



# Registered Master Builders Association of New Zealand Incorporated

## Submission on Masterton District Council's Local Water Done Well

April 2025

**The Registered Master Builders Association submission on [submission title]**

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Masterton District Council on Water Done Well policy 2025.

**About Master Builders**

The Master Builders represents over 3,000 commercial and residential builders and are the leading sector advocates on the built environment. Our members have been building the places where New Zealanders live, work, and play, since 1982.

Our sector is a key contributor to the New Zealand economy. For the year ended March 2024, the construction sector contributed 6.2 per cent of the country’s real Gross Domestic Product (GDP) accounting to over \$17.2 billion<sup>1</sup>. It also employed 294,100 people (or 10 per cent of the country’s total workforce) in the year ended September 2024<sup>2</sup>.

We are working hard to lead the change our sector needs by ensuring we have the regulatory systems and processes in place to build faster and better. We are supporting our members to grow their capability and business acumen to ensure a strong and healthy sector; to innovate and make the most of new technologies so we meet the climate change challenge; and to attract, train and retain skilled talent. We are proud to be New Zealand’s best builders.

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<sup>1</sup> Statistics New Zealand – Infoshare: Gross domestic product – March 2024

<sup>2</sup> Statistics New Zealand – Infoshare: Household Labour Force Suvey – September 2024

## **1. Introduction**

- 1.1 Master Builders appreciates the opportunity to provide feedback on the Masterton District Council's Local Water Done Well policy 2025. As a leading representative of the building and construction sector, we recognise the importance of high-quality, resilient, and future-proof water infrastructure, particularly wastewater and stormwater services, to support housing development, public health, and climate resilience across the Masterton district.
- 1.2 We hold concerns that option two, Masterton continuing manage responsibility for water services via a council-led water services delivery plan will result in higher water charges due to Masterton's constrained financial position and limited debt borrowing capacity which make the current approach fiscally unsustainable in the medium to long term.
- 1.3 Masterton District Council is expected to face increasing infrastructure demands and regulatory compliance requirements in the coming years. Under Option Two, the Council would continue to be constrained by a borrowing limit of 175% of operating revenue, which may limit its ability to deliver critical upgrades, manage long-term costs, and meet national water standards – particularly as capital needs grow beyond the 2024–2034 Long Term Plan horizon.
- 1.4 The current standalone model has minimal buffer for emergency funding for natural events such as cyclone Gabrielle that caused significant damage and disruption to the region.
- 1.5 There is a lack of certainty around funding under option 2 and with increasing regulatory pressure and climate risks, continuing with a standalone delivery model creates vulnerability in both service delivery and financial sustainability.
- 1.6 It is in this context Master Builders is supportive of more regionalised and collaborative model of water management between the three Wairarapa District Councils and Tararua District Council. Without structural reform, the Masterton District risks a growing backlog of critical maintenance and upgrades, undermining both service delivery and housing growth. The absence of a long-term, financially stable delivery model risks slowing development and compounding infrastructure deficits.

## **2. Concerns with the current model (Option 2)**

- 2.1 Master Builders is concerned about Masterton District Council's current in-house model for delivering water services. Although it offers greater local control, the model lacks financial sustainability in the long term as it does not have scale and technical capacity that is required for delivering high performing long term water services.
- 2.2 The 2024–2034 Long Term Plan and consultation material indicate that Masterton District Council faces growing infrastructure demands while operating under a borrowing cap of 175% of operating revenue. The Council has signalled it is nearing this limit, which may restrict its ability to fund necessary capital works and meet service delivery obligations without significant rate increases or external reform.
- 2.3 Under option 2, ratepayers will face escalating costs to cover infrastructure shortfalls. The Wairarapa and Tararua Water Done Well analysis (11 November 2024) noted that without collaborative reform, annual household water bills could reach \$7,000 by 2035.
- 2.4 Option 2 places Masterton outside regional planning and delivery networks, at a time when regulatory compliance, resilience, and cost-efficiency increasingly require shared services and scale.

