



# ORDINARY MEETING

of

# Council

## AGENDA

**Time:** 2:00 pm  
**Date:** Wednesday, 18 December 2024  
**Venue:** Waiata House, 27 Lincoln Road,  
Masterton

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## 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:

<b>Whakamana Tangata</b>	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.
<b>Manaakitanga</b>	Recognising and embracing the mana of others.
<b>Rangatiratanga</b>	Demonstrating effective leadership with integrity, humility, honesty and transparency.
<b>Whanaungatanga</b>	Building and sustaining effective and efficient relationships.
<b>Kotahitanga</b>	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 PUBLIC FORUM**

**4 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.

**5 CONFIRMATION OF COUNCIL MINUTES**

Nil

**6 COMMITTEE REPORTS**

Nil

## 7 REPORTS FOR DECISION

### 7.1 WATER METER CHARGING APPROACH HEARINGS REPORT

**File Number:**

**Author:** Karen Yates, General Manager Strategy & Development

**Authoriser:** Kym Fell, Chief Executive

#### PURPOSE

To provide Council with the submissions on the draft Revenue and Financing Policy and Rates Remission Policy as part of consultation on the water meter charging approach.

#### EXECUTIVE SUMMARY

This report provides the submissions on the draft Revenue and Financing Policy and Rates Remission Policy as part of consultation on the water meter charging approach. The hearings schedule and procedure are also provided for those submitters who wish to present their submission orally.

The hearing will take place on Wednesday 18 December 2024 from 2.00pm at Waiata House, Lincoln Road, Masterton. The hearing will also be livestreamed via the Council's YouTube channel

#### RECOMMENDATIONS

That Council:

1. **receives** the full set of submissions on the draft Revenue and Financing Policy and Rates Remission Policy as part of consultation on the water meter charging approach (Attachment 1 under separate cover):
  - (a) **notes** that 166 submissions were received; and
  - (b) **notes** that four submitters are confirmed to be heard.
2. **notes** that deliberations are scheduled to commence at 9.00am on Thursday 19 December 2024.

#### CONTEXT

Council adopted the Water Meter Charging Consultation Document and draft Revenue and Financing Policy and Rates Remission Policy for consultation on 13 November 2024 [[Report 7.2 refers](#)].

Consultation on the Revenue and Financing Policy and Rates Remission Policy is required to meet the principles of consultation as specified in section 82 of the Local Government Act 2002 (LGA).

Section 82 of the LGA requires Council to provide opportunities for people to present their views in a manner and format that is of preference to them, including orally. A formal hearing process is a way of enabling that.

## **ANALYSIS AND ADVICE**

### **Consultation Process**

Consultation on the water meter charging approach began on Thursday 14 November and closed at 4.00pm on Friday 13 December 2024.

The Consultation Document and submission form were available on the Council website and at the Masterton District Library and Council's Customer Service Centre (161 Queen Street).

The opportunity for the community to have their say was advertised through direct emails to key stakeholders, social media channels, and traditional media including print and local radio.

### **Consultation Topics**

Community feedback was sought on the following options:

- Option 1 – Adopt the proposed charging approach (50 per cent targeted service charge/50 per cent volume charges by the end of the three-year transition period).
- Option 2 – Adopt an alternative charging approach (e.g. a different combination of a targeted service charge and volume charges, a different transition length, or an alternative approach)
- Option 3 – Do not adopt the proposed charging approach (retain status quo of 30 per cent targeted service charge/70 per cent CV).

Those who selected Option 2 were asked to describe the proposed alternative charging approach.

In addition, we sought feedback on three key proposed changes to the Rates Remission Policy:

- Proposal 1 - Water remission for households with financial hardship and high water use
- Proposal 2 - Temporary financial assistance for repairing water leaks
- Proposal 3 - Water remission for excess charges due to a leak.

Further information is provided in the Consultation Document, included as Attachment 2.

### **Submissions**

A total of 166 submissions were received and four submitters are confirmed to speak in support of their submission. The schedule is included as Attachment 3. Submissions of those speaking at the hearing are included as Attachment 4.

The full set of submissions received has been made available under separate cover and is also available on our website.

Redactions have been applied to personal information (excluding name and organisation) and content that does not meet the conditions of the [Submissions Policy](#) (e.g. offensive language).

### **Hearing Procedure**

The hearing procedure provided to submitters in advance is provided as Attachment 5. Submitters will be heard either in person or online via Microsoft Teams.

