and agreed upon by the three councils'. This does not give me a sufficient level of confidence that the board (those 'paid directors') what is directed by those councils as the way I read the text 'expectations' rather than 'directives'.
22	A stronger voice to central government if major works need doing and finance is required to help. ¹	74	Fear of additional cost due to additional bureaucracy
23	There would be a greater amount of 'local' input and management, interest of unique area problems	75	A multi-council organisation approach will undoubtedly increase the cost of delivering water to the ratepayer and is unlikely to result in improved quality of water or services.
29	Cost to ratepayers and effectiveness of delivery of services	79	The bigger the organisation the less service each small community will receive.

¹ Scored 7 with Model 1, 3 for Model 3, so comment not noted there.

Submitter	In favour	Submitter	Opposed
34	I rate 1 and 3 equally because I want a model that encompasses enough connections to make LWDW as economically sustainable as possible.		
36	The council has done due diligence on the options, they have a history of managing the water to date (I think they have done a good job). The council will be forced into a joint management option of some sort by Government. Option 1 works for me.		
39	We are yet to see the benefits of the new Marton water supply. If it solves the current issues (taste/colour/pressure) then there seems little benefit from any amalgamation. However, if some form of amalgamation is mandated by Government, then Marton ratepayers should not be asked to subsidise regions that have not maintained their own water infrastructure. I assume that Council has determined that this model satisfies these criteria, and if this is the case, I would support #1.		
41	Sharing with other councils shares the cost among more connections.		
42	Having elected an able and competent Mayor and Council who have spent time, knowing all the facts that we, the Public, don't have and have decided their preference is "option 1", how can we disagree? It is big enough to spread costs without being too big to have too high costs.		
43	Rangitikei is too small to do it on its own. Stormwater doesn't care about boundaries. The bigger the area, the more people to share the costs.		
49	More ratepayers=better buying power. Better water for everyone. We can learn thru Whanganui's water department.		
50	Rangitikei has proven itself incapable of managing the water. The more brains the better		
51	Centralising should help with cost. Small towns will be represented and have a say. Wanting good quality water for Marton , all year round.		

ITEM 7.1 ATTACHMENT 3

Submitter	In favour	Submitter	Opposed
55	I believe the first model is a group of councils dealing with similar situations.		
61	<p>Advantages:</p> <ul style="list-style-type: none"> a. Whanganui District Council has shown that a small city can sustainably manage water sector assets both technically and financially b. Rangitikei District Council has stated that it will be able focus on other community priorities – take the opportunity to resize, identify and prioritise the skills required to deliver the intent of reforms that are currently being promoted by Central Government, significantly reduce operating overheads and reduce increase in rates. c. Each of the three councils has indicated that there are benefits in the model and there is general concurrence that the three TLAs can work together in the new entity. <p>However</p> <ul style="list-style-type: none"> • A new water entity CCO will be established which will be independent from Rangitikei District Council; however the Council will have a shareholding in the CCO. It is unclear if Rangitikei District Council will have liabilities and/or risk with that shareholding. CCO will have the ability to borrow significantly more money to provide water infrastructure required to deliver three waters. <i>What are Rangitikei District Council's risks and liabilities with a shareholding in the CCO.</i> • The number of water connections deemed economically sustainable in the new CCOI model is far greater than the collective number of connections in the Whanganui, Ruapehu and Rangitikei Districts. <i>[How is that number understood?]</i> 		
62	[Lowest] Cost to me as ratepayer		

Submitter	In favour	Submitter	Opposed
64	Partnering with two other councils provides scale whilst still allowing our voice to be heard.		
77	I think it's good to include our councils as one, working on this issue.		
78	I am in support of model 1 because I have been paying rates for water ² for years and have not been connected. We have complained in the past and nothing has been done. It should be user pays.		
81	Broadens the base		
85	Many people living in this District are on limited income so we need the best outcome for the least impact on our finance.		
87	With three councils is going to work well		
89	Increased capacity for Council to focus on other community priorities.		

