



EXTRAORDINARY MEETING

of

Council

AGENDA

Time: 2:00 pm
Date: Wednesday, 4 December 2024
Venue: Waiata House, 27 Lincoln Road,
Masterton

MEMBERSHIP

Mayor Gary Caffell (Chairperson)

Councillor Bex Johnson
Councillor Craig Bowyer
Councillor Brent Goodwin
Councillor David Holmes

Councillor Tom Hullena
Councillor Stella Lennox
Councillor Tim Nelson
Councillor Marama Tuuta

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

Order Of Business

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The Chairperson will open the meeting with the karakia

Karakia timatanga

Kia tau ngā manaakitanga a te mea ngaro	Let the strength and life force of our ancestors
ki runga ki tēnā, ki tēnā o tātou	
Kia mahea te hua mākihikihi	Be with each and everyone of us
kia toi te kupu, toi te mana, toi te aroha, toi te Reo Māori	Freeing our path from obstruction
kia tūturu, ka whakamaua kia tīna! Tīna!	So that our words spiritual, power, love and language are upheld
Hui e, Tāiki e!	Permanently fixed established and understood
	Forward together

At the appropriate time, the following karakia will be read to close the meeting.

Karakia whakamutunga

Kua mutu ā mātou mahi	Our work has finished
Mō tēnei wā	For the time being
Manaakitia mai mātou katoa	Protect us all
Ō mātou hoa	Our friends
Ō mātou whānau	Our family
Āio ki te Aorangi	Peace to the universe

1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of:

- leave of absence for future meetings of Masterton District Council
- apologies, including apologies for lateness and early departure from the meeting where leave of absence has not previously been granted.

3 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

4 CONFIRMATION OF COUNCIL MINUTES

4.1 MINUTES OF COUNCIL MEETING HELD ON 13 NOVEMBER 2024

File Number:

Author: Harriet Kennedy, Governance Team Leader

Authoriser: Kym Fell, Chief Executive

RECOMMENDATION

That the Minutes of Council Meeting held on 13 November 2024 be received and confirmed as a true and correct record of the meeting.

ATTACHMENTS

- 1. Minutes of Council Meeting held on 13 November 2024**



MINUTES

**Ordinary Council Meeting
Wednesday, 13 November 2024**

Order Of Business

1 Conflicts of Interest 3

2 Apologies 3

3 Public Forum..... 3

4 Items not on the Agenda 3
There were no late items 3

5 Confirmation of Council Minutes 3
There were no Council Minutes for confirmation.

6 Committee Reports..... 3
There were no Committee Reports.

7 Reports for Decision..... 3

7.1 Local Water Done Well - Wellington Region Water Services Delivery Plan 3

7.2 Adoption of Water Meter Charging Consultation Document and Supporting Information 10

8 Reports for Information..... 11
There were no reports for information.

9 Public Excluded 11
There were no matters to be considered with the public excluded.

**MINUTES OF MASTERTON DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE WAIATA HOUSE, 27 LINCOLN ROAD, MASTERTON
ON WEDNESDAY, 13 NOVEMBER 2024 AT 9:30 AM**

PRESENT: Mayor G Caffell (Chair), Councillors B Johnson, C Bowyer, B Goodwin, D Holmes, T Hullena, S Lennox, T Nelson and M Tuuta

IN ATTENDANCE: Iwi Representative Jo Hayes, Iwi Representative Robin Potangaroa, Chief Executive, General Manager Finance, General Manager Strategy and Development, General Manager Infrastructure and Assets, Chief Advisor, General Manager Community, General Manager Corporate, Policy Manager, Governance Team Leader

The meeting opened with a presentation for the General Manager of the Wairarapa Road Safety Council to acknowledge his service to the Wairarapa Community on his retirement.

1 CONFLICTS OF INTEREST

No conflicts of interest were declared.

2 APOLOGIES

There were no apologies

3 PUBLIC FORUM

Lyn Patterson spoke to Council in relation to the Local Water Done Well agenda item, asking Council to seek community feedback on more than the two options outlined in the recommendations as the community needed to adequately informed about the various options and be able to provide feedback on them.