- 2.5 Master Builders understands that much of Masterton's water infrastructure has recently been developed over recent years, however this is not the case across the wider region, particularly in South Wairarapa, where significant portions of the network are nearing the end of their useful life and risks entrenching inequities between neighbouring districts leading to inconsistent service levels across the region.
- 2.6 The LTP shows a challenging financial environment with increasing regulatory requirements, inflationary cost pressures and climate related infrastructure demands. The council remains constrained by limited borrowing capacity under Option 2.
- 2.7 The current funding model lacks resilience. It does not provide contingency for emergencies or large-scale weather events, such as Cyclone Gabrielle.

### **3. Support for (Wairarapa-Tararua Model) Option 1**

- 3.1 Master Builders supports the Masterton District Council's proposed Wairarapa-Tararua Model will save the average household \$880 per year by 20 years when compared to the current Masterton-only model.
- 3.2 This model will see the three Wairarapa district councils (Masterton, South Wairarapa, Carterton) and Tararua District Council form a jointly owned, council-controlled organisation (CCO). These councils have similar sized communities, geography, climate and face similar challenges.
- 3.3 The Wairarapa-Tararua Model will provide the financial flexibility needed to upgrade wastewater treatment plants in Greytown and Martinborough, where development has been stalled due to capacity issues under Wellington Water.
- 3.4 The Wairarapa-Tararua Model will have shared integrated decision-making across the councils, preventing fragmented investment planning that has delayed infrastructure upgrades in the past. Each council would maintain local accountability through ownership and joint governance, while benefiting from the scale and capability of a unified operator.
- 3.5 Option 1 provides a clearer and more reliable pathway for infrastructure investment which is essential for enabling housing supply. It ensures Carterton is not left behind as national water standards tighten and costs rise.

### **4. What We Want Delivered**

- 4.1 Resilient systems with emergency response capability and proactive maintenance programmes that reduce the risks of service disruptions.
- 4.2 Higher borrowing limits (up to 500% of operating revenue) to accelerate critical infrastructure improvements needed to unlock developments.
- 4.3 A coordinated approach to investment planning that ensures regionally integrated infrastructure delivery
- 4.4 A transparent governance and reporting structure in the new CCO that allow for ongoing input from local builders and developers to ensure that water infrastructure investment supports housing priorities.

### **5. Conclusion**

- 5.1 In conclusion, Master Builders supports the Masterton District Council's proposed Wairarapa-Tararua Model in replacement of the current in-house model. We believe that this proposed model is the best model to deliver on the infrastructure at lower long term cost and with less risk.

5.2 Master Builders looks forward to building a stronger working relationship with the Masterton District Council.

5.3 We thank you for the opportunity to make this submission.

**Kieran Gleeson**

Wairarapa Branch President

**Lachlan Wolfe**

Policy and Advocacy Advisor



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## Submission on Tararua District Council's Local Water Done Well

April 2025

# The Registered Master Builders Association submission on [submission title]

The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the Tararua District Council on Water Done Well policy 2025.

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<sup>1</sup> Statistics New Zealand – Infoshare: Gross domestic product – March 2024

<sup>2</sup> Statistics New Zealand – Infoshare: Household Labour Force Suvey – September 2024

## **1. Introduction**

- 1.1 Master Builders appreciates the opportunity to provide feedback on the Tararua District Council's Local Water Done Well policy 2025. As a leading representative of the building and construction sector, we recognise the importance of high-quality, resilient, and future-proof water infrastructure, particularly wastewater and stormwater services, to support housing development, public health, and climate resilience across the Masterton district.
- 1.2 We hold concerns that option two, Tararua continuing manage responsibility for water services via a council-led water services delivery plan will result in higher water charges due to Tararua's constrained financial position and limited debt borrowing capacity which make the current approach fiscally unsustainable in the medium to long term.
- 1.3 Tararua District Council is expected to face rising infrastructure demands and increasingly complex regulatory compliance requirements in the years ahead. Under Option Two, the Council would continue to operate within a limited financial framework, which is likely to constrain its ability to deliver critical water infrastructure upgrades, manage long-term costs, and meet national water standards. These pressures are particularly concerning given the scale of capital investment required over the next 20 years, estimated at \$259 million, alongside \$208 million in operational costs.
- 1.4 The current standalone model has minimal buffer for emergency funding for natural events such as cyclone Gabrielle that caused significant damage and disruption to the region.
- 1.5 There is a lack of certainty around funding under option 2 and with increasing regulatory pressure and climate risks, continuing with a standalone delivery model creates vulnerability in both service delivery and financial sustainability.
- 1.6 It is in this context Master Builders is supportive of more regionalised and collaborative model of water management between the three Wairarapa District Councils and Tararua District Council. Without structural reform, the Masterton District risks a growing backlog of critical maintenance and upgrades, undermining both service delivery and housing growth. The absence of a long-term, financially stable delivery model risks slowing development and compounding infrastructure deficits.

