



Notice is hereby given that an Ordinary meeting of Southland District Tuatapere Te Waewae Community Board will be held on:

Date:	Tuesday, 3 June 2025
Time:	3.30pm
Meeting room:	Waiau Town and Country Club
Venue:	41 King Street Tuatapere

Tuatapere Te Waewae Community Board Agenda - Late Items OPEN

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

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Chairperson's report

Record no: R/25/5/23830
Author: Rachael Poole, Committee advisor
Approved by: Robyn Rout, Governance legal manager

☒ Decision ☐ Recommendation ☐ Information

Purpose of report

The purpose of this report is to provide the chairperson of the Tuatapere Te Waewae Community Board an opportunity to present an overview of the issues she has been involved with over the last two months.

Chairperson update

Since the last Community Board meeting we have had the very sad death of Margaret Thomas who died on the 10th of April 2025. It was a great tribute that her funeral was attended by many, including representatives from the many organisations and groups of which Margaret was associated in a lifetime commitment to her community. It was lovely to see the Mayor, the CEO and some staff members from Southland District Council, as well as Community Board members, in attendance. Thank you for this respectful acknowledgement of a passionate, loyal and hard-working community member. Margaret has left a distinctive mark on this community and for those of us who worked alongside her and enjoyed her friendship, we are the richer for it.

Our community keeps doing extraordinary things for the benefit of all including:

- The Tuatapere Toy Library committee has yet again organised another great Tuatapere Rubber Duck race fundraiser. There were a large number of families out on this fun, beautiful Autumn day.
- The Orepuki Promotions Committee, in association with the Orepuki Fire Brigade, held a very successful fundraising quiz, the proceeds contributing to the replacement of Fire Brigade tanks. They raised an amazing \$8,000!
- The Monowai community had a wonderful weekend celebrating 100 years of the hydro power station. People came from near and far and there was a huge attendance.
- The ANZAC services were all very well attended at Orawia, Tuatapere and Orepuki. They were reverent and heartfelt; a beautiful memorial to our local lads who paid the supreme sacrifice and to all of those affected by war and unrest, both in the past and the present. The number of young families in attendance seems to grow annually which is wonderful. Our local schools prepare the students well and the contributions of art are really lovely. Our RSA Memorial Library looked amazing with its sprinkling of poppies and the life-size silhouettes made by Hauroko Valley Primary students some years ago.
- This year's Pink High Tea for breast cancer was a great success with \$5,336 being raised which is very good for a small community.

Other Community Board News and Activities:

- It's great to see the new, much needed street light in Birch Street. The residents are very happy with this.
- The community work team has been doing some really helpful activities including the removal of diseased flax plants and noxious weeds from a garden near the recycling centre.
- It was greatly appreciated that Mayor Rob, Fran and Grant attended a public meeting at the Waiau Town and Country Club on 28th April. Although there were few present the discussion was informative and worthwhile. It is disappointing that the delivery of the Local Water Done Well document was inconsistent around Southland.
- Emma from SDC and CB member Marilyn visited local schools and the playgroup to engage the interest of the children in ideas for the redevelopment of the Jack and Mattie memorial playground. Following this, letters were received from school students with their ideas and drawings. At this stage I have written responses, on behalf of Marilyn and I, to each child who contributed from Hauroko Valley Primary. These will be typed up by Comms staff with an attractive background. The same will be done to the students at Waiau Area School and the Tuatapere Playgroup who contributed ideas. All of the ideas were great!
- It's really good to see the impact on locals and visitors in regard to the renovations taking place at our railway station. A huge thanks to all involved! Work is underway to negotiate acquiring additional land around the precinct. The purchase of the land will come from the Better off Fund allocated to the railway station upgrade.
- On Wednesday 30th April I had my turn as a Community Board Chair to report to the Southland District Council meeting on happenings in our CB area. It was with a sense of pride that I could report on quite a list of community activities; so many examples of locals making things happen!
- Community Board reports were included in the May and June editions of the Western Wanderer.
- It's wonderful to see the resurrection of the Orepuki War Memorial. The clean-up and touch up paint work means that soldiers' names are now clearly seen. Thank you to those involved in this.
- The Monowai Village Services Society held a meeting on 5th April. Following this advice was sought on whether to form a separate entity to look after general local concerns. The Society was originally established to look after the Water Supply. On the 20th May a meeting took place with Neil (Chairperson) and Robyn Wohlers, Rachael Poole, Community Board member Wayne Edgerton and I. This was a positive discussion and, as a follow up, we will also attend their AGM on 31st May.
- On 27th May, Mark Day met with CB members Marilyn Parris and Paula McKenzie and I at McLeod's Track to discuss the planned planting program. This area is looking very neat and attractive already with its coating of bark chips.
- On the same day, 27 May - Mark and I met with Clifden Bridge Planting Group members Phil Symonds and John Moffat to discuss plans for this area going forward. A Memorandum of Understanding is to be drawn up as to geographical specifics and the planting program.