4 ITEMS NOT ON THE AGENDA

There were no late items

5 CONFIRMATION OF COUNCIL MINUTES

There were no Council Minutes for confirmation.

6 COMMITTEE REPORTS

There were no Committee Reports.

7 REPORTS FOR DECISION

7.1 LOCAL WATER DONE WELL - WELLINGTON REGION WATER SERVICES DELIVERY PLAN

The report providing an update to Council on developments with the Government's Local Water Done Well programme and to seek direction on which options for a water services delivery model

to develop for consultation with the community in March 2025 was presented by the General Manager Infrastructure and Assets.

In response to questions it was advised: that some of the Phase 2 work could start as soon as a decision was made regardless of what the final option was; that the implications of including the Wellington model in the consultation would be an increase of risk for the shareholding councils as they had asked for a decision so they could firm up the shape of that organisation, as each time a council decides to withdraw from that model, they have to re-do a reasonable amount of work; if Tararua District Council decided to exit from the Wai + T model it would be easy to remove them; if Tararua did drop out, Council would need to confirm that we proceed as some of the modelling would change; consultation would be in line with the requirements of the Local Government Act, including the advantages and disadvantages of each of the models we are consulting on, based on the information in the reports to date, including costings and what the model will look like, presented in a concise and easily understandable way, and an indication of what would be in any agreement if there was a joint arrangement would need to be included; that as there had been different approaches in the models, depending on the models taken forward for consultation more work would need to be done between now and March to meet the mandatory information requirements for consultation; no modelling had been done on what the Wai + T model looked like without Masterton or Carterton or South Wairarapa District Council as that had not been in the project team brief; and, no recommendation had been made on harmonisation, that would be up to the shareholding councils to negotiate and agree after a decision to proceed has been made.

MOTION

Moved by Mayor G Caffell
Seconded by Councillor B Johnson

That Council

1. **Receives** the report.
2. **Notes** the legislative changes enacted under the Government's programme, Local Water Done Well through the Local Government (Water Services Preliminary Arrangements) Act 2024, to address long standing water infrastructure challenges which includes:
 - (a) the requirement for Councils to produce a Water Services Delivery Plan and accompanying implementation plan by 3 September 2025
 - (b) ensuring water services are financially sustainable; and
 - (c) greater central government oversight through economic and quality regulation.
3. **Notes** that the Government intends to introduce further water services legislation in December 2024 to be enacted in mid-2025 that will establish the economic and regulatory oversight regime for water services.
4. **Notes** that Council is required by the Local Government (Water Services Preliminary Arrangements) Act 2024 to consider and consult with the community on at least two options for the future delivery model for water services, being an enhanced status quo model, and a water services council-controlled organisation or joint services arrangement.
5. **Agrees** to exit the Wellington region water services delivery joint arrangements.
6. **Agrees** to continue the development of the Wairarapa and Tararua (Wai + T) water services delivery joint arrangement for three waters for consultation with the community and **notes** the

Chief Executive will draft an agreement with participating councils for Council's consideration in December 2024.

7. **Agrees** not to develop a Masterton water services council-controlled organisation model for three waters for consultation with the community.

The meeting adjourned from 10.29am to 10.33am and again from 10.38am to 10.42am. All members were present when the meeting reconvened.

An amendment was proposed to remove 5, 6, and 7 from the motion and replace those with a motion that Council agreed to postpone decision making until the content of the December bill was known.

The motion was discussed. Some members were of the view that there wasn't enough information for Council to make a decision on consultation options as there were a lot of unknowns and the content of the legislation that would be coming in December was also unknown. Others thought that there was enough information for Council to decide on the options for consultation and that the Department of Internal Affairs were aware of the work done to date and if the upcoming legislation would have any impact on the decisions being sought, they would be advising councils to delay. Indications were that the legislation would be more procedural than critical.

Staff advised that the implications of delaying the decision would be around timing and the quantum of work that's required, and allowing for consultation, and the impact of that on the deadline to have a Water Services Delivery Plan and implementation plan in place by 3 September 2025.