## **2. Concerns with the current model (Option 2)**

- 2.1 Master Builders is concerned about Tararua District Council's current in-house model for delivering water services. Although it offers greater local control, the model lacks financial sustainability in the long term as it does not have scale and technical capacity that is required for delivering high performing long term water services.
- 2.2 The 2024–2034 Long Term Plan and consultation material indicate that Tararua District Council faces growing infrastructure demands without access to external funding for water services. The council must fund all capital and operational water work through rates and charges, with 29% of all rates currently allocated to drinking water, wastewater, and stormwater services.
- 2.3 Despite a proposed \$135 million investment over the next 10 years, the council's financial position remains constrained, limiting its ability to respond to infrastructure aging, population growth, and climate-related resilience demands without steep rate increases or reforms.
- 2.4 Under option 2, ratepayers will face escalating costs to cover infrastructure shortfalls. The Wairarapa and Tararua Water Done Well analysis (11 November 2024) projected that without collaborative reform,



household water bills could reach unsustainable levels by 2035, with average annual costs exceeding \$4,000 by 2045 under current models.

- 2.5 Option 2 Tararua risks placing outside regional planning and delivery networks, at a time when regulatory compliance, resilience, and cost-efficiency increasingly require shared services and scale.
- 2.6 While parts of Tararua have seen recent investment (e.g., Dannevirke impounded supply), much of the district's infrastructure is aging. The average age of wastewater pipelines is 80 years, with 6.5 km of clay pipes over 89 years old requiring urgent replacement. These asset disparities across the district mirror the situation in neighbouring areas, risking inconsistent service levels and entrenching inequities unless a coordinated regional model is adopted.
- 2.7 The LTP shows a challenging financial environment with increasing regulatory requirements, inflationary cost pressures and climate related infrastructure demands. The council remains constrained by limited borrowing capacity under Option 2.
- 2.8 The current funding model lacks resilience. It does not provide contingency for emergencies or large-scale weather events, such as Cyclone Gabrielle.

### **3. Support for (Wairarapa-Tararua Model) Option 1**

- 3.1 Master Builders supports the Tararua District Council's proposed Wairarapa-Tararua Model will save the average household \$880 per year by 20 years when compared to the current Masterton-only model.
- 3.2 This model will see the three Wairarapa district councils (Masterton, South Wairarapa, Carterton) and Tararua District Council form a jointly owned, council-controlled organisation (CCO). These councils have similar sized communities, geography, climate and face similar challenges.
- 3.3 The Wairarapa-Tararua Model will provide the financial flexibility needed to upgrade wastewater treatment plants in Greytown and Martinborough, where development has been stalled due to capacity issues under Wellington Water.
- 3.4 The Wairarapa-Tararua Model will have shared integrated decision-making across the councils, preventing fragmented investment planning that has delayed infrastructure upgrades in the past. Each council would maintain local accountability through ownership and joint governance, while benefiting from the scale and capability of a unified operator.
- 3.5 Option 1 provides a clearer and more reliable pathway for infrastructure investment which is essential for enabling housing supply. It ensures Carterton is not left behind as national water standards tighten and costs rise.

### **4. What We Want Delivered**

- 4.1 Resilient systems with emergency response capability and proactive maintenance programmes that reduce the risks of service disruptions.
- 4.2 Higher borrowing limits (up to 500% of operating revenue) to accelerate critical infrastructure improvements needed to unlock developments.
- 4.3 A coordinated approach to investment planning that ensures regionally integrated infrastructure delivery
- 4.4 A transparent governance and reporting structure in the new CCO that allow for ongoing input from local builders and developers to ensure that water infrastructure investment supports housing priorities.

## **5. Conclusion**

- 5.1 In conclusion, Master Builders supports the Tararua District Council's proposed Wairarapa-Tararua Model in replacement of the current in-house model. We believe that this proposed model is the best model to deliver on the infrastructure at lower long term cost and with less risk.
- 5.2 Master Builders looks forward to building a stronger working relationship with the Tararua District Council.
- 5.3 We thank you for the opportunity to make this submission.