² This will be a reference the public good rates for each of the three waters set as uniform targeted rates across the District.

Submitter	In favour	Submitter	Opposed
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Option 2 – in-house management – ‘enhanced status quo’

25	My concern would be that council wouldn't reduce rates by the water percentage of rates, and then the new entity would increase the rates leaving the ratepayers out of pocket. Also the assets that have been ratepayers would forfeit to the new entity.	11	I think thanks to previous councils there has been significant underinvestment in the three waters in the district. I think that with a larger rating base our Council alongside Ruapehu and Whanganui can do significantly more. I do not think it is viable for Rangitikei to have this level of investment on their own.
33	I am not sure three independent directors would understand about our water needs any better than the current council; perhaps one manager could do the job just as well with the oversight of the council (or Councils involved), I would like to see drinking-water, wastewater and stormwater services held tightly within Council's control, with the minimum number of councils as possible. In the past, larger has not proven better necessarily and certainly has always ended up costing more.	18	Too expensive and harder to have more experienced professionals involved.
37	Many years of experience whereby larger councils get the service and ratepayers in the smaller councils get poor or no service.	19	This is a short-term solution. The skill and knowledge base is limited to only a few engineers, the staff turnover in this field is always going to be a risk in developing effective long-term solutions.
40	When things are placed under larger organisations or committees, the little person who has a complaint or query is not important as they represent a smaller impact than when things are smaller.	20	Current model is struggling – I acknowledge that council has done a lot of work and I'm really supportive of the new bores [for Marton]. However, I feel more support from bigger councils would be beneficial.
48	I lived in Auckland when water was separated into a separate entity from council control. Result was a disaster. Water costs rose as did general rates after promise made they would not. Water is best kept under local control as they know what works for a district and rate rises are minimised.	23	If not what Central Government wants, no point fighting against it.
56	Best for keeping costs down and maintaining control. I believe options 1 & 3 will see RDC lose control of 'our assets' and our vice will diminish. Yes, there may be benefits with loans and interest rates but we are giving away and losing too much for	30	The local council has had years to resolve the water quality issues [in Marton] and have failed to do so (at a minimum 8 years since moving here). Clearly, they do not have the

Submitter	In favour	Submitter	Opposed
	little gain. My rates are almost \$4,000 per year. 40% of my rates is 3 waters. Will I get a \$1600 rebate on my rates? As 40% of the work council does, will the Mayor and Councillors take a 40% pay deduction?		capability, funding and competency to provide this fundamental service.
57	Totally independent and concentrate on our own area.	31	Council spending is out of control; a bigger water supply company will help this
58	Be responsible for our own water and not take on other area's problems	34	The public meeting held recently told us option 2 isn't a viable option for the future and I have to trust that this information is correct. It's a pity because we seem to be finally getting on top of our local water woes.
59	Please do not give away the assets of this community and the decision-making regarding what is best for our water services. Retain these so that you still have the power to decide what our community needs. Bigger voices and communities would take preference over us and we would be left voiceless and powerless to effect change for the better for our community.	36	Not sustainable, and anyway the council will be forced into a joint management option of some sort by Government.
60	Model 1 does not have analysis or assumptions listed to convince me that there is a reasonable intelligent purpose to this. The need for extreme borrowing was not justified at the public meetings and the costs shown for Model 2 are clearly based on ridiculous figures that will prove to not be held up over time. I also believe that the demands for massive improvements in water quality will not happen as we have drinkable water right now, and there cannot be any project [in Rangitikei] that would require as much investment as depicted in the other models. ³ Use in-house staff and refer to intelligent ratepayers to assist in decision-making.	43	Rangitikei is too small to do it on its own.
68	Marton is finally getting it right; other areas of the Rangitikei seem to be ok albeit with upgrades to cater for modern reticulation.	44	As a ratepayer for 25+ years with involvement in water service usage in the Rangitikei, Whanganui and Northland, I believe it's time to change the model to a model that can

³ The figures for Model 2 will have been drawn from the 2024-2034 LTP – and the large costs are for wastewater.