- It will be good to see a new, attractively decorated, toilet installed at the Half Mile Playground.
- It's great that the Southland District Council meeting will be held on the 11th June in Tuatapere. This will be a good chance for us to showcase some of our lovely spots and work being done as well as other areas of concern and our plans to address them (eg Elder Park).
- It is hoped that there is good attendance at the Mayor's discussion with the community on the future of the Monkey Island shelter on the 12th June at 5.30pm at the Orepuki Hall.
- Thank you to the amazing girl team of Stella O'Connor, our Community Partnership Leader and Rachael Poole, our Committee Advisor for your constant support, advice and wisdom. Thank you also to those SDC staff members who regularly pop out and take the time to look at issues and to listen to our community members.

Local Waters Done Well Submission

Attached to the chairs report is a PDF copy of the submission that was made on behalf of the board as discussed and due to the submission closing in between our meetings, we will retrospectively approve the submission as part of my report.

Board member updates

This report also enables board members to provide an update on issues they have been involved with.

Next meeting

The next board meeting is at 3.30pm on Tuesday 5 August 2025, to be held at the Waiau Town and Country Club, King Street, Tuatapere.

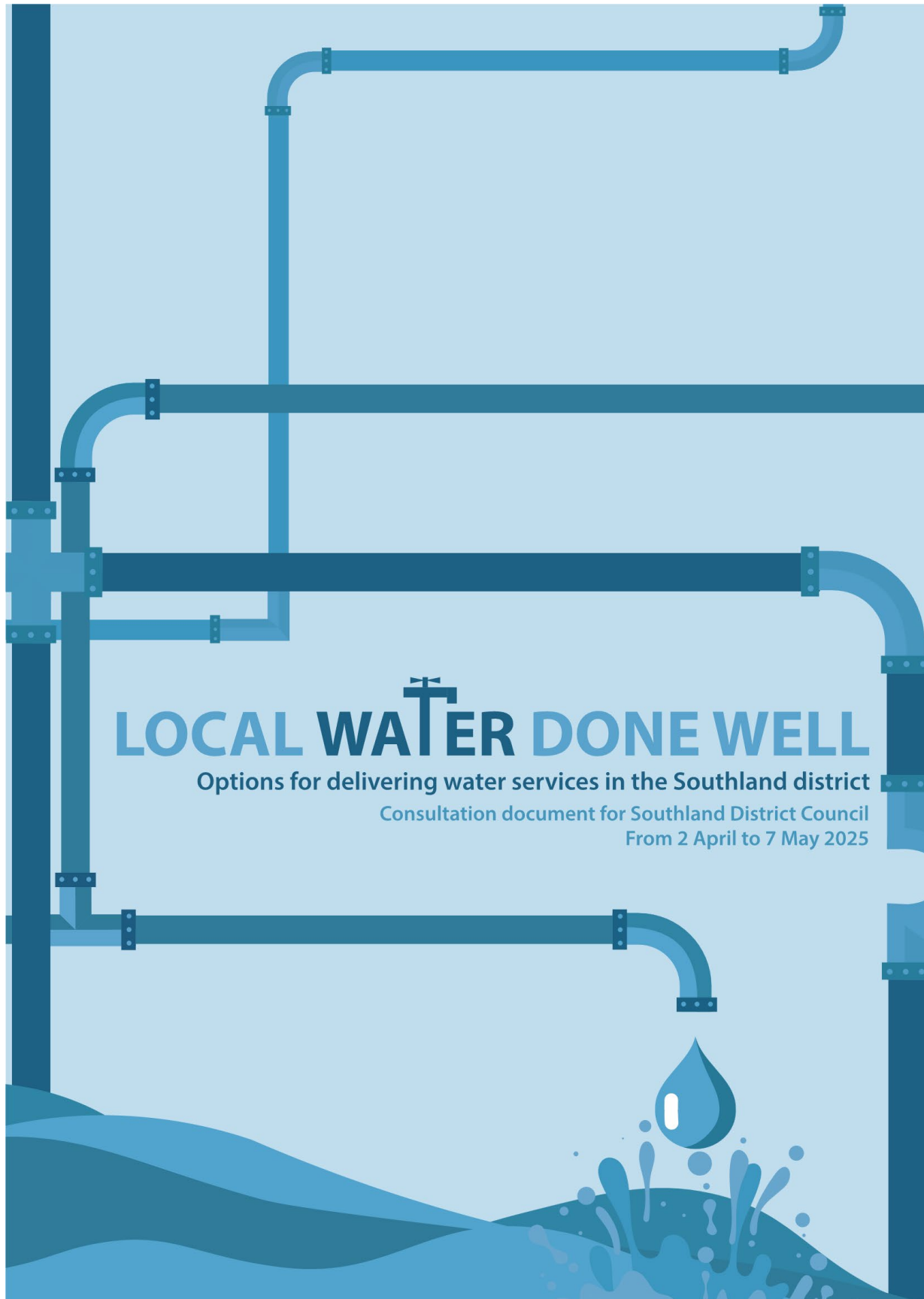
Recommendation

That the Tuatapere Te Waewae Community Board:

- a) receives the report titled "Chairperson's report"**