While not necessarily thinking the regional model was the best model, some members also thought that it should be added as an option for consultation to give the community choices and the opportunity to provide the best possible feedback. Staff advised that the implications of adding another model would mean that additional work would be needed to include that in consultation as all models would need to be worked up, and, the other councils participating in the regional model wouldn't have certainty about who was in or out of the model until the consultation process had concluded which would impact on the September 2025 deadline.

An amendment was put, to replace 5, 6 and 7 of the motion with the following:

AMENDMENT

Moved by Councillor T Nelson

Seconded by Councillor B Goodwin

That Council

5. **Agrees** to postpone decision making on models to take forward to consultation until the third bill to be laid before Parliament in December referred to in 3. above is known.

In Favour: Councillor Brent Goodwin, Councillor Tom Hullena, Councillor Tim Nelson, Councillor Marama Tuuta

Against: Mayor Gary Caffell, Councillor Bex Johnson, Councillor Craig Bowyer, Councillor David Holmes, Councillor Stella Lennox

LOST 4/5

The motion was taken in parts:

RESOLUTION 2024/113

Moved by Mayor G Caffell
Seconded by Councillor B Johnson

That Council

1. **Receives** the report.
2. **Notes** the legislative changes enacted under the Government's programme, Local Water Done Well through the Local Government (Water Services Preliminary Arrangements) Act 2024, to address long standing water infrastructure challenges which includes:
 - (a) the requirement for Councils to produce a Water Services Delivery Plan and accompanying implementation plan by 3 September 2025
 - (b) ensuring water services are financially sustainable; and
 - (c) greater central government oversight through economic and quality regulation.
3. **Notes** that the Government intends to introduce further water services legislation in December 2024 to be enacted in mid-2025 that will establish the economic and regulatory oversight regime for water services.
4. **Notes** that Council is required by the Local Government (Water Services Preliminary Arrangements) Act 2024 to consider and consult with the community on at least two options for the future delivery model for water services, being an enhanced status quo model, and a water services council-controlled organisation or joint services arrangement.

CARRIED

MOTION

Moved by Mayor G Caffell
Seconded by Councillor B Johnson

That Council

5. **Agrees** to exit the Wellington region water services delivery joint arrangements.

In Favour: Mayor Gary Caffell, Councillor Bex Johnson, Councillor Craig Bowyer, Councillor David Holmes

Against: Councillor Brent Goodwin, Councillor Tom Hullena, Councillor Stella Lennox, Councillor Tim Nelson, Councillor Marama Tuuta

LOST 4/5

RESOLUTION 2024/114

Moved by Mayor G Caffell
Seconded by Councillor B Johnson

That Council

6. **Agrees** to continue the development of the Wairarapa and Tararua (Wai + T) water services delivery joint arrangement for three waters for consultation with the community and **notes** the

Chief Executive will draft an agreement with participating councils for Council's consideration in December 2024.

.CARRIED

RESOLUTION 2024/115

Moved by Mayor G Caffell
Seconded by Councillor B Johnson

7. **Agrees** not to develop a Masterton water services council-controlled organisation model for three waters for consultation with the community

CARRIED

The meeting adjourned from 11.49 to 12.04pm

All members were present when the meeting reconvened.

The Chief Executive clarified the implications of the decision to not exit from the Wellington Regional Model. Council would need to commit to and spend the money to develop the plans and deliver consultation on two water services delivery plan options, one for Wai + T and another for the Wellington Region (as well as enhanced status quo). Council would be up for costs estimated at \$400,000.

In response to a question it was advised that the \$400,000 would not necessarily be able to be loan funded and go with the debt that went to the new entity as that would be subject to the agreement of the other councils forming that CCO. That decision hadn't been made, so at the moment Council was committing expenditure without a funding solution.

In response to another question it was advised that consultation couldn't be fast tracked as Council needed to align with the other Wairarapa councils and would also be part of the regional group so would be subject to their timeframes. The Christmas break and the amount of work that needed to be done before consultation would also mean that, even if consultation could be brought forward, it would only be by a matter of weeks.

Staff also advised that Council's decision would need to go back to the Wellington Regional group, as Council would need to hear their views to make sure that there were not any issues with Masterton proceeding with the Regional Model, as well as Wai + T, that might need to be reported back to Council.