Each submitter has been allocated 10 minutes, 7 minutes to present and 3 minutes for questions.

### **Deliberations**

Analysis of the submissions will be presented to Council as part of the Deliberations Report.

Council will discuss the submissions received, analysis and proposed recommendations; consider the views of the community and advice from staff; and make decisions at the Council meeting scheduled for Thursday 19 December 2024.

Single issue operational matters (e.g. specific to a property or ratepayer) will be referred to the appropriate Council staff for consideration rather than being discussed in the Deliberations Report.

## **SUMMARY OF CONSIDERATIONS**

### **Strategic, Policy and Legislative Implications**

Section 82 of the LGA sets out principles of consultation which must be met when undertaking consultation.

Council is required to adopt a Revenue and Financing Policy and may adopt a Rates Remission Policy under sections 101, 102, 103 and 109 of the LGA. The policies may be amended after consulting on the proposed amendments.

### **Significance, Engagement and Consultation**

Consultation followed the requirements of section 82 of the LGA. A Consultation Document, draft Revenue and Financing Policy and Rates Remission Policy, and information about how the community could have their say and present their views was widely advertised and available.

The recommendation to receive and hear submissions does not trigger any additional criteria under the Significance and Engagement Policy.

### **Financial Considerations**

There are no specific financial considerations associated with the receipt or hearing of submissions.

### **Implications for Māori**

Māori make up 22.6 per cent of the population of Masterton. There are no specific implications for Māori arising from the receipt or hearing of submissions.

Analysis of submitter demographics will be included in the Deliberations Report.

### **Communications/Engagement Plan**

As stated, consultation meet the requirements of the LGA. This involved making a proposal available for one month and providing an opportunity to present their views to the Council.

The opportunity to be heard was promoted in the Consultation Document.

### **Environmental/Climate Change Impact and Considerations**

There are no environmental/climate change impacts or considerations arising from the receipt of this report. The Deliberations Report will comment on any key themes related to Climate Change and the Environment that are noted in submissions if applicable.

## **NEXT STEPS**

Council deliberations will take place on Thursday 19 December 2024. Decisions on consultation proposals will be made at this meeting unless Council directs staff to undertake further work. In this case, revised policies will be presented to the February 2025 Council meeting for consideration.



Subject to adoption, the charging approach would take effect from 1 July 2025.

**ATTACHMENTS**

1. Full set of Submissions Received (under separate cover)
2. Water Meter Charging Consultation Document [↓](#)
3. Hearing Schedule [↓](#)
4. Submissions to be Heard [↓](#)
5. Hearing Procedure [↓](#)

PUKA UIUI MŌ TE UTUNGA INE WAI

# WATER METER CHARGING CONSULTATION DOCUMENT



MSTN.GOV.T.NZ  
f @MastertonDC



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This consultation document has been prepared to give effect to the requirements of Section 82 of the Local Government Act 2002.

# HOROPAKI BACKGROUND

Most properties connected to the Masterton urban water supply now have water meters installed. This follows community consultation Masterton District Council (the Council) undertook in 2018 where more than half of submitters supported installing water meters for residential properties. As a result, funding was allocated to invest in water meters.

Water is a precious resource and water meters are an important tool to help conserve water. By measuring the amount of water used by individual properties, water meters help raise awareness of how much water is used and can also help detect where leaks may be occurring.

Based on results in other districts, installing water meters could reduce water loss from leaks by up to 30 per cent, and reduce demand by 20 per cent.

Reducing water use not only benefits the environment but can also help defer expensive investment in water infrastructure, saving the community money in the long term.

As the Council can now measure water use, it has been considering the best way to charge for water supply to fund the costs of the service. The Council's 2024-34 Long-Term Plan signalled the development of a charging approach to start from 1 July 2025. We want your feedback on the proposed approach to recover urban water supply costs.

## How much water do we use?

The average New Zealander uses around 213 litres per person per day in winter and 292 litres per person per day in summer<sup>1</sup>. This is much higher in Masterton where the average water use was 664 litres per person per day in 2023/24. What does that much water look like?

- A standard plastic bucket holds 10 litres of water.
- A five-minute shower can use around 75 litres.
- A bathtub can use about 90 litres depending on the level it's filled to.
- A washing machine can use around 100 litres per full load.
- A garden hose can use about 15 litres per minute.
- A garden sprinkler can use about 1,000 litres (1 cubic metre) per hour. This is equal to what an average NZ family of 4 to 5 people might use per day in winter.