- b) ratifies the submission on the Local Water Done Well, Local Government (Water Services) Bill (included with this report as Attachment A) that was lodged with Council on 7 May 2025.**

Attachments

A Tuatapere Te Waewae LWDW submission May 2025



LOCAL WATER DONE WELL

Options for delivering water services in the Southland district

Consultation document for Southland District Council
From 2 April to 7 May 2025



BACKGROUND

As part of the government's Local Water Done Well (LWDW), each council is required to decide on how water services will be delivered and to develop and submit a Water Services Delivery Plan (WSDP) by 3 September 2025

Water services include:

Drinking water - ensuring safe and reliable drinking water is provided to those connected to the schemes

Wastewater - ensuring the collection, treatment and disposal of wastewater protects public health and the environment

Stormwater - managing stormwater drainage to reduce flood risk and run-off in urban areas

This delivery plan needs to include details on how the services will be operated, their physical structures, how much money the services make and spend, along with how Council plans to finance and deliver our preferred delivery model.

A large part of the costs of maintaining and managing water services depend on the regulations set at a national level by Water Services Authority (Taumata Arowai), which councils have an obligation to follow. We are waiting on legislation to be confirmed on the proposed national water standards. These are expected to be finalised later in 2025, and will significantly impact compliance obligations and associated costs for us and our communities.