To provide clarification, a new 8. was put:

RESOLUTION 2024/116

Moved by Councillor T Hullena
Seconded by Councillor B Goodwin

8. **Notes** that by not exiting the Wellington Regional Model, this model will continue to be developed for consultation with the community.

CARRIED

The Meeting adjourned at 12.21pm to reconvene at the conclusion of the Audit and Risk Committee meeting

The Meeting reconvened at 3.09pm

All members were present when the meeting reconvened.

7.2 ADOPTION OF WATER METER CHARGING CONSULTATION DOCUMENT AND SUPPORTING INFORMATION

The report seeking Council adoption of the Water Meter Charging Consultation Document and supporting information, outlining proposed changes to Council's Revenue and Financing Policy and Rates Remission Policy was presented by the Policy Manager.

RESOLUTION 2024/117

Moved by Councillor B Johnson
Seconded by Councillor C Bowyer

That Council:

1. **adopts** the Water Meter Charging Consultation Document (Attachment 1), draft Revenue and Financing Policy (Attachment 2) and the draft water excerpt for the Rates Remission Policy (Attachment 3).
2. **notes** that consultation is proposed to occur between 14 November and 13 December 2024.
3. **delegates** authority to the Chief Executive to approve a designed copy of the Consultation Document and minor edits that do not alter the intent of the content, prior to publication of the Consultation Document and draft policies for consultation.
4. **notes** that hearings and deliberations are proposed to take place on 18 and 19 December 2024.
5. **notes** that subject to adoption, a new charging approach would commence from 1 July 2025.
6. **notes** that the proposed Rates Remission Policy would require the Council to allocate a pool of funds through the 2025/26 and subsequent Annual Plan processes to support providing rates relief.

CARRIED

Councillor Hullena requested his vote against the motion be recorded.

8 REPORTS FOR INFORMATION

There were no reports for information.

9 PUBLIC EXCLUDED

There were no matters to be considered with the public excluded.

The Meeting closed at 3.36pm.

The minutes of this meeting were confirmed at the Extraordinary Council Meeting held on 4 December 2024.

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CHAIRPERSON

5 REPORTS FOR DECISION

5.1 ANNUAL REPORT 2023/2024

File Number:

Author: David Paris, General Manager Finance

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to present Council's 2023/24 Annual Report for adoption, following the completion of the audit undertaken by Audit New Zealand.

RECOMMENDATIONS

That Council

1. Adopts the Masterton District Council 2023/24 Annual Report;
2. Notes that the statutory deadline for adoption of the 2023/24 Annual Report was 31 October 2024, however the adoption has had to be delayed due to a combination of factors that impacted finalisation of the report;
3. Notes that the Annual Report and a Summary of that document must be published within one month of adoption;
4. Delegates authority to the Mayor and Chief Executive to approve any final changes requested by Audit New Zealand and/or minor edits prior to publication that do not change the intent of the document.

CONTEXT

The Local Government Act 2002 (LGA) requires all councils to prepare an Annual Report at the end of each financial year. Council's financial year end was 30 June 2024.

Under the LGA each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates (by 31 October 2024). As noted in the report to Council's Audit and Risk Committee on 13 November 2024 (Report 6.9) finalisation of the 2023/24 Annual Report was delayed largely due to internal resourcing pressures and also the audit providers capacity to complete their aspects.

A final draft copy of the Annual Report 2023/24 is provided under separate cover (Attachment 1). The report remains a final draft as late changes (such as additional disclosures) may still be requested/agreed as we finalise the audit process. It is expected that Council's auditors (Audit New Zealand) will have issued an unqualified opinion on the Report by the meeting date. This means that in the opinion of the auditors, the financial statements and reporting of performance measures, fairly reflect the financial performance and position of the Council for the year ended 30 June 2024. A draft version of the Summary Annual Report is also provided (Attachment 2).

ANALYSIS AND ADVICE

The purpose of an annual report is:

- to compare the actual activities and performance of the Council against what was planned for that year in the Long-Term Plan and the Annual Plan; and
- to promote accountability to the community for the decisions made throughout the year.

The 2023/24 Annual Report is reporting on Year 3 of the 2021-2031 Long-Term Plan and budgets that were set in the 2023/24 Annual Plan. It covers the period from 1 July 2023 to 30 June 2024.