<sup>1</sup>Pollard, A. (2022). Residential water use in New Zealand. BRANZ Study Report SR469. Judgeford, New Zealand: BRANZ Ltd.

## The cost of our urban water supply

The cost of providing water comes from extracting and treating it so it is safe to drink and maintaining the network of infrastructure (such as pipes and equipment) that delivers water to Masterton residents. The Council does not aim to make a profit from water, but must recover the costs of providing the service. The estimated cost of the urban water supply service in 2024/25 is \$6.16 million (incl GST).

## How does Council currently pay for the service?

The Council has a Revenue and Financing Policy (the Policy) that outlines how it funds the services set out in its plans. It uses different sources of funding, such as rates, fees, and charges, and there are different tools the Council can use to spread the cost of the urban water supply service across users.

Properties connected to the supply from outside the urban area, including in the Waingawa area, are metered and charged based on usage. The rest of the service is funded through rates, made up of:

- **30 per cent from a targeted service charge.** This charge is the same dollar amount for each connection. Many properties have one connection, but some have more than one (e.g. hotels, rest homes, multiple rental flats). There are currently around 10,300 connections, and each is charged \$180 per year.
- **70 per cent from a rate based on the Capital Value (CV) of a property.** These are provided by Quotable Value (QV). Using CV (land plus improvements like buildings) means properties with a higher CV pay a greater share of the rates than those with a lower CV. This is used as an indicator of likely water usage as it is assumed the higher the CV, the larger the property, and the more water used. (Residential properties pay one rate based on CV, while non-residential properties, like industrial and commercial properties, pay two times that rate.)





## How does the Council decide how to share the costs?

In deciding how to fund its services, the Council considers:

- the community outcomes the service contributes to
- what individuals or groups benefit
- the period over which benefits are expected to occur
- the extent to which actions or inaction of individuals or groups contribute to the need for the service
- the costs and benefits.

The Council also considers the overall impact on the current and future social, economic, environmental, and cultural wellbeing of the community.

In 2023, the Council reviewed its Policy and consulted on a proposal to maximise a user-pays approach wherever possible. The Council received support from around two-thirds of people who responded. Introducing volume charges for water is one way the Council can give effect to this proposal which recognises the individual benefit of water services.

## TĀ TĀTOU TONO

# OUR PROPOSAL

Now that the Council can measure actual water used through water meters, it is proposing to remove the rate based on a property's CV and introduce a user charge based on the volume of water used. A targeted service charge will be retained so that everyone pays an equal share of the costs for providing and maintaining the service. The proposed approach changes how the service is paid for but does not intend to alter the total amount the Council receives. The Council's goal is only to recover the cost of providing the service.

The Council proposes to transition to the new charging approach over three years, starting 1 July 2025. This would give property owners time to repair any leaks so they don't receive a large water bill, and allow for the installation of water meters for properties not yet metered. It also enables the Council to monitor the impacts of the change on the community and its revenue, and make adjustments as needed to respond to how people change their behaviour once volume charges are introduced.

Around 13 per cent of property connections don't yet have a water meter installed. For these properties, the Council proposes to maintain the existing charging approach. Once metered, these properties will transition to the new charging approach in place, starting 1 July of the following year. These properties would start on the charging approach in place for the rest of metered properties that year.

The proposal has three key aspects:

- 1. Removing the CV rate** – The Council currently uses the CV of a property as an indicator of water use. Since the Council can now measure actual water use through meters, it no longer needs to rate based on CV. The Council is proposing to phase out the CV rate over the transition period.
- 2. Introducing volume charges** – The Council is proposing to charge based on the amount of water used, measured by the water meter at each property. This will include all water, even if it is wasted or lost through leaks within people's properties. The Council is proposing to phase in the portion of volume charges over the transition period.

The Council recognises that safe water is necessary for good health so the proposed approach allows each property to use a set amount of water per year before a charge-per-volume applies. This limit will reduce over time as people change their behaviour and use less water. This recognises that Masterton currently has some very high users, with around 30 per cent of total water use coming from properties using 5,000 litres or more per day.

- 3. Retaining a targeted service charge (equal charge per connection)** – the Council is proposing to keep a targeted service charge portion to recognise the network availability and wider community benefit of water supply, such as firefighting. This also helps provide stability for the Council's revenue and ensures ratepayers have some predictability in their water charges.











































































**8      REPORTS FOR INFORMATION**

Nil

**9      PUBLIC EXCLUDED**

Nil