The five options the government has provided for the future management and delivery of waters are:

- an in-house business unit (our current delivery model)
- a single Council-owned Council-Controlled Organisation (CCO)
- a Council-Controlled Organisation (CCO) owned by multiple councils
- a mixed council /consumer trust – a consumer trust established as the majority shareholder with one or more councils owning a minority of shares
- a consumer trust – council assets would transfer to a consumer-trust owned organisation.

There will be no new government funding provided for any of the changes to water services delivery, including set-up costs.

OUR OPTIONS AND WHY

We have reviewed the different water service delivery models in collaboration with Otago and other Southland councils, and advice from Morrison Low consultants. After assessing all the requirements and needs, we believe there are two options that best suit Southland district at this time.

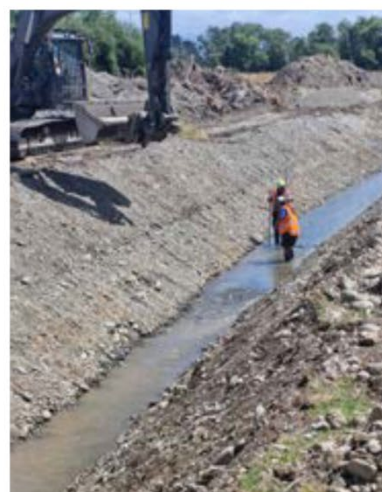
The government is clear that the status quo for water services is no longer an option, so our preferred option is an adjusted status quo, our in-house model.

Adjusted status quo (in-house business unit) – Council continues to deliver all water services, making changes to meet the legislation (therefore it is different to status quo).

The other option we would like to consult on is a Council standalone Water Services Council Controlled Organisation (WSCCO) to deliver three waters.

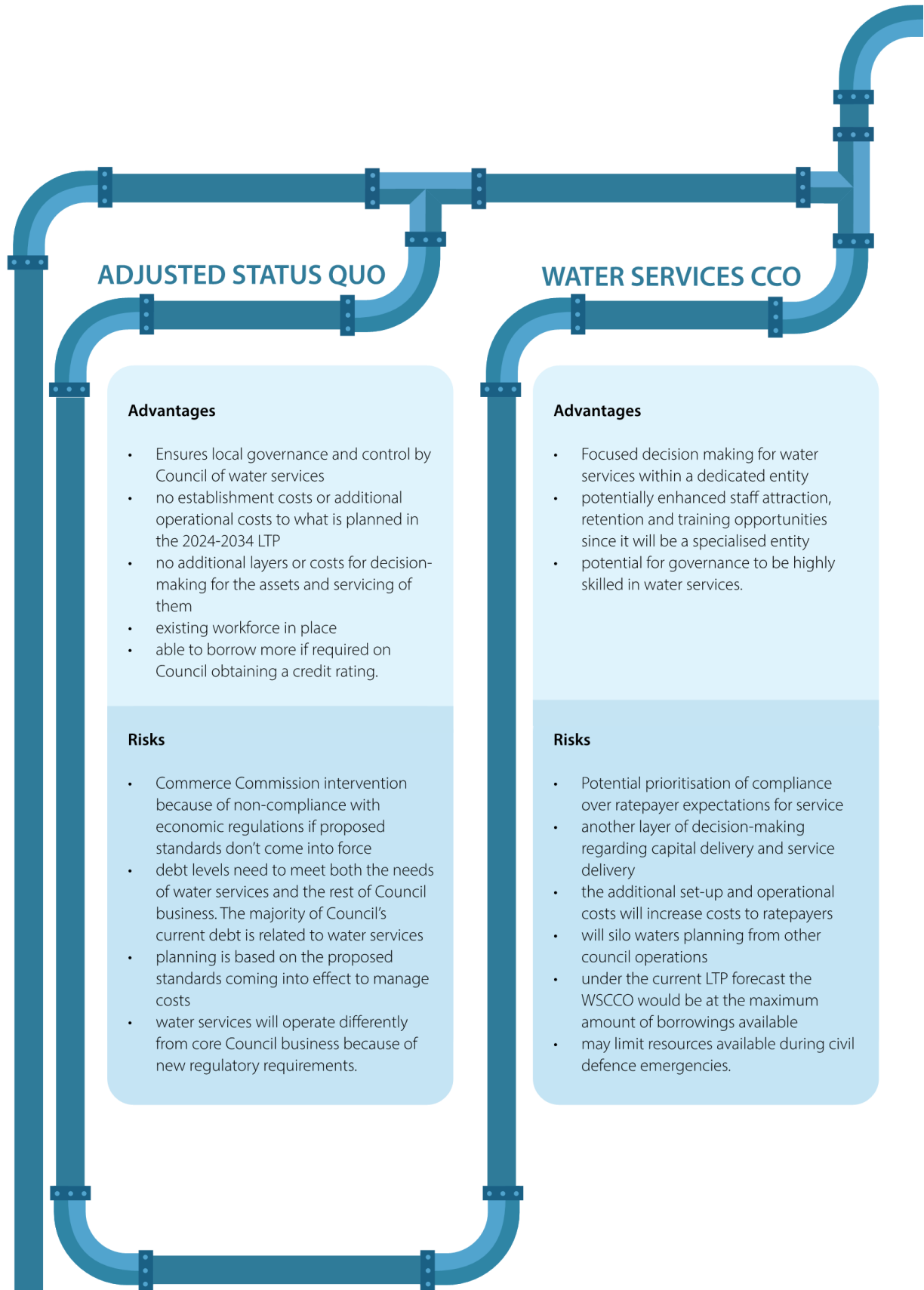
What is a CCO? It is an organisation set up by Council, but then runs independently from Council with its own specialist board structure and management. Council will be the only shareholder.