The Annual Report document includes an introductory section with highlights of the year's achievements and detailed commentary at the activity level, of the achievements of the organisation as well as full financial reporting that meets Public Benefit Entity (PBE) financial reporting standards.

The Annual Report includes detailed commentary of the performance and achievements of the organisation during the year.

Financial Summary

The financial result shows Council operating at close the budgeted rates income levels in total, but with variations of unders and overs at the individual activity levels (see Note 1, page 118). Council's net debt level remains low compared to the limit allowed for in the Financial Strategy (38.7% vs a budget of 44.8% and a limit of 150% Net Debt to Operating Revenue).

Capital Expenditure totalled \$30.6 million versus a budget of \$49.6 million (see Note 17, page 132) with underspending on the airport runway upgrade project (underway at year end) and some road renewals and cyclone damage reinstatement work.

The Council has achieved a balanced budget as evidenced by the benchmark graph on page 87 which shows 103.9% operating revenue as a percentage of operating expenditure. Also on page 87 is the Essential Services benchmark result which shows Council's capital expenditure on network services was 149% of the depreciation expense for the year on those assets.

The operating surplus of \$10 million has been generated from \$5.2 million of assets vested in the Council by developers and revenue from NZTA that has been used to fund road renewals and cyclone recovery work.

Non-Financial Performance Summary

The Annual Report contains full reporting against non-financial performance measures. There were 43 performance targets and Council achieved 35 of them (81.4%).

Audit of the Annual Report

Under the Public Audit Act 2001, the Auditor-General is required to carry out annual audits of all public organisations. Audit New Zealand undertake Masterton District Council's audit on behalf of the Auditor General.

An auditor gives an independent opinion on an organisation's financial and service performance statements. These statements are an important part the annual report. The auditor's opinion

provides guidance on the reliability of the information in the annual report and must be completed prior to the adoption of the annual report.

Audit New Zealand undertook their audit of the 2023/24 Annual Report over October-November 2024.

Adopting and Publishing the Annual Report

Once adopted it is a legal requirement for Council to publish the document, and a summary of this, within one month. Proof-reading will be completed prior to publication.

A draft copy of the Summary document is attached. Audit NZ also review the summary document to ensure consistency with the Annual Report.

OPTIONS CONSIDERED

This is the only option considered because adoption of the Annual Report is a statutory requirement.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Sections 98 and 99 of the Local Government Act 2002 require councils to prepare an Annual Report at the end of each financial year and in accordance with the information required by Part 3 of Schedule 10 of the same Act. The 2023/24 Annual Report is being prepared in accordance with the legislation.

The legislation requires Council to report on the performance measures and targets identified for its activity areas and those measures that are identified as mandatory for all Councils.

The legislation also requires Council to report on its financial performance against budgets that were set for the year.

Significance, Engagement and Consultation

The decision to adopt the Annual Report is a statutory requirement. No consultation is considered necessary as the intent of the Annual Report is to inform the community. It is noted that the Annual Report is an important element of Council's accountability to the community. The Annual Report and a Summary of it will be published and made available to the community within one month of adoption.

Financial Considerations

The Annual Report includes extensive financial information on the Council's performance in the 2023/24 year. There are no financial considerations beyond the report itself.

Implications for Māori

The decision to adopt the Annual Report does not have any implications specific to Māori.

Communications/Engagement Plan

No communication or engagement plan is required. Council is required to publish the Annual Report and Summary document and make these available to the public within one month of adoption. For the 2023/24 Annual Report adopted 4 December, publication is required by 4 January 2025.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising from the adoption of the Annual Report. The publication of the Annual Report and Summary documents will be done principally via the Council's website. Minimal hard copies will be printed.