ITEM 7.1

ATTACHMENT 3

Submitter	In favour	Submitter	Opposed
			leverage economies of scale and professionals who have shown well-managed water service projects.
69	Taihapa needs are marginalised by larger organisations.	50	Rangitikei has proven itself incapable of managing the water. The more brains the better.
70	It's just another rates bill – we have council local rates, Horizons rates, and now you want us to separate the water from the land rates and have another one. Will you reduce the land rates – I guess not. I don't want another bill called 'The Water Bill'	63	I don't believe current council can spend responsibly, therefore the current model won't work especially as it's going to cost ratepayers so much.
71	CCOs in recent time have not been successful	84	'Doesn't work'
73	I feel the amount of effort and money spent should stay for the benefit of the District who have funded the work so far.	86	'Isn't working'
74	Nothing wrong with the way Council has managed water to date.	87	'Not very good'
75	A multi-council organisation approach will undoubtedly increase the cost of delivering water to the ratepayer and is unlikely to result in improved quality of water or services.		
79	The bigger the organisation, I feel the less of a service each small community will receive.		
80	Council needs to take responsibility. Any other plan is just passing the buck.		

Submitter	In favour	Submitter	Opposed
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Option 3 – multi-council CCO: as many councils in Horizons as possible

5	Bigger area, more money to help pay for it	9	I acknowledge that a CCO with as many councils in Horizons region would be most cost-effective, however, I'm hesitant to support that option because PNCC WWTP requires/is planning a significant upgrade in coming years and, although costs are forecasted/predicted, projects that significant often go over budget. I support partnering with other councils across Manawatu-Whanganui (Manawatu DC?) but prefer not to collaborate with PNCC
6	Combine councils working together for better and improved services	14	Risk of falling through the cracks with multiple councils being involved.
8	Whilst going with a multi-council approach gives us a bigger pool of money to work with, isn't it already too late as we've already invested into a new drinking-water source [for Marton]. I'm not too sure of the state of water in other parts of the Rangitikei but if that needs significant work, then I believe a multi-council approach is a very good idea.	18	Would be unbalanced between different needs and outcomes for rural and urban
12	Price and efficiency	20	Marton too small to be a priority
13	Bigger pool to select from to provide resources and services and to keep costs low for ratepayers	23	Would become 'top heavy' in administration; smaller areas 'lost' to city dreams.
19	A long-term solution (although still not ideal critical mass): opportunities for creating strategic solutions both financially and physically with adjacent districts; cost savings due to critical mass of new service	25	My concern would be that council wouldn't reduce rates by the water percentage of rates, and then the new entity would increase the rates leaving the ratepayers out of pocket. Also the assets that have been ratepayers would forfeit to the new entity..
20	More money in the pot	34	I want a model which encompasses enough connections to make LWDW as economically sustainable as possible.
21	The most cost-effective model, less doubling up of infrastructure?	36	I believe Model 3 would get too large; our small population voice would possibly not be heard or, if heard, could be easily outvoted or outmanoeuvred.
27	Setting up a brand-new organisation is going to be expensive whatever size it is. Scale then needs to come into this. If set-up	40	When things are placed under larger organisations or committees the little person who has a complaint or query is

ITEM 7.1

ATTACHMENT 3

Submitter	In favour	Submitter	Opposed
	costs or transition costs can be spread as widely as possible (in terms of population) then the cost is going to be less to the individual ratepayer than a model which uses a lower population base.		not as important as they represent a smaller impact than when things are smaller.
30	The local council has had years to resolve the water quality issues [in Marton] and have failed to do so (at a minimum 8 years since moving here). Clearly, they do not have the capability, funding and competency to provide this fundamental service. Model 3 would provide closer to the scale required to produce cost savings and holistic management. The concerns over 'local control' are redundant as local control has meant local failures.	41	Going too wide with too many councils risks money being spent unfairly on bigger urban areas.
31	Run by people with the right skills, way more efficient in annual running costs. This is a volume supply product: size from day one should be way more capital cost efficient. We have too many councils now, this will be a good start to a leaner model. Council spending is out of control; a bigger water supply company will help this.	42	High set-up costs
34	I rate 1 and 3 equally because I want a model that encompasses enough connections to make LWDW as economically sustainable as possible.	46	Another separate organisation – at additional cost which will be passed onto ratepayers
36		56	I believe options 1 & 3 will see RDC lose control of 'our assets' and our vice will diminish. Yes, there may be benefits with loans and interest rates but we are giving away and losing too much for little gain. My rates are almost \$4,000 per year. 40% of my rates is 3 waters. Will I get a \$1600 rebate on my rates? As 40% of the work council does, will the Mayor and Councillors take a 40% pay deduction?
38	Scale is the issue. Any Council, anywhere, should be encouraged to join, not just neighbours.	59	Bigger voices and communities would take preference over us, and we would be left voiceless and powerless to effect change for the better for our community.
43	The bigger the area, the more people to share those costs with. Stormwater doesn't care about boundaries	61	More detailed analysis (SWOT) needed to identify the impact on Rangitikei. Palmerston North, for example, needs massive

Submitter	In favour	Submitter	Opposed
			water infrastructure investment, Manawatu and Whanganui District Councils have been competently investing in their systems over many years but others, including Whanganui, have not. Price harmonisation could leave Rangitikei with higher unit costs than predicted and may be a difficult issue to resolve. Whanganui District Council has funded/delivered an Asset Management Plan for over at least a decade whereas Rangitikei and Ruapehu have not. Price harmonisation modelling and decision-making given the disparities could involve difficult discussions and decisions.
44	As a ratepayer for 25+ years with involvement in water service usage in the Rangitikei, Whanganui and Northland, I believe it's time to change the model to a model that can leverage economies of scale and professionals who have shown well-managed water service projects.	64	Having more councils in a group often means the smaller ones are drowned out.
49	More ratepayers = better buying power. Better water quality. (We can learn from Whanganui's water department)	68	Just another layer of "appointed" bureaucracy & associated costs of meetings etc. and unapproachable for the average ordinary ratepayer
50	The more brains the better	69	Taihape needs are marginalised by larger organisations.
63	Lowest cost and greater density of ratepayers.	70	I don't want another bill called 'The Water Bill'
67	The organisation needs to be considerably larger, detached from political interference (other than regulation) and ensure high-quality water infrastructure is delivered in a timely and prudent manner.	71	CCO's in recent times have not been successful.
77	It's good to include our councils as one, working on this issue	74	Fear of additional cost due to additional bureaucracy
		75	A multi-council organisation approach will undoubtedly increase the cost of delivering water to the ratepayer and is unlikely to result in improved quality of water or services.
		79	The bigger the organisation, I feel the less of a service each small community will receive.

Submitter	In favour	Submitter	Opposed
		81	Would likely divert focus to urban centres, e.g. Palmerston North.
		84	‘Too many cooks spoiling the water’
		86	Very large area: we lose who we are.
		87	Not suitable

Attachment 4

Local Water Done Well – extracts from Council's Facebook page

Author
Rangitikei District Council
Kia ora all!

Local Water Done Well consultation is open now! We're still finalising answers for the FAQs that people have submitted, and we hope to have these answered by the end of next week.

In the meantime, have a look over our consultation document and see what it is that we're proposing 😊 - Ben

<https://www.rangitikei.govt.nz/.../wheres-water-rangitikei>

RANGITIKEI DISTRICT COUNCIL
RANGITIKEI.GOV.T.NZ
Where's Water @ Rangitikei?

7w Like Reply

Hayley Peou
What will people talk about on this page if the water gets fixed 🤔

10w Like Reply 18 🤔 🤔

Author
Rangitikei District Council
Hayley Peou double edged sword, really 😊 - Ben

10w Like Reply

Greg Smith
Hayley Peou Stormwater. Marton developments flood downstream properties.

Kathy Clark
Will people on tank water and septic tanks have to pay for mains water and sewers?

10w Like Reply 6 🙌

Author
Rangitikei District Council
Kathy Clark thanks! Added to the list 😊 - Ben

10w Like Reply 2 🙌

Greg Smith replied · 1 reply

Author
Rangitikei District Council
Kia ora, Kathy! Appreciate your patience regarding your question. Here is an answer for you 😊 - Ben

Currently, all properties that have working water connections pay towards these services.

However, all ratepayers contribute towards public good rates for drinking water, stormwater and wastewater. These public good rates cover communal use by the community such as public toilets, community halls, firefighting requirements and drainage at public places such as parks and playing fields.

Under the CCO model, each Council will be billed for water used for these purposes, and they will then determine how that cost is charged to ratepayers.

5w Like Reply

Kathy Clark
Rangitikei District Council appreciate the public good, however what concessions do rural ratepayers who rarely benefit from the communal services get? Seems to me I am paying for relief breaks for bus passengers! 😊. Is there no user pays model for users of public parks when they hire them for events?

5w Like Reply

Attachment 4



Steph N Sean Boerboom

Q1) does the plan have a timeline for completion, or is it another plan that wastes everyone's time and never gets delivered

Q2) does this get given to government agencies by the council? Then the central government accept or is it actually monitored?

Q3) does the community consultation feedback actually impact the decision ? Or is it consulted upon simply to check the box?

Q4) is this plan likely to run into the next election, possibly being removed before any action takes place?

Q5) where it states "maintain water quality" does that mean keep it as it is?

Q6)the council plan is about the first point of developing a plan, what's the plan for the 3rd point about "quality regulation"?

10w Like Reply

 **Author**

Rangitikei District Council

Steph N Sean Boerboom there's a few questions in here regarding Marton Water Strategy, which I can answer. The others relating to Local Water Done Well, I'll add them to the list for us to seek more information 🙄

Q1) We'll have an update on the water strategy and key dates at the end of the month, including progress that has been made.

Q4) Whilst it talks about maintaining quality, we know that for Marton residents improving the taste and smell of the water is a priority. The strategy will be completed prior to LWDW, so it will be about maintaining the improved quality of the water. But that doesn't mean improvements couldn't be made if it was achievable.

Q6) Quality regulation is managed by central government through Taumata Arowai.

10w Like Reply



Steph N Sean Boerboom

Rangitikei District Council any updates to my questions yet? Thanks

5w Like Reply

 **Author**

Rangitikei District Council

Steph N Sean Boerboom yes! We're finalizing answers for the ones we can answer and they should be available on our website today, so perfect timing 🙄

Ben 🙄

5w Like Reply



Steph N Sean Boerboom

Rangitikei District Council thanks Ben, I bet "water" is a banned word in your household lol

5w Like Reply

 **Author**

Rangitikei District Council

Steph N Sean Boerboom unless it's being used as a mixer 🙄.

Answers to your questions below 🙄

Q2/3) Councils are required to submit a Water Services Delivery Plan to the government by September, and as part of that plan we're required to have consulted on what our preference is. Community feedback will be considered like all other consultations that we do, but the ultimate decision on what our water services delivery looks like in the future sits with Council, and the government will have the final say.

Q5) Water service providers will be required to meet the standards set out by Taumata Arowai, which may change depending on direction from central government legislation.

If you have any questions to the above, let us know 🙄 - Ben

5w Like Reply

8 Meeting Closed.