The adjusted status quo model ensures direct council oversight, while the WSCCO option offers potential benefits in financial independence.



COMPARISON OF THE TWO OPTIONS

	ADJUSTED STATUS QUO	WATER SERVICES CCO
EXPLANATION OF MODEL	Council continues to manage water services, making changes to operations to meet regulations.	A new separate entity runs water services, with its own board and management. Council is the only shareholder. Council decides the level of decision making through the constitution.
WHO MAKES DECISIONS ABOUT WATER SERVICES	Council	The board of the WSCCO
BORROWING CAPACITY	Council currently can borrow up to 175% of total revenue and this can increase to 280% of total Council revenue, with Council obtaining a credit rating	500% of water services revenue
LEVELS OF SERVICE	No change to the LTP	No change to the LTP
DEBT/BORROWING REQUIREMENTS	Modelling is based on the forecasts in the 2024-2034 Long Term Plan (LTP)	Modelling is based on the forecasts in the 2024-2034 LTP
BORROWING STILL AVAILABLE TO USE	Within Council's LTP, there is capacity to borrow a further \$146 million in 2024/2025, dropping to \$40 million in 2033/2034. If Council obtains a credit rating it will be able to borrow 280% of total Council revenue, up to a further \$272 million in 2024/2025 dropping to \$212 million in 2033/2034.	The WSCCO can borrow 500% of waters revenue. Based on water services current borrowing within Council's LTP, there is only room to borrow a further \$22 million in 2024/2025, dropping to \$10 million in 2033/2034.
COST OF OPTIONS	There are no set-up costs. Operating costs are as forecast in the 2024-2034 LTP	There will be set-up costs of \$750,000. Additional operating costs are estimated at \$625,000 per year over the operating costs we currently have.
RATES/ WATER CHARGES	Water services rates will increase yearly inline with the LTP.	On top of the yearly rate increases as forecast in the LTP, those connected to the services will pay an additional \$46 for the set-up of the WSCCO in the first 2 years increasing to \$81 to include additional operating costs and increasing by inflation annually.
LEGAL COMPLIANCE	This will meet the requirements of the new legislation	This will meet the requirements of the new legislation
COMMUNITY AFFORDABILITY	In our LTP, water rates are planned to increase over the 10 years. If the proposed standards are brought in, that number is likely to decrease.	The WSCCO will decide on how it will set its charges, therefore this is unknown at this stage.
ENVIRONMENTAL OUTCOMES	None other than those legislated by new regulations.	None other than those legislated by new regulations.
CULTURAL OUTCOMES	We have continued to work with Te Ao Marama and will do this in the future.	The entity will make its own decisions about engagement and Council will have less control over this



Why we prefer the adjusted status quo option

Council's preference is for the adjusted status quo in-house model mainly because,

Financial oversight – The in-house model is the most financially viable option. When detailed financial analysis was undertaken, the WSCCO option has establishment and higher operational costs, making it less cost-effective for ratepayers. The adjusted status quo in-house model ensures Council retains direct oversight of expenditure, service levels, and investment decisions. Additionally, Council has more borrowing capacity than the WSCCO.

Governance and local decision-making – Under a WSCCO structure, Council's direct control over water service delivery would be significantly reduced. Decisions would be made at a board level rather than at a local (elected) level, which means communities would potentially have less ability to influence priorities or advocate for specific needs. Keeping services in-house ensures elected members remain accountable to their communities.

Community outcomes and responsiveness – The adjusted status quo in-house model allows for more tailored service delivery which reflects the unique needs of Southland communities. A WSCCO could lead to a more separate decision-making process, potentially resulting in siloed priorities which do not align with Council's broader strategic objectives for the district. By maintaining direct control, Council can ensure a more co-ordinated and integrated approach to infrastructure planning and service delivery.

Ultimately, the preference for the in-house model reflects Council's commitment to financial sustainability, community-focused governance, and maintaining local influence over critical infrastructure services.

This impacts our communities in a big way and we want to hear your thoughts.

Council did consider a third option - joining in with other councils in a joint CCO, but at this stage does not believe it is the best option for the Southland district, as costs have not been worked through completely because we don't have finalised legislative requirements.

The selection of our two options for this document does not preclude future collaboration with neighbouring councils or other WSCCOs and Council will continue to look at other arrangements, should they be considered to be the best outcome for our communities.



FINANCIAL INFORMATION

The budgets used to establish cost models for the options are based on Council's adopted LTP 2024-2034, **with levels of service and borrowing levels being the same under either option - the adjusted status quo or the standalone WSCCO.**

However, additional costs will be incurred in the establishment of a WSCCO. This is estimated to be \$750,000. This cost includes the physical set up of a separate office space along with the cost of transferring contracts to the water entity along with the transfer of titles for the numerous water treatment and waste water treatment plants and easements held. The cost estimates have been based on legal advice and discussions with the Department of Internal Affairs (DIA).

There will also be additional costs for operating under the WSCCO model, that are estimated to be \$625,000 a year. The estimate includes a governance board of five, a chief executive and administration roles, audit fees and costs associated

with separate billing. Based on those assumptions, the additional cost of service delivery through a WSCCO would start for an estimated \$46 (incl GST) in 2025/2026, increasing to \$81 (incl GST) in 2027/2028 and thereafter an increase of inflation to an expected \$92 (incl GST) in 2033/2034 for those currently paying a full charge for all three water services.

As part of the modelling, it has been assumed that the WSCCO would be established over the two years beginning 1 July 2025, with operations being undertaken by the WSCCO from 1 July 2027. This would align with the next LTP cycle and is within the timeframe set by legislation.



ADDITIONAL MATTERS

Waters services delivery in the Southland district

Southland's water and wastewater numbers

WATER		URBAN	RURAL
MAINS	564 km	202 km	
CONNECTIONS	7,223	316	
WATER PRODUCED	11.5 million litres per day	0.4 million litres per day	
DRINKING WATER TREATMENT PLANTS	12	9	
WASTEWATER		URBAN ONLY	
MAINS	280.8 km		
CONNECTIONS	7,773		
MANHOLES	1,970		
WASTEWATER TREATMENT PLANTS	20		
WASTEWATER PUMP STATIONS	75		
OXIDATION PONDS	24		

Our unique challenges

We provide reticulated drinking water to 12 communities and wastewater disposal to 20 communities. Only two of these communities have populations over 1,000 people and opportunities to connect schemes together are very limited due to the distances between them.

We also have several rural water supplies, some of which provide only stock water while the rest provide drinking water for residents.

Half of our existing resource consents across our drinking water, wastewater and stormwater are expiring within 10 years, including 13 consents relating to wastewater treatment. This is why changes to standards and regulations will have significant consequences for us.

Water Services Delivery Plan

The Water Services Delivery Plan needs to outline how our water services will be managed sustainably to meet future health, economic and environmental regulations. It needs to include details of Council's water services delivery and how Council plans to finance and deliver the delivery model.

It must also demonstrate how our water services will be financially sustainable by June 2028. Financial sustainability means water services revenue is sufficient to meet the costs of delivering the services.

One of the key legislative requirements is to ring-fence the financials of water services from the wider financial operations of councils. Southland District Council already does this.

Cost recovery for water services regulation

Government is proposing the water services regulator, Taumata Arowai, will recover most of its costs from public water services providers through a new levy from 1 July this year.

It will be up to water services providers to determine how to recover this cost from customers. When considering the implementation of this levy, the DIA has assumed 90%+ of people in a district are connected and in places like Auckland, Wellington and Christchurch this is correct. However, in Southland and other similar rural councils, that's not the case as more people are not connected.

We are working closely with the DIA about how the levy is going to work and will let you know what's decided.

Additionally, under the new legislation, the Commerce Commission will have a role in monitoring water services providers' performance. Government is proposing to fund this activity by levying the water services providers. We don't know many of the details yet and will let you know when we do.

HAVE YOUR SAY

Help shape the future of Southland district's water services by telling us your opinion about our options for managing water services.

Do you prefer Council continues with an adjusted status quo of an in-house water delivery model, noting the new legislation will require some changes?

Or do you prefer the second option of moving our drinking water, wastewater assets and services and stormwater to a new WSCCO?

We'd like your feedback on the future of water services in the Southland district. Submissions can be made from Wednesday 2 April 2025 to Wednesday 7 May 2025.

How can I make a submission?

- Online through southlanddc.govt.nz/make-it-stick/
- email: sdcc@southlanddc.govt.nz
- fill out a submission form at your nearest library or area office
- post a submission to Local Water Done Well Submissions, Southland District Council, PO Box 903, Invercargill 9840
- deliver to our head office 15 Forth Street, Invercargill or to your local area office or library.

Submissions are public information and as part of your submission, we require your name and contact details (email and phone number). Your feedback, name and contact details will be provided to decision makers. Your feedback, including your name, will also be published on our website. We do not normally publish your contact details. However, if requested under the Local Government Official Information and Meetings Act 1987, we may make your contact details publicly available. If you feel there are reasons your submission should be kept confidential, or that your contact details should not be released if requested under the Local Government Official Information and Meetings Act 1987, please contact our governance manager on 0800 732 732.

SUBMISSION FORM

Full name (required) Tuatapere Te Waewae Community Board

Email (required) annieh1034@gmail.com

Phone number 0212169808

What area of Southland do you live in? Tuatapere Te Waewae

Which option do you prefer?

Adjusted status quo -
in-house management
with some changes as
required by legislation (our
preferred option)



Creating a new Water Services
Council Controlled Organisation
and moving our drinking water,
wastewater assets and services
and stormwater to it?



Why do you prefer your option?

The community board preference is Councils preferred option because the inhouse model
is the most finacially viable and the current governance and operation management is
working for our communities.