ATTACHMENTS

- 1. 2023/2024 Annual Report (under separate cover)**
- 2. Annual Report Summary (under separate cover)**

5.2 NOTICE OF MOTION - REVOCATION OF RESOLUTION PASSED 13 NOVEMBER 2024

File Number:

I, Deputy Mayor Bex Johnson, give notice that at the Extraordinary Meeting of Council to be held on 4 December 2024, I intend to move the following motion:

MOTION

That Council:

1. Notes the Notice of Motion provided to the Chief Executive.
2. Refers the proposal to the Chief Executive for consideration and report as the proposal is likely to be a significant decision.
3. Agrees to revoke Resolution 2024/116 from the Council meeting held on 13 November 2024:

That Council:

Notes that by not exiting the Wellington Regional Model, this model will continue to be developed for consultation with the community.

4. Agrees not to continue to develop the Wellington region water services delivery joint arrangement for consultation with the community and exits those joint arrangements.

RATIONALE

The Notice of Motion and supporting information is attached as Attachment 1.

I commend this Notice of Motion to Council.

ATTACHMENTS

1. **Notice of Motion** [↓](#)

NOTICE OF MOTION

To: Chief Executive

From: Deputy Mayor Bex Johnson, Councillor David Holmes and Councillor Craig Bowyer

Date: 25 November 2024

We wish to put the following motion for consideration at the extraordinary meeting of Council to be held on 4 December 2024

In accordance with Standing Order 24.1

(a) The resolution which we propose to revoke is:

Resolution 2024/116 from the Council meeting held on 13 November 2024:

That Council:

Notes that by not exiting the Wellington Regional Model, this model will continue to be developed for consultation with the community.

(b) The resolution was passed at the Council meeting held on 13 November 2024

(c) The motion we propose to replace the revoked resolution with is:

That Council:

Agrees not to continue to develop the Wellington region water services delivery joint arrangement for consultation with the community and exits those joint arrangements.

Supporting information to satisfy the decision-making provisions of sections 77-82 of Part 6 of the LGA 2002 is:

We contend that staff did not have all the detailed information at the meeting on 13 November about the implications of continuing with both the Wellington Regional Model (WRM) and the Wairarapa plus Tararua Model (Wai+T) to consultation.

The Chief Executive has since provided the information below after consulting with the Wellington Regional Model delivery group.

We believe this information significantly changes the context and basis of the decision made at the meeting to continue with both models to consultation.

We believe it is appropriate that the council considers this information and agrees to exit the Wellington Regional Model on the basis that:

- It was not supported as a model by the majority of the Council during debate
- The resources and opportunity costs to develop two sets of plans by each Council in the Wellington region (one with and one without Masterton) are significant.
- The costs up to the establishment phase (including consultation) will be borne by the individual authorities and cannot be passed on to the new entity.

- Council is not required to consult with the community on this decision as set out in the report to Council.
- To consult on a model that is not supported by the majority of Council, or by Iwi Representatives, and that will incur significant costs, is not acting in good faith and is not a good use of ratepayer money.

We also accept that under Standing Orders if the decision is likely to be deemed a significant decision the proposal should be referred to the Chief Executive for consideration and report. However, we contend that no further information to what is included in this Notice of Motion is needed for the Council to make the decision to replace the resolution as proposed.

The further information provided by the Chief Executive to questions asked by Councillors after the 13 November meeting should be considered with this Notice of Motion. These questions and answers were:

Have the Wgtn regional group confirmed MDC can continue to participate in the regional model?

Yes.

What does the MDC decision mean for the other councils of Wai + T, and the Wgtn region model?

Consultation: WRM potential shareholding councils will need to include two versions for the WRM. Version A. including Masterton and Version B. excluding Masterton. This is not to be confused with consulting on two different options. This will be to illustrate what the WRM entity would look like with and without Masterton. This will also pertain to other councils within the Wai+T model.

Water Service Delivery Plans (WSDP): The WRM project team is commencing work on the WSDP forthwith. This will require them to work up two different financial plans as the investment programmes will be different with and without Masterton. This will also pertain to the other councils within the Wai+T model.

The quantum of additional work is not yet known. A dedicated session has been set up by the Wellington Regional Team to look at this in the coming week.

Waiting until the consultation is completed does not leave sufficient time for WSDPs to be developed as five plans will now be needed, as follows:

- WSDP for enhanced status
- WSDP for the Wai + T with Masterton
- WSDP for Wai + T without Masterton (Modelling costs incurred by Masterton)
- WSDP for WRM with Masterton
- WSDP for WRM without Masterton (Modelling costs incurred by Masterton)

There will be parts of the WSDPs that can be replicated across, however given the difference of entity make-up and investment strategy, a considerable amount will need to be tailored to each individual plan.