**Kieran Gleeson**

Wairarapa Branch President

**Lachlan Wolfe**

Policy and Advocacy Advisor



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## Submission on South Wairarapa District Council's Local Water Done Well

April 2025

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The Registered Master Builders Association (Master Builders) welcomes the opportunity to submit to the South Wairarapa District Council on Water Done Well policy 2025.

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## 1. Introduction

- 1.1 Master Builders appreciates the opportunity to provide feedback on the South Wairarapa's Local Water Done Well policy 2025. As a leading representative of the building and construction sector, we recognise the importance of good wastewater services and stormwater network in the South Wairarapa district.
- 1.2 However, we hold concerns that option two, Wellington Water continuing to hold responsibility for water services will result in higher water charges, and result in breaching the South Wairarapa District Council's debt limits leading to implications for financial sustainability and delivery.
- 1.3 It was disturbing to read the findings from the recent review of Wellington Water, which highlighted poor oversight, governance, and operational management. These failings have led to significantly higher water charges.
- 1.4 According to a March 2025 RNZ report, the cost of unplanned pipe repairs in Wellington is three times higher than in other regions. A staggering 84% of repairs were unplanned, compared to just 31% in Christchurch, with Wellington residents paying \$2.95 per litre of water fixed—versus 94 cents in Christchurch.
- 1.5 This underscores how poor management has driven up costs and reduced service quality. It reinforces the case for a more localised, accountable model—one that can better support infrastructure and housing development.
- 1.6 It is in this context the master builders is supportive of more localised management of water. The current situation has resulted in stalemate whereby council will not consent for building projects because of the lack of waste water capacity.

## 2. Concerns with the current model (Option 2)

- 2.1 Master Builders is concerned about Wellington Water's procurement processes, cost structures and fragmented governance model that has led to higher than expected operational cost compared to comparable councils (in some cases up to three times) as per the independent report released by Wellington Water on 3 March 2025.
- 2.2 Since July 2024, builders have been restricted from work in Greytown due to wastewater services being shut off. Wellington Water's approach was reactive and their technical assessment was delayed due to other priorities.
- 2.3 SWDC debt is projected to exceed the Local Government Funding Agency's (LGFA) debt-to-revenue ratio limit of 280% for unrated councils, primarily due to necessary infrastructure investments in wastewater and storm water. This financial constraint hinders SWDC's ability to fund essential water network improvements and would drive up rates to households to as much as \$7,000 by 2035 according to the Wairarapa and Tararua Water Done Well analysis, dated 11 November 2024.
- 2.4 The current funding model relies on contributions from multiple Wellington Water shareholding councils, each with independent decision-making processes. This results in fragmented investment decisions, a lack of integration in strategic planning, and delays in securing funding for critical infrastructure upgrades.
- 2.5 SWDC **has said that** \$220 million of capital expenditure (uninflated) is required over the next nine years to upgrade and renew their water assets. This investment would not be possible without financial flexibility that is not offered under the current model and would lead to service failures.

### **3. Support for (Wairarapa-Tararua Model) Option 1**

- 3.1 Master Builders supports the Wairarapa District Council's proposed Wairarapa-Tararua Model will save the average household \$16,400 over the next 20 years.
- 3.2 This model will see the three Wairarapa district councils (Masterton, South Wairarapa, Carterton) and Tararua District Council form a jointly owned water organisation under this model. These councils have similar sized communities, geography, climate and face similar challenges.
- 3.3 The Wairarapa-Tararua Model will provide the financial flexibility needed to upgrade wastewater treatment plants in Greytown and Martinborough, where development has been stalled due to capacity issues under Wellington Water.
- 3.4 Unlike Wellington Water, the Wairarapa-Tararua Model will have integrated decision-making across the councils, preventing fragmented investment planning that has delayed infrastructure upgrades in the past.
- 3.5 We recommend that under the Wairarapa-Tararua Model, the opportunity should be allowed for more input given to our builders on investment decisions in local councils instead of a distant, multi-council decision-making structure under the existing model.

### **4. What We Want Delivered**

- 4.1 Prioritised timeline for getting the Martinborough and Greytown wastewater networks to full capacity in order to unlock the 200-lot Greytown subdivision and promote further developments in the SWDC's LTP.
- 4.2 Higher borrowing limits (up to 500% of operating revenue) to accelerate critical infrastructure improvements needed to unlock developments.

### **5. Conclusion**

- 5.1 In conclusion, Master Builders supports the South Wairarapa District Council's proposed Wairarapa-Tararua Model in replacement of the current Wellington Water model. We believe that this proposed model is the best model to deliver on the infrastructure needs – particularly waste water and storm water services that are holding housing developments back in Greytown and Martinborough.
- 5.2 Master Builders looks forward to building a stronger working relationship with South Wairarapa District Council.
- 5.3 We thank you for the opportunity to make this submission.

**Kieran Gleeson**  
Wairarapa Branch President

**Lachlan Wolfe**  
Policy and Advocacy Advisor



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## **1. Introduction**

- 1.1 Master Builders appreciates the opportunity to provide feedback on the Carterton District Council's Local Water Done Well policy 2025. As a leading representative of the building and construction sector, we recognise the importance of high-quality, resilient, and future-proof water infrastructure, particularly wastewater and stormwater services, to support housing development, public health, and climate resilience across the Carterton district.
- 1.2 We hold concerns that option two, Carterton continuing retaining responsibility for water services via a government approved water services delivery plan will result in higher water charges due to Carterton's constrained financial position and limited debt borrowing capacity which make the current approach fiscally unsustainable in the medium to long term.
- 1.3 Carterton District Council currently needs to find \$220 million in capital investment over the next 9 years to maintain the current water delivery model. As noted in the consultation document, from around 2030 onward, it will no longer be able to fund capital works through debt and this will hinder meeting basic regulatory and service requirements.
- 1.4 The current model has no buffer for emergency funding for natural events such as cyclone Gabrielle that caused significant damage and disruption to the region that is still ongoing.
- 1.5 Under Option 2, Carterton is projected to require \$220 million in capital investment and \$160 million in operational spending over the next nine years. Without access to enhanced borrowing tools or economies of scale, the Council has indicated it will hit its debt ceiling by around 2030, at which point it can no longer fund critical upgrades.
- 1.6 It is in this context Master Builders is supportive of more regionalised and collaborative model of water management between the three Wairarapa District Councils and Tararua District Council. Without structural reform, the Carterton District risks a growing backlog of critical maintenance and upgrades, undermining both service delivery and housing growth. The absence of a long-term, financially stable delivery model risks slowing development and compounding infrastructure deficits.

## **2. Concerns with the current model (Option 2)**

- 2.1 Master Builders is concerned about Carterton District Council's current in-house model for delivering water services. Although it offers greater local control, the model lacks financial sustainability in the long term as it does not have scale and technical capacity that is required for delivering high performing long term water services.
- 2.2 The 2024-2034 Long Term Plan confirms that Carterton requires \$220 million in capital investment and \$160 in operational spending over the next 9 years just to maintain service levels. Yet, the Council states it will reach its debt ceiling by 2030.
- 2.3 Under option 2, ratepayers will face escalating costs to cover infrastructure shortfalls. The Wairarapa and Tararua Water Done Well analysis (11 November 2024) noted that without collaborative reform, annual household water bills could reach \$7,000 by 2035.
- 2.4 Option 2 places Carterton outside regional planning and delivery networks, at a time when regulatory compliance, resilience, and cost-efficiency increasingly require shared services and scale.

- 2.5 Master Builders understands that much of Carterton's water infrastructure has recently been developed over recent years, however this is not the same with South Wairarapa that needs significant upgrades as it has reached end of life resulting in inequity across the district.
- 2.6 The LTP shows that the council has had to cancel or deferred multiple infrastructure projects due to funding constraints raising serious concerns about Carterton's ability to fund future-proofed water infrastructure or respond to growth demands under Option 2.
- 2.7 The current funding model lacks resilience. It does not provide contingency for emergencies or large-scale weather events, such as Cyclone Gabrielle.

### **3. Support for (Wairarapa-Tararua Model) Option 1**

- 3.1 Master Builders supports the Carterton District Council's proposed Wairarapa-Tararua Model will save the average household \$16,400 over the next 20 years.
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- 4.1 Resilient systems with emergency response capability and proactive maintenance programmes that reduce the risks of service disruptions.
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