Concerns have been raised by the regional Chief Executives regarding our Council's genuine appetite to proceed with the WRM, given the unsupportive commentary from elected members

and iwi representatives at the Council meeting on 13 November. They are frustrated that the decision made by Masterton will see significant increase in costs, time and added workload for their Councils.

Who will be on the AOG as elected member rep?

Who will be on the AOG as Iwi rep?

We posed these questions to the Wellington Regional Team, and they would like a supportive elected member and iwi representative on the AOG who are genuinely in favour of the WRM. They would prefer not to have representatives who voted against the WRM.

What will the estimated costs be and are we locked in on these costs regardless of the result of consultation?

As of 14/11, the high-level estimate from the WRM project team for Masterton to remain in the regional model is \$159,000 - \$192,000 of consultancy costs. (The lower being eight councils, the higher being six councils). This cost is for only one WSDP. This is indicative only and is subject to change, it has been agreed that we will be billed on actual costs.

The establishment costs for the WRM for Masterton is calculated between \$3.115M (of \$75M) and \$5.192M (of \$125M) with all eight councils involved.

The establishment costs for the WRM for Masterton is calculated between \$3.735M (of \$75M) and \$6.226M (of \$125M) without Horowhenua and Kapiti District Councils.

In addition to the regional model costs and the Wai+T project costs the estimated Officer contribution is as below (noting that until detailed programmes of work have been established it is very difficult to estimate the quantum of work, start and stop times may vary so this doesn't equate to duration, work effort only). This is for work up to consultation (including commencing the WSDPs and Implementation Plans) for three options:

- Chief Executive – 10% - 20% (Heavy in the coming weeks)
- GM Finance – 50% 2-3 days a week
- GM I & A – 50% - 2-3 days a week (Heavy in the coming weeks)
- GM Corporate Services – 20% - 1 day a week for a period
- GM Strategy & Planning – 20% - 1 day a week for a period
- Compliance, Assets & Contracts Manager – 10% - 1 day a fortnight
- 3Waters Manager – 10% - 1 day a fortnight
- Assets Staff – 1 @ 75%
- Assets Staff – 1 @ 50%
- Strategy & Comms Staff – 2 @ 50%

Some of these roles will need to be backfilled by contracted resources.

Confirmation that these costs can be passed on to the new entity at time of standup – or, if not, how they will be treated.

Costs up to the point of a decision being made post consultation are likely to remain with those existing councils as part of standard decision-making costs. Establishment costs, i.e., those related to setting up an entity are likely to be transferred as debt to the new entity on day one.

If further Councils exit the Wellington model before consultation happens, will we be consulting on an amended Wellington model and how accurate will the projections be at the time of consultation?

Work towards consultation will be starting immediately, however a lot of work can start now that isn't directly about consultation. I expect the design of the WRM programme will make allowances for the HDC (27/11) and KCDC (28/11) decision dates so that no rework is needed as a result. I understand that the WRM has now adopted the same financial methodology used by the Wai+T working group and the Department of Internal Affairs (DIA).

Will we also be up for costs if the Wairarapa plus Tararua model must be remodelled because of the possibility of us pulling out?

Discussions are underway regarding the above as is confirming the scope of work and terms of reference for the Wai + T project team. We expect to incur incremental costs for the consultants having to devise a separate WSDP excluding Masterton.

We would like to move:

That Council:

1. Notes the Notice of Motion provided to the Chief Executive.
2. Refers the proposal to the Chief Executive for consideration and report as the proposal is likely to be a significant decision.
3. Agrees to revoke Resolution 2024/116 from the Council meeting held on 13 November 2024:

That Council:

Notes that by not exiting the Wellington Regional Model, this model will continue to be developed for consultation with the community.

4. Agrees not to continue to develop the Wellington region water services delivery joint arrangement for consultation with the community and exits those joint arrangements.

Signed:

Deputy Mayor Bex Johnson:



Councillor David Holmes:



Councillor Craig Bowyer:

