

Cambridge Community Board Agenda - 9 April 2025

Kaipaki Room, Cambridge Service Centre, 23 Wilson Street, Cambridge



Members:

JM Davies-Colley (Chairperson); EJ Badger (Deputy Chair); AJM MacKay; SDC Milner; AD Myers; Councillor MG Montgomerie; Councillor PJ Coles

09 April 2025 06:00 PM

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Who are we?

The Cambridge Community Board is made up of members who were elected onto the board in the local government elections in 2022. The community board is made up of five elected members and two appointed Waipā district councillors.

Chairperson Jo Davies-Colley
Deputy Chair Elise Badger
Members Alana MacKay
 Sue Milner
 Andrew Myers
 Councillor Philip Coles
 Councillor Mike Montgomerie

Contact CBCommunityBoard@waipadc.govt.nz

What do we do?

We are a link between residents in the Cambridge and Maungatautari communities and Waipā District Council. We believe that we are an important step in the process to achieve council’s vision to build connected communities.

We are advocates for and representatives of the Cambridge and Maungatautari communities to ensure council and other agencies have a clear understanding of our local needs and aspirations.

We will consider matters raised by members of our communities.

We will maintain an overview of the services council delivers to its communities and assess the extent to which these services meet our community needs.

We are decisions-makers on issues that are delegated to the community board by council.

We will consider matters referred to the community board by council or council staff including reports relating to the provision of council services within the board’s areas and make submissions or recommendations in response to those matters as appropriate.

Delegated Functions

Aside from statutory functions as set out in the Local Government Act 2002, Cambridge Community Board has also been delegated the following from Waipā District Council:

- Support community activities and, where necessary, allocate funding within the approved Waipā Community Discretionary Fund budget
- Organise our own projects for works or services, or supporting council projects, and allocate appropriate funding within the approved budget
- Organise annual Anzac and Armistice civic events in Cambridge
- Maintain and enhance sister city relationships between Cambridge and Le Quesnoy (France) and Cambridge and Bihoro (Japan)

Vision Statement

*“We are **friendly and visible** representatives **working effectively together** for the good of our communities”*



Te Ōko Horoi

CAMBRIDGE
COMMUNITY BOARD

“working together for the good of our communities”



Who to Contact

We are keen to further develop relationships and communicate with key community organisations, special interest groups, residents and businesses within the community. We have allocated portfolios to make it easier for people to contact a community board member who shares the same interest as you.

Arts/Culture	Alana MacKay & Sue Milner
Urban Mobility	Jo Davies-Colley & Andrew Myers
Community Connections	Jo Davies-Colley, Elise Badger, Andrew Myers & Alana MacKay
Special Projects	Elise Badger & Sue Milner
Community Services & Facilities	Alana MacKay & Sue Milner
Mana Whenua	Jo Davies-Colley & Elise Badger



Our Strategic Priorities

- **A new library/community hub**

We champion the opportunity to create a new library/community hub (integrating other community services) to replace our current library.

- **Urban mobility – Shakespeare Street**

We advocate for permanent active mobility safety measures across and through Shakespeare Street to be implemented immediately.

- **A vibrant and people friendly CBD**

We advocate for the Cambridge CBD to be a vibrant, connected and inspired public space with comfortable seating, spaces to rest and spaces to play. We want to see Cambridge be a welcoming town centre that supports active mobility, prioritises people and celebrates its culture and history.

The community board sees the town hall as one of Cambridge’s most significant assets that will become of higher value to Cambridge as upgrades are made.



Meetings, Agendas and Public Forum

We meet every third Wednesday of the month (excluding January & July), in the Kaipaki Room of the Waipā District Council Cambridge Service Centre, 23 Wilson Street, Cambridge. The meetings start at 6.00pm.

You can find our agendas here: <https://www.waipadc.govt.nz/our-council/agendas-and-minutes> or you can pick up a copy from any Waipā District Council office or library.

Our meetings are open to the public and they start with opportunity for residents to express an opinion or an idea in the public forum. Please let the governance team know if you want to speak in the public forum (governance.support@waipadc.govt.nz).

Strategic Priority Overview

When considering our strategic priorities, the community board endeavours to ensure they:

- Are community driven, reflected and centred
- Specific
- Are advocated for in partnership with council staff and councillors
- Demonstrate the purpose of the community board as an effective advocate for the needs of its community
- Advocate for Cambridge to continue to be a great town to live in
- Utilise Ahu Ake as a way of connecting with the community and council

COMMUNITY BOARD AGENDA



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Apologies**

1 PUPOSE - TAKE

A member who does not have leave of absence may tender an apology should they be absent from all or part of a meeting. The Chairperson (or acting chair) must invite apologies at the beginning of each meeting, including apologies for lateness and early departure. The meeting may accept or decline any apologies. Members may be recorded as absent on community board business where their absence is a result of a commitment made on behalf of the community board.

The acceptance of a member's apology constitutes a grant of 'leave of absence' for that specific meeting.



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Disclosure of members' interests**

1 PURPOSE - TAKE

Members are reminded to stand aside from decision making when a conflict arises between their role as an elected members and any private or external interest they may have.

COMMUNITY BOARD AGENDA



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Public forum**

1 PURPOSE - TAKE

Public forums are designed to enable members of the public to bring matters, not necessarily on the meeting's agenda, to the attention of the local authority. In the case of a community board, any issue, idea or matter raised in a public forum must fall within the terms of reference of that body.

Requests to attend the public forum must be made to the Governance Team (Governance.Support@waipadc.govt.nz) at least one clear day before the meeting. Requests should outline the matter that will be addressed by the speaker.

Speakers can speak for up to five (5) minutes. No more than two speakers can speak on behalf of an organisation during a public forum. At the conclusion of the presentation elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the speaker.

Following the public forum, no debate or decisions will be made at the meeting on issues raised during the forum unless related to items already on the agenda.

COMMUNITY BOARD AGENDA



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Minutes of the Previous Meeting**
Meeting Date: 9 April 2025

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The local authority, its committees, subcommittees and any local and community boards must keep minutes of their proceedings. These minutes must be kept in hard or electronic copy, authorised by a chairperson's manual or electronic signature once confirmed by resolution at a subsequent meeting. Once authorised the minutes are the *prima facie* evidence of the proceedings they relate to.

The only topic that may be discussed at a subsequent meeting, with respect to the minutes, is their correctness.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Cambridge Community Board confirms the minutes of the meeting held 19 March 2025, as circulated with the agenda, as a true and correct record of proceedings.

3 ATTACHMENT - ĀPITITANGA

Unconfirmed minutes of the Cambridge Community Board meeting 19 March 2025



Cambridge Community Board

Time: 6.00pm

Date: Wednesday 19 March 2025

Location: Kaipaki Room, Cambridge Service Centre, 23 Wilson Street, Cambridge

PRESENT

Chairperson

J Davies-Colley

Members

AD Myers (via Zoom); EJ Badger; SDC Milner; Councillor MG Montgomerie; AJM MacKay; PJ Coles

Chairperson Davies-Colley opened the meeting with a karakia timatanga.

1 APOLOGIES

There were no apologies

2 DISCLOSURE OF MEMBERS' INTERESTS

There are no disclosures of interest.

3 PUBLIC FORUM

Carey Church and Meredith Osmond provided an update on the establishment of the Cambridge Public Arts Trust. The intention is to create a Public Arts Trail, with every piece of art having a QR Code for information. The Trust are seeking ambassadors for the project in the community.

Miff Macdiarmid and Simon Perry presented to the board an overview of the Cambridge Velodrome. They are looking at rebranding as an arena for concerts and larger events. The NZ Sports Hall of Fame is proposed to be rehomed from Dunedin to this site. The exhibition will be modernised and will include the addition of interactive activities.

Cherie Weinburg addressed the board with an update on fluoridation findings from an American Federal Court case and points on the level of fluoride proposed. She sought support from the community board and highlighted alternatives to fluoride in water. Carmelle Blair joined Cherie Weinburg to answer questions from the Board.

The meeting was adjourned at 6.39pm

The meeting recommenced at 6.44pm

4 CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting dated 19 February 2025 were included in the agenda.

RESOLVED

5/25/06

That the Cambridge Community Board confirms the minutes of the meeting held 19 February 2025, as circulated with the agenda, as a true and correct record of proceedings.

Davies-Colley/Badger

5 2025-34 LONG TERM PLAN PROJECT UPDATE

Kirsty Downey, Group Manager Strategy, provided an overview on progress of the LTP. This included highlighting for the Community Board that the audit process has impacted the timeframes of the public consultation.

RESOLVED

5/25/07

That the Cambridge Community Board receives the report of Daisy Wills, Strategic Policy Advisor, titled '2025-34 Long Term Plan Project Update', (ECM 11400810).

Badger/Davies-Colley

6 SIX-MONTHLY COMMUNITY BOARD REPORTING – COMMUNITY SERVICES, SERVICE DELIVERY AND STRATEGY GROUPS

Sally Sheedy, Group Manager Community Services, provided a further update on the Leamington Cemetery upgrade. Hautapu Cemetery electric gate will be installed by early April. Procurement has been completed for Halley's Lane toilet, with the work to be completed June 2025. The Leamington playground, the town public toilet numbers, and the Leamington Cemetery carpark location were also discussed.

Kirsty Downey, Group Manager Strategy, provided an overview on the LTP audit and the Ahu Ake adoption processes. Work has started on an Economic Well-being Strategy, and a draft Climate Change Strategy is being developed.

Dawn Inglis, Group Manager Service Delivery, answered questions on the Cambridge Parking Trial cost, the new parking signs, raised traffic platforms at the roundabout on Shakespeare Street, and the future development of the C3 roundabout on Cambridge Road.

RESOLVED

5/25/08

That the Cambridge Community Board receives the report of Jo Gread, Governance Manager, titled Six-Monthly Community Board Reporting - Community Services, Service Delivery and Strategy Groups (ECM 11408059).

Davies-Colley/Mackay

7 CAMBRIDGE PARKING TRIAL

The purpose of this report is to inform the Cambridge Community Board of the Cambridge Parking Trial taking place between March and August this year. Signs have been erected in the Cambridge CBD, extending the time from P60 to P90.

RESOLVED

5/25/09

That the Cambridge Community Board receive the report of Transportation Planner titled: Cambridge Parking Trial & ECM Number: 11395848.

Davies-Colley/Badger

8 FORT STREET - CONSULTATION ON PROPOSED CHANGES TO IMPROVE ACCESS FOR EMERGENCY SERVICES

[Councillor Montgomerie and Councillor Coles withdrew from discussion and voting on this item]

The purpose of this report is to inform the Cambridge Community Board of the local consultation underway for a plan for Fort Street, to improve access for ambulance services to respond to callouts quickly.

RESOLVED

5/25/10

That the Cambridge Community Board

a) Receive the report of Transportation Planner titled: Fort Street - consultation on proposed changes to improve access for emergency services & ECM Number: 11407994.

b) Supports the changes proposed to Fort Street in the staff report, but highlights the following concerns:

- 1. Reduction in all day parking,*
- 2. Need to continue to investigate alternative all-day parking options in the CBD,*
- 3. Making sure all residents are informed, including extending targeted consultation into neighbouring streets (ensuring this includes the area outside Plunket).*

Davies-Colley/Mackay

Board member Myers left the meeting at 7.05pm

9 SISTER CITIES PROPOSED BUDGET

The purpose of this report is to allocate funds from the Sister Cities Uncommitted Funds Reserve for the 2024-25 financial year.

RESOLVED

5/25/11

That the Cambridge Community Board

- a) Receives the report of Jo Gread, Manager Governance, titled Sister Cities Budget 2024/25 (ECM 11396169);*
- b) Approves the payment of up to \$2500 plus GST from its Sister Cities fund for Le Quesnoy related Information Signage Boards, with any unused funds returned to uncommitted;*
- c) Approves the allocation of \$10,000 plus GST from its Sister Cities fund for the future Bihoro Delegation, with any specific spend requiring prior approval of the Community Board; and*
- d) Approves the allocation of \$10,000 plus GST from its Sister Cities fund for the future Le Quesnoy Delegation, with any specific spend requiring prior approval of the Community Board.*

Davies-Colley/Badger

10 TREASURY REPORT

The treasury report for the period ended 28 February 2025 was included in the agenda.

RESOLVED

5/25/12

That the Cambridge Community Board receive the report of Nada Milne, Financial Accountant titled Treasury Report - for the period ended 28 February 2025.

Davies-Colley/Mackay

RESOLVED

5/25/13

That the Cambridge Community Board approves returning to its uncommitted funds, \$86.96 from resolution 5/23/69, funds previously allocated for paper plus voucher.

Davies-Colley/Mackay

11 BOARD MEMBERS REPORTS FROM MEETINGS ATTENDED ON BEHALF OF THE CAMBRIDGE COMMUNITY BOARD

Councillor Montgomerie gave an update on the Local Waters Done Well project - the consultation document has been adopted, and the public consultation will run alongside the Long Term Plan consultation dates.

Councillor Coles attended the LGNZ visit to Council and the Moon Spring opening.

Member Milner attended the Social Services Committee.

Member Mackay attended the Le Quesnoy delegation meetings and the BA5 event in the Town Hall and noted that the Cambridge Autumn Festival starts next Friday.

Member Badger attended the Te Puna Marama (Moon Spring) opening and completed the 6 Month Community Board Update Memo going to SP&P on 1 April.

Chairperson Davies-Colley attended Local Waters Done Well workshops, the Moon Springs Opening and the Cambridge Public Arts Trust meeting.

12 DATE OF NEXT MEETING

The next Cambridge Community Board meeting is to be held at 6.00pm on Wednesday 9 April 2025.

Jo Davies-Colley closed the meeting with a karakia whakamutunga.

That being all the business the meeting closed at 7.30pm

CONFIRMED AS A TRUE AND CORRECT RECORD OF PROCEEDINGS

CHAIRPERSON

DATE

COMMUNITY BOARD REPORT



INFORMATION ONLY

To: The Chairperson and Members of Cambridge Community Board
From: Manager Strategy
Subject: **2025-34 Long Term Plan Progress Report**
Meeting Date: 9 April 2025

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Work on the 2025-34 Long Term Plan (LTP) remains focused on the audit process, with staff continuing to address audit feedback and incorporate necessary changes. The next step will be to seek Council approval of the consultation document and supporting documents for public consultation.

A verbal update on progress will be provided at the meeting.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Cambridge Community Board receives the report of Melissa Russo, Manager Strategy, titled '2025-34 Long Term Plan Progress Report' (Document number 11418831).

3 COMMENTARY - KŌRERO

Since our last report to the Cambridge Community Board in March 2025, staff have continued to work through audit requests and refine the documents in preparation for Council approval for consultation. The audit process remains ongoing.

A verbal update will be provided at the meeting to outline the latest developments.

Melissa Russo
MANAGER STRATEGY

Kirsty Downey
GROUP MANAGER STRATEGY

COMMUNITY BOARD REPORT



To: The Chairperson and Members of the Cambridge Community Board
From: Governance Manager
Subject: **Six-Monthly Community Board Reporting – District Growth & Regulatory Services and Business Support**
Meeting Date: 9 April 2025

1 PURPOSE - TAKE

The purpose of this report is to receive a six-monthly report from District Growth & Regulatory Services and Business Support Groups, on key projects and activities in their areas.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Cambridge Community Board receives the report of Jo Gread, Governance Manager, titled Six-Monthly Community Board Reporting - District Growth & Regulatory Services and Business Support (ECM 11420813)

3 BACKGROUND – KŌRERO WHAIMĀRAMA

The purpose of this six-monthly reporting is to keep the Community Board regularly informed of activities and projects happening in key areas over the next six months.

Each Group at Council will provide a six-monthly update on two key activities or projects in the Community Board's area. This report includes updates from the following Groups:

- District Growth & Regulatory Services Community Services
- Business Support

4 KEY PROJECTS/ACTIVITIES – CAMBRIDGE

Business Group	Top Projects/Activities
Business Support	<p>Karāpiro Lake Domain Reserve Management Plan review</p> <ul style="list-style-type: none"> • 27 submissions received. • Working party meetings are being organised with submitters to discuss the submissions report. <p>Cambridge Town Hall</p> <p>The Cambridge Town Hall Community Trust have started their renovation programme for the Victorian and Edwardian rooms of the hall.</p>
District Growth & Regulatory Services	<p>NZTA/Waka Kotahi Cambridge to Piarere expressway extension</p> <p>On 17 March 2025, Waipā District Council was invited to provide a submission on this fast track proposal.</p> <p>Council has 20 working days to provide the submission to the Environmental Protection Authority (EPA) which means it needs to be submitted by 14 April 2025.</p> <p>The submission will be a joint submission of the Waikato Regional Council, Waipā District Council and Matamata Piako District Council.</p> <p>As per a previous update, NZ Transport Agency Waka Kotahi is seeking the necessary consents to construct the ‘Cambridge to Piarere’ (C2P) State Highway 1 realignment.</p> <p>Consents are required from Waikato Regional Council, Waipā District Council and Matamata Piako District Council.</p> <p>Waka Kotahi have lodged a ‘fast track’ application (under the retained fast-track consenting provisions of the Natural Built & Environment Act) with the Environmental Protection Authority on 3 July 2024.</p> <p>The application has been accepted for processing with panel members being appointed.</p> <p>The panel members are:</p> <ul style="list-style-type: none"> • Simon Berry (chair - nominated by the local authorities) • Tim Manukau (also nominated by the local authorities) • Alethea Hikuroa (nominated by Te Whakakitenga)

Business Group	Top Projects/Activities
	<p>The key process milestones are estimated below based on the statutory timeframes under the NBEA:</p> <ul style="list-style-type: none"> • Submissions invited by the Panel – 17 March • Submissions close – 14 April • Decision due if no hearing held – 14 July • Decision due if hearing held – 25 August <p>.</p> <p>As per the Council meeting of June 2024, Council approved changes to the delegations register to enable staff to make submissions on fast-track consenting applications.</p> <p>RS Sand Limited Sand Quarry</p> <p>A resource consent hearing will be held on 2-4 April about the proposed sand quarry at 77 Newcombe Road, Cambridge.</p> <p>A panel of three independent commissioners will hear evidence from the applicant and from 18 submitters at the hearing before making a decision on the combined consent applications to Waikato Regional Council and Waipā District Council.</p> <p>The decision will need to be made within 15 working days of the hearing being closed.</p>



Jo Gread

MANAGER GOVERNANCE

COMMUNITY BOARD REPORT



INFORMATION ONLY

To: The Chairperson and Members of Cambridge Community Board
From: Manager Delivery Performance
Subject: **Local Water Done Well – Consultation**
Meeting Date: 9 April 2025

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

Under the Local Government (Water Services Preliminary Arrangements) Act 2024 (PA Act), Council needs to adopt and submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government by 3 September 2025. The WSDP must include a current and long-term assessment of Council’s water infrastructure, outline the investment required in water services infrastructure, and describe proposed financing arrangements, as well as the preferred water service delivery model. A WSDP must be approved by the Department of Internal Affairs (DIA) and then be given effect to by the Council. It is mandatory for Council to consult on its preferred water service delivery model forming part of its WSDP.

Council has considered possible options for the future delivery of water services for the Waipā district and approved the Waikato Waters Done Well option as the preferred option for public consultation. Consultation for the Local Water Done Well options will be undertaken in parallel with consultation for the draft 2025-34 Long Term Plan, with consultation dates still to be confirmed. The Cambridge Community Board is provided with the draft Consultation Document (Appendix 1 *document number 11408475*) that was formally approved by Council on 19 March 2025, and may choose to make a submission as part of the public consultation process.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Cambridge Community Board

- a) *Receives the report of Sherryn Paterson, Manager Delivery Performance, titled Local Water Done Well – Consultation (document number 11404461);*
- b) *[Makes/Does not make] a submission to the Local Water Done Well Consultation within the consultation period.*

3 COMMENTARY - KŌRERO

Under the PA Act, Council needs to adopt and submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government by 3 September 2025. The WSDP must include a current and long-term assessment of Council's water infrastructure, outline the investment required in water services infrastructure, and describe proposed financing arrangements, as well as the preferred water service delivery model. A WSDP must be approved by the Department of Internal Affairs (DIA) and then be given effect to by the Council.

It is mandatory for the Council to consult on its water service delivery model and requires the use of bespoke arrangements under the PA Act. Consultation on the WSDP, generally, is optional. In the circumstances, Council officers do not anticipate consulting on the balance of the WSDP.

At its meeting of 26 February 2025, Council considered possible options for the future delivery of water services for the Waipā district (Appendix 2 *document number 11366822*). The most credible options (different from the status quo) were found to be:

1. **Standalone Water Services Council Controlled Organisation (CCO)** – *Council establishes an asset owning water organisation to deliver water services – viable back-stop option.*
2. **Sub-Regional CCO (Waipā District, Waikato District, Hamilton City)** – *Council partners with other councils to establish a sub-regional asset owning water services organisation aligned to key growth pressures.*
3. **Waikato Water Done Well (WDDW) CCO** (councils which have committed to signing the Heads of Agreement to establish an asset owning CCO are: Waipā, Matamata Piako, Taupō, Waitomo, Ōtorohanga, South Waikato, Hauraki) – *Council partners with other councils to establish a regional asset owning water services organisation.*

Council considered the options and approved the Waikato Waters Done Well option as the preferred option for public consultation in accordance with the PA Act. It directed staff to prepare the relevant consultation material.

The draft Local Water Done Well Consultation Document was approved by Council on 19 March 2025 for public consultation.

Under section 52 of the Local Government Act 2002, part of the role of a Community Board is to represent and act as an advocate for the interests of its community and maintain an overview of services provided by Council. As part of this, the Board may choose to provide a submission in response to the Local Water Done Well consultation process.

The following table summarises the next steps in the LWDW consultation process. Please note that this process will run in parallel with consultation on the draft 2025-34 Long Term Plan and the timeframes have not yet been confirmed.

Date	Action
To be confirmed	Open for consultation
To be confirmed	Hearings
To be confirmed	Deliberations
To be confirmed	Adoption of Preferred Waters Delivery Option

4 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Local Water Done Well Consultation Document (<i>document number 11408475</i>)
2	Report to Council - Local Water Done Well – CCO Options and Consultation (<i>document number 11366822</i>)



Sherryn Paterson
MANAGER DELIVERY PERFORMANCE



Dawn Inglis
GROUP MANAGER SERVICE DELIVERY

APPENDIX 1

Draft Local Water Done Well Consultation Document (ECM 11408475)

Local Water Done Well

Consultation Document
April 2025



DRAFT

Local Water Done Well - Consultation 2025

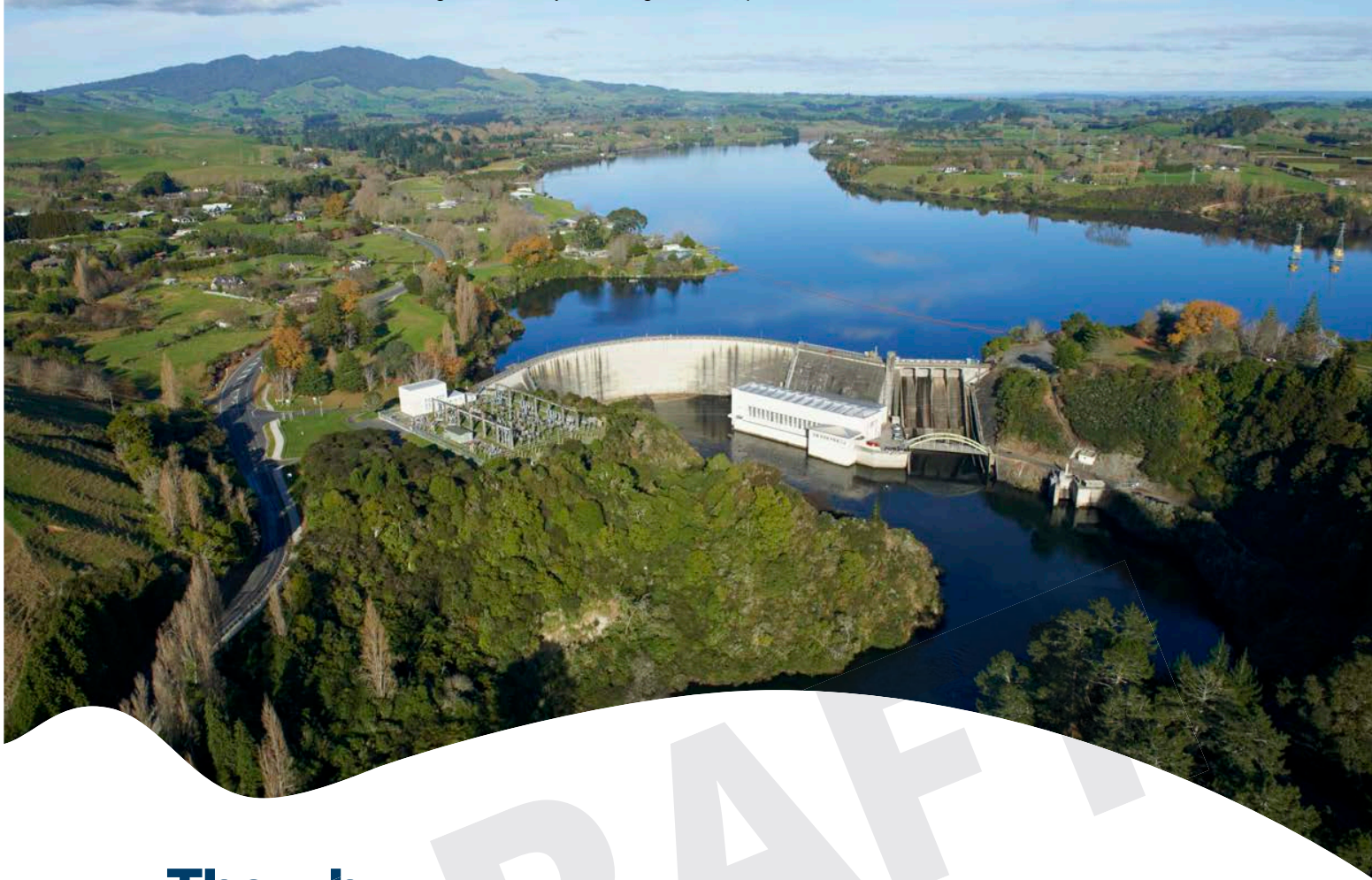
Document Set ID: 11408475
Version: 4, Version Date: 14/03/2025

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Let's
kōrero
wai

Talk
water



The why

As a community, we have a big decision to make about how water services are delivered. And it's more than just about the water you drink and flushing the loo! It's about keeping things affordable and looking after the environment too.

The Government has introduced its Local Water Done Well legislation replacing the previous government's water reform programme.

Local Water Done Well aims to:

- address how waters infrastructure across New Zealand is funded and delivered in a financially sustainable manner
- introduce a new regulatory regime for water services delivery, which sets out increased environmental, economic and human health standards and regulations.

Under the legislation, councils need to develop water services delivery plans and submit them by 3 September 2025 for Government approval. These plans must provide a current and long-term assessment of councils' water infrastructure, outline the necessary investment required in water services to deliver on projected population growth and development needs, and detail how Councils plan to finance and deliver these plans through their preferred water services delivery model.

Like all councils, we are facing a number of complex issues when it comes to delivering Waipā's drinking water, wastewater and stormwater services, and it is going to get more expensive.

Our district is growing, more rapidly than most. We want to look after what we've got, protect our precious environment, and continue to make good on our vision of Home of Champions: Building Connected Communities.

2 Local Water Done Well - Consultation 2025

Where you come in

Under the Local Government (Water Services Preliminary Arrangements) Act 2024, the Council is to consult on its future delivery model options, with the chosen option required to be included in the Council's Water Services Delivery Plan.

We are not required to consult on the plan itself, only the future delivery model.

This consultation must include our current approach to delivering water services, even though this option is not considered to be financially sustainable or preferred by the Council. Our preferred water services delivery option we are asking you to consider, is a Council Controlled Organisation (CCO) with other Waikato rural/provincial councils known as Waikato Water Done Well.

Because no final decisions have been made on the future delivery of water services, and we are yet to hear from our community on the separate water consultation, our Long-Term Plan has been prepared on the basis of our existing water services arrangements and includes costs for the nine years of the plan.

If the decision is made to proceed with the Waikato Water Done Well option, it is proposed Waipā's water assets transfer to the CCO on 1 July 2026. This would require an amendment to the Long-Term Plan to reflect that decision.

Your feedback will help inform the final decision on what the future of water services delivery looks like for Waipā.

What about stormwater?

Stormwater is the water that runs off surfaces when it rains. Council operates and maintains stormwater infrastructure across the district to limit the impact of flooding and to ensure that stormwater discharges to waterways are free from contaminants.

Our stormwater assets are linked to and maintained across various council activities such as transportation and parks and reserves. Our stormwater system helps drain the water away.

For all options, we think it makes sense to contract stormwater services out to the CCO if it is formed, as there are lots of benefits in delivering all water services together.

We've done our homework

We want what is best for Waipā. We know Local Water Done Well will significantly change the way water services are delivered in New Zealand, will impact generations to come, and change who we are as a council too.

We have done a lot of work and analysis, obtained expert advice, and undertaken the due diligence needed to understand our options for water services delivery, and what is required to satisfy the requirements of a water services delivery plan.

After initially considering a range of options, we further investigated three asset-owning CCO options for Waipā:

- **Waikato Water Done Well, with other rural/provincial councils in the region – this is our preferred option**
- **A sub-regional model with Hamilton City and Waikato District Councils**
- **A stand-alone option.**

All options would see the CCO own the water and wastewater assets. Stormwater assets will remain owned by Council. Establishment costs would be required for all options.

Following further work and careful

Let's
kōrero
wai

Talk
water

consideration of the options, Waikato Water Done Well has emerged as the Council's preferred option.

As a step in our discovery journey, we undertook an options analysis. During this process, an internal business unit and a consumer trust were discounted as they could not meet borrowing requirements.

While some of the information has since been updated you can find the original analysis here [LINK TO MARTIN JENKINS REPORT - supply](#)

Affordability

In the options analysed in this consultation document, we refer to affordability. The legislation requires us to consider the financial sustainability of our options.

We understand that affordability means different things to different people, and some may not see any of the options as affordable. In our explanations, we have outlined the cost differences between the options, showing some are more affordable than others.

There is no official definition of affordable water costs in New Zealand, but international indicators suggest that there is an affordability challenge if drinking water and wastewater services cost more than two percent of median household income. Our preferred option and the status quo have been modelled on that basis.

Borrowing

Borrowing is one of the few financing tools councils can use to fund big infrastructure projects, and like a mortgage, it helps spread the cost over the generations that will benefit from the infrastructure. There are clear rules for borrowing money depending on whether councils keep their water services in-house, form a single CCO or join-up to form a multi-council water organisation.

New water organisations can borrow more money to fund infrastructure projects compared to councils. Currently we can borrow 3.5 times our revenue (or up to 350 percent debt to revenue ratio). Water organisations will be able to borrow up to five times revenue (up to 500 percent debt to revenue ratio) for water construction projects.

Workforce challenges

Our ability to retain critical waters staff is under pressure given competition from other potential employers (including internationally) and an environment of ongoing uncertainty.

The workforce is highly skilled – but also ageing.

Civil construction contractors (the people who build and construct large infrastructure projects) have an uncertain pipeline of work as individual council priorities shift or change. This can make retention of good staff difficult and investment certainty for equipment very challenging.

Let's take a look at the options:

Waikato Water Done Well - our preferred option

It is the Council's strongly held desire that in the long term there will be one Council-controlled water services entity for the Waikato. But in the short to medium term, we want what is best for Waipā and the Waikato Water Done Well model is the most affordable for our communities

Mayor Susan O'Regan



We are proposing to create a water organisation jointly-owned with a number of other district councils in the Waikato.

In 2023, Waikato councils identified some common waters issues they were facing. This included ageing infrastructure, population growth, rising costs, new regulations and limited funding options.

Their response to this was to co-design a joined-up approach for water and wastewater services – Waikato Water Done Well. It is seen as a way for councils to collaborate on sustainable, high-quality waters services while still keeping a local voice. There are six other district councils who have signed a non-binding Heads of Agreement for this option. They are: Matamata-Piako, Hauraki, Ōtorohanga, Waitomo, South Waikato and Taupō.

Hamilton City and Waikato District Councils are consulting on a proposal to form a separate CCO.

Waikato Water Done Well addresses these issues by...

- 1 **Financial sustainability**
- 2 **Leading workforce**
- 3 **Customer focus**
- 4 **Local influence**
- 5 **Delivering on expectations**

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Waikato Water Done Well timeline



People, place and the environment

Healthy Water, Healthy People, Te Mana o Te Wai, Te Mana o Te Tangata. That’s the vision of Waikato Water Done Well.

Under this option, the CCO would be responsible for all of the activities needed to deliver drinking water, wastewater services and, for those councils who choose to, stormwater services to their communities. This includes sourcing, treating and discharging water, planning for future repairs and upgrades.

The CCO would be a separate legal entity, owned by the shareholding councils, and employ the staff to deliver the services across the districts they serve. The CCO would also be responsible for informing the community and involving it in future water decisions, and ensuring that the enhanced environmental standards are met.

We see other benefits from this model as:

- Waipā, as an anchor council, is positioned to shape (with other shareholder councils) the establishment of and transition to the new CCO.
- Enabling a catchment-based approach to enhancing water quality throughout the Waikato Region and promotes innovation on resource consents and water services delivery.
- Provides an opportunity to align with, and give effect to, multiple Treaty settlements. This includes but is not limited to Te Ture Whaimana - the vision and strategy of the Waikato and Waipā Rivers, and supporting future Hauraki Catchment settlements focused on improving environmental outcomes.

- Improving workforce sustainability, attraction and retention challenges across the broader region, particularly in relation to the workforce needs of rural and provincial councils.
- Providing greater certainty, consistency and smoother investment processes for the civil contracting sector, which is a vital partner in delivery, and;
- Providing a large rural and provincial model for multiple iwi to engage with, fostering the development of economic partnerships, and investment and workforce opportunities.

The CCO would have independent directors, appointed by shareholding councils, and be required to operate under the legislation and regulatory framework set out by the Government.

Ownership and accountability of the proposed CCO





Potential pros



Legal compliance - meets legal requirements.



Financial implications - most affordable option of all options, including status quo.



Scale - achieving efficiencies of scale is a key objective of the CCO. This includes opportunities for service and delivery improvements through the consolidation of operations and maintenance, procurement, workforce optimisation and enhanced relationships. Efficiency gains will offset establishment costs within the first eight years of operation.



Climate change - with enhanced efficiencies and increased borrowing capacity, there is greater potential for improving climate change mitigation and adaptation.



Debt capacity - the CCO has the greatest debt capacity of all options, including status quo.



Workforce - sustainability, attraction and retention issues across the broader region are expected to improve, particularly in rural and provincial councils.



Potential cons

Perception of a loss of control - ratepayers as consumers will still have the ability to influence the Council as shareholders through its planning processes, and also have the opportunity to engage directly with the CCO. All consumers will also have rights under the Commerce Commission.

Will likely require complex servicing agreements with the Sub-Regional Hamilton City and Waikato District CCO to ensure that both CCOs would plan for and invest in key infrastructure across key growth areas.

The need for the Council to act as guarantor for the water organisation's borrowings.

What does this mean for me...

	Under the CCO model	Under the current model
Who provides the water from my tap?	Water services would be provided by Waikato Waters Ltd	Water services are delivered by your Council
Who looks after wastewater (the stuff that goes down the sink and through the toilet)	Wastewater services would be provided by Waikato Waters Ltd	Wastewater services are delivered by your Council
Who do I call if I have a problem?	Waikato Waters Ltd – once it is up and running. The changes will occur over time but you will always be able to call your council as your first port of call if you are unsure	Your Council
Who has control over decision about waters infrastructure?	The Board makes decisions having regard to a Statement of Expectations agreed to by Councils and regulatory requirements. This is the “what, when, where and how” for future infrastructure expenditure	The Mayor and councillors having regard to regulatory requirement
What will it cost	Costs will increase – these costs are going up no matter what. But there will be efficiency savings and these are likely to be significant over time	Costs will increase – these costs are going up no matter what. Under the current model, many councils cannot do what needs to be done in a timely way, that is affordable for their communities
Will I get charged differently?	Yes There will be a separate invoice for water and wastewater services from the CCO over time	No You would continue to be charged the same way

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The dollars and cents – about the finances



Rates

Water charge increases of about **four percent** per year for the eight years from July 2026 to the end of June 2034 are indicated. This includes the margin for inflation over that period. This is lower than other water service delivery models considered, including the status quo.

Water charges per residential connection (incl. GST)			
	2025/26	2029/30	2033/34
Waikato Waters Ltd (CCO)	\$1,877*	\$2,234	\$2,260
Council	\$1,877*	\$2,567	\$2,745
Difference - additional cost/ (saving)	\$0	(\$333)	(\$485)

* Based on the 2025-34 draft Long Term Plan

Debt

The CCO would be responsible for all water and wastewater services and assets.

The transfer of drinking water and wastewater activities to the Waikato Water Done Well CCO includes the transfer of debt the Council has that relates to those activities. That means that Council’s debt will be less than it is right now.

The forecast debt relating to those assets as at 30 June 2026 for Waipā is approximately \$230 million. This debt would transfer to the water CCO. All the shareholding councils involved in establishing the CCO would do this too.

All future water and wastewater debt would be the responsibility of the CCO, this is estimated to peak at around \$300 million in 2029/30. Removing the spending and forecast revenue from the Council, results in an increase of debt headroom from July 2026, which reduces financial risk.

Levels of service

The Waikato Water Done Well CCO will be responsible for ensuring that there will not be a detrimental impact on levels of service. If anything, the investment in identifying efficiencies should improve customer experience.

Subsidisation/ price harmonisation

There is no requirement for prices to be the same across communities. This allows for differences in customer charges across the CCO depending on investment need and cost of service.

All financial modelling to date for the Waikato Water Done Well CCO assumes existing pricing structures and work programmes, forecast in each of the councils Long Term Plans, stay the same after the transition of water services to the CCO in the short to medium term.

In order to meet financial independence, the CCO board and management will be responsible for setting future pricing. This will take into account the funding requirements of the business and the expectations of the shareholding councils via the Shareholders Representation Forum. When, and to what extent prices are aligned across the council districts in the future, is not yet known.

The Commerce Commission will be responsible for providing independent oversight to ensure prices are reasonable, benchmarked and sustainable.

Key Points about this option

The CCO would own the water and wastewater assets. The council would be a shareholder and the beneficiaries of Waipā's water and wastewater assets would

continue to be the people of Waipā. A Long Term Plan amendment will be required to transfer the assets.

Stormwater assets would be retained under council ownership and the CCO would provide the services through contract arrangements with the Council. Stormwater costs will be charged as detailed in our draft Long Term Plan as there will be no change to rates, debt or levels of service.

The board of the water organisation would make the decisions. This would be informed by the statement of expectations from the shareholding councils, and potential engagement on the Board's water services strategy.

Iwi involvement is still to be confirmed. We believe that iwi should play a strong role in water management. It is critical that our Treaty Settlement, Joint Management Agreements, and other partnership obligations and responsibilities are recognised and protected.

Councils would have no day-to-day involvement in water service delivery. The shareholding councils would create a 'statement of expectations' which would be monitored closely and reported on regularly. It is likely during the transition phase councils would continue to offer some support services. The long-term vision is for one standalone entity.



Councils and water organisations would work together on what a Civil Defence response would look like. Based on how Civil Defence works with other lifeline services, we expect the organisation would look after the water and we would look after you - our community. Looking after our community will always be our top priority.

A joined-up view. At the time of decision-making, the Council will be able to consider consultation feedback from other councils.

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Key waters assets

-  Water Facilities
-  Wastewater Facilities

Together these seven councils have...



41%
of the region's population
(205,000 people)



growth higher than the national average of 2.07% - ranging between 3% to 10.2% over the last five years

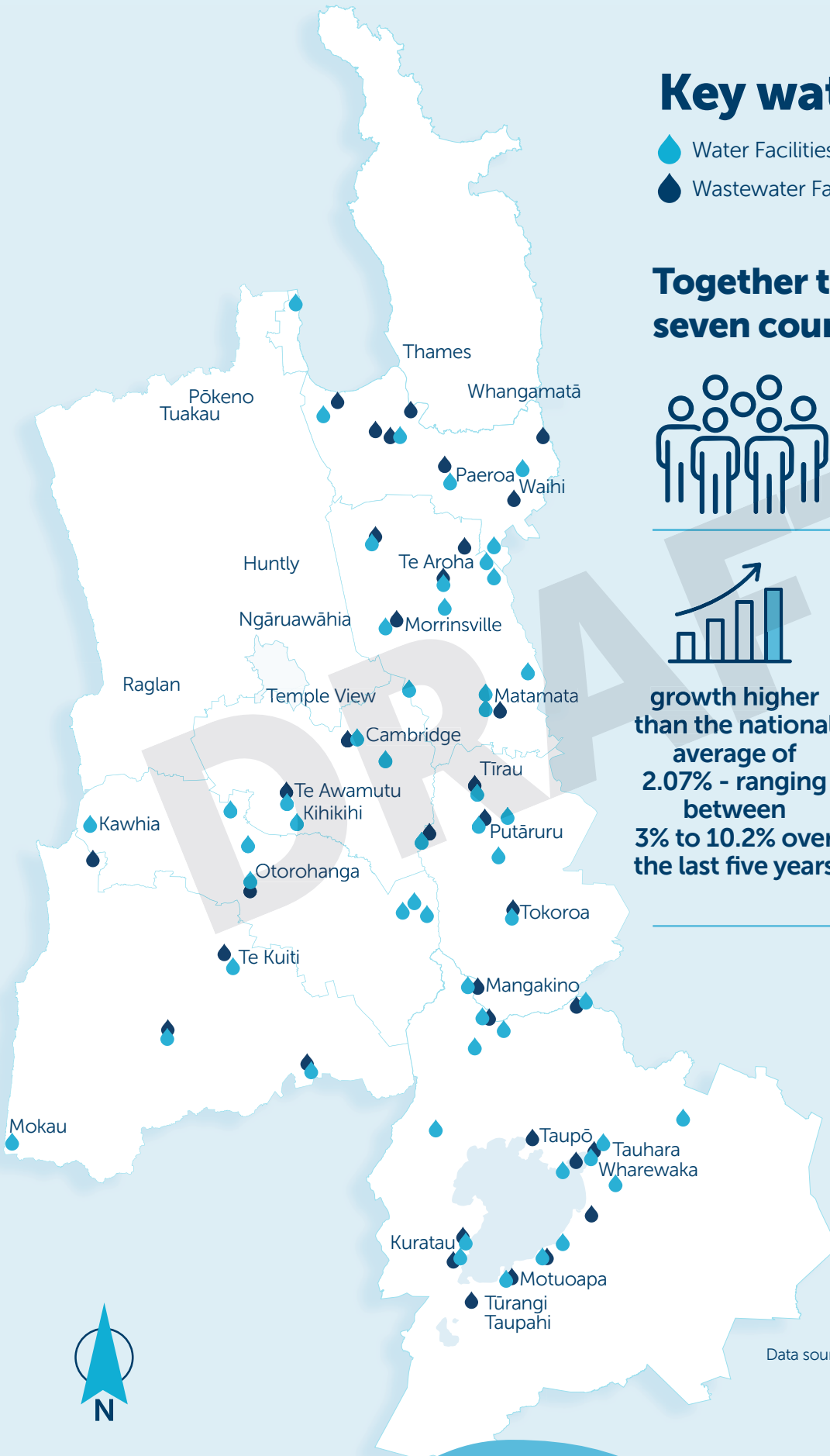


40%
of the region's water and wastewater connections (>129,000)



45%
of the region's water services annual revenue (excluding development contributions)

Data sources are LINZ, ESRI and Stats NZ





What would it mean for me?

Water will still flow from your tap and your toilet will still flush! It's who provides the services and ultimately who you will pay for that service that would change.

The changes would be at a higher level – the new organisation would be able to invest more in maintenance and infrastructure, share costs across a wider area, and be able to use these efficiencies to reduce future costs to consumers.

The costs to deliver water services are increasing for everyone, but this new approach would help lessen the increases, allow the costs to be spread over a longer period, and ensure costs are shared by future generations who use new waters infrastructure. Government regulation would set limits on what the organisation could charge, and how much it needs to invest in the future.

Once the transition of the services is complete, you'd receive a bill for your water and wastewater services from the CCO, and contact them for any queries. This won't happen until the CCO is confident it has the

systems and processes in place to ensure you receive a quality customer experience.

You would continue to pay for stormwater as part of your rates bill.

The status quo

We've been providing your water, wastewater and stormwater services since... way back! But things are changing, and we need to find a new model that is most cost effective for our communities.

Every time you turn on your tap, flush the toilet or there is heavy rain, there are teams of council staff behind the scenes making sure everything is working the way it should. Our dedicated waters teams are made up of 40 staff. This does not include the staff whose roles also support the delivery of waters services in some way, for example, the finance and customer experience teams.

Providing the infrastructure, meeting compliance and providing the service costs a lot.

In our draft 2025-2034 Long Term Plan, we have budgeted \$384.3 million for water and wastewater for the next nine years.

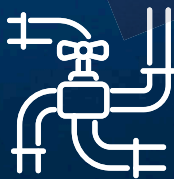
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Water



6 water treatment plants
supplying water to
17,676 properties



575
kilometres of water
mains and pipes.

Treating 8468 megalitres of water*

\$214.4 million

to be spent in the next nine years on
infrastructure to treat and supply
water including \$83.6 million for
water reservoirs.

* Denotes the quantity treated in the 2023/24 financial year

Wastewater


2 
**wastewater
treatment plants**
– one in Cambridge and one
in Te Awamutu


Treating wastewater from
**14,477
properties**

67 
pump stations
Treating 3486 megalitres
of wastewater*


304.1 km
of wastewater mains

\$170 million
for infrastructure
development including
\$109.8 million to upgrade
pump stations


**\$55
million**
for planned upgrade of
the Te Awamutu plant

Just over \$44 million to complete the
**NEW Cambridge Wastewater
Treatment Plant**

* Denotes the quantity treated in the 2023/24 financial year

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The dollars and cents – about the finances

In the 2025/26 year, water related charges are rising by 26.4 percent on average in our draft Long-Term Plan. This increase is required to recover the full cost of running the water and wastewater activities as well as to meet Council's current debt to revenue ratio requirements.

Increases of an **average of 7.7 percent** per year for the nine years of the draft Long Term Plan. This includes the margin for inflation over that period.

Council's debt levels under this option would be similar to the 2025-34 draft Long-Term Plan. Total Council debt would peak in

2029/30 at just over \$621 million, of which about \$300 million, would be water and wastewater debt.

As stormwater assets will continue to be owned by Council, the debt remains on the balance sheet. Rates will continue to be charged by Council for this service. The costs have been included in the draft Long Term Plan 2025-34 alongside maintaining current levels of service.



Potential pros

- **Decision making.** Council will be responsible for day-to-day decision making.
- **Local voice.** Community input through the Long-Term Plan and Annual Plan budget consultation processes.
- **Familiarity.** It is a familiar model that people understand.



Potential cons

- **Legal compliance.** The status quo is unlikely to meet new financial requirements over the short and medium terms. If the Council's water services delivery plan included this delivery model, it may not be accepted.
- **Financial implications.** This will cost more each year than the preferred option.
- **Financial challenges.** There is potential cost challenges in meeting increased environmental regulatory standards and providing long-term investment for growth.
- **Workforce challenges.** Staff retention may become difficult as other regional CCOs are formed.
- **Environmental outcomes.** There will be less ability to achieve enhanced environmental outcomes through lack of scale and catchment-based approach.



Key Points

Council (and therefore ratepayers) will continue to own the water and wastewater assets.

Council will continue to make decisions.

But decisions will also be subject to regulatory oversight, including from the Water Services Authority Taumata Arowai and the Commerce Commission.

Status quo for relationships. Waipā is committed to, and values, its current and future relationships with iwi and mana whenua. We will continue to look after our water and our community in a Civil Defence emergency.

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The other options considered

A sub-regional CCO with Hamilton City and Waikato District Councils – this was the second favoured option and would provide Waipā with an opportunity to participate in a CCO with two other high-growth councils. Given it would include Hamilton as a large metro, it would be focused on delivering a very large capital works programme. However, financial modelling indicates that cost increases for customers would be higher at **about 10 percent (inflated)** a year for the first eight years of operation.



Potential pros

- Positioned to support growth in north Waipā (including provision of the southern/sub-regional wastewater treatment plant).
- This CCO would include three of the largest Waikato council populations – these are each Tier one growth councils.
- Provides opportunity to align with, and give effect to, Te Ture Whaimana (the Vision and Strategy for the Waikato River).
- Fewer partners meaning initial CCO set-up might be less complex.
- Will be a metro/growth focused opportunity for workforce.



Potential cons

- Less affordable for the community
- Up to a five-year transition period
- Stronger focus on metro issues rather than broader rural provincial issues
- Efficiencies would take longer to be realised.

A single council-owned water organisation – this was considered a back-stop option as the costs would be much higher and it would provide only limited scale benefits. Given this, we did not further investigate this option.

Long-term Outcomes

The long-term preference is for one water services CCO to serve the whole of the Waikato.

Councils engaged in discussions about the future water services delivery model have expressed that preference in the medium to long term (possibly within five to 10 years). If two CCOs are established in the short term, the goal would be to create a pathway for their eventual merger. This would maximise benefits for water consumers through greater scale efficiencies and a range of other advantages. While this vision cannot be realised in the short term, it is important to consider the best pathway for Waipā at this stage to help achieve this long-term objective.

Local Water Done Well Submission form



Submissions close: 5pm, TBC, 2025

Full name: _____

Organisation: (if applicable) _____

Address for correspondence: _____

For office use only:

Submission No.

Email: _____

Phone: _____

Privacy statement: All submissions (including names and contact details) may be provided in full to Elected Members. Submissions (including names but not contact details) may be made available to the public at our office and on our website. Your personal information may also be used for the administration of the consultation process, including informing you of the outcome of the consultation. All information collected will be held by Waipā District Council, 101 Bank Street, Te Awamutu with submitters having the right to access and correct personal information.

I acknowledge that I have read the privacy statement and am happy to proceed.

I wish to present my submission verbally to a public Council hearing on TBC. If required, due to the number of requests to make an oral submission, Council will schedule an additional day for hearings on TBC. Yes No

Question time - We want to hear what you think.

Do you agree with our preferred option?

Strongly disagree Disagree Neither agree or disagree Agree Strongly agree

Do you have any other feedback you would like to share about the Waikato Water Done Well model?

DRAFT



Local Water Done Well - Consultation 2025

DRAFT

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APPENDIX 2

Report to Council - Local Water Done Well – CCO Options and Consultation
(ECM11366822)

COUNCIL REPORT



To: Her Worship the Mayor and Councillors
From: Manager Delivery Performance
Subject: **Local Water Done Well – CCO options and consultation**
Meeting Date: 26 February 2025

1 PURPOSE - TAKE

The purpose of this report is for Council to approve its preferred option for the purposes of public consultation on the future delivery of water services, in response to the Government's Local Water Done Well reform.

2 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

“Local Water Done Well” is the Coalition Government’s plan to address New Zealand’s longstanding water infrastructure challenges. It will be given effect through the Local Government (Water Services Preliminary Arrangements) Act 2024 (PA Act) which largely came into force on 3 September 2024, and also the Local Government (Water Services) Bill (Bill 3), which was introduced in December 2024 and is expected to come into force mid-2025 (along with the remaining aspects of the PA Act).

The new regulatory requirements and structural and financing tools provided for in the new legislation will lead to significant changes in water services provision over time, including through the potential adoption of, and transition to, new service delivery models. The Local Water Done Well policy places a strong emphasis on meeting economic, environmental and water quality regulatory requirements.

Under the PA Act, Council needs to adopt and submit a Water Services Delivery Plan (WSDP) to the Secretary of Local Government by 3 September 2025. The WSDP must include a current and long-term assessment of Council’s water infrastructure, outline the investment required in water services infrastructure, and describe proposed financing arrangements, as well as the preferred water service delivery model. A WSDP must be approved by the Department of Internal Affairs (DIA) and then be given effect to by the Council.

On 19 November 2024, Beca, MartinJenkins and Mafic presented to Elected Members on the ‘Assessment of Viability and Sustainability of Water Services Delivery’ report; this report also included a high-level option analysis.

The MartinJenkins/Beca/Mafic report identified the most credible options (different from the status quo) were:

- **Standalone Water Services Council Controlled Organisation (CCO)** – Council establishes an asset owning water organisation to deliver water services. While this option is feasible and is a reasonable ‘back-stop’ option it would require rephrasing of investment activity and provide limited scale benefits with some additional costs and implementation risk.
- **Sub-Regional CCO** (Waipā District, Waikato District, Hamilton City) – Council partners with other councils to establish a sub-regional asset owning water services organisation aligned to key growth pressures. This option would provide Waipā with an opportunity to participate in a CCO with two other high-growth councils, including a large metro, delivering a very large capital works programme and very focused on the successful delivery of this. However, financial modelling indicates that the cost impacts for consumers would be higher with annual cost increases of approximately 10% per annum for the first eight years of operation.
- **Waikato Water Done Well (WWDW) CCO Asset Owning** (councils which have committed to signing the Heads of Agreement to establish an asset owning CCO are: Waipā, Matamata Piako, Taupō, Waitomo, Ōtorohanga, South Waikato, and Hauraki District Councils) – Council partners with other councils to establish a regional asset owning water services organisation. This option will bring together a range of rural and provincial water services delivery teams, where the CCO is focused on delivering these services as efficiently as possible. Efficiency improvements are forecast to lead to savings of at least 1% per annum, and financial modelling indicates that the cost impacts to consumers would be lower than both the Sub-Regional CCO and Waipā’s current draft 2025-34 Long Term Plan forecasts, at 4.37% per annum increases.

At the 26 November 2024 Council meeting a decision report was presented ‘Waikato Water Done Well – Heads of Agreement’ (Appendix 3). The resolution resolved to enter into the WWDW Heads of Agreement, noting that work was also to be undertaken in parallel to investigate further any collaborative sub-regional CCO water services delivery options. Further work on the Standalone Water Services CCO was not progressed as this was identified as a “back stop” option if the analysis showed that the two other models did not meet Council’s objectives.

A significant amount of resource has gone into working alongside Hamilton City Council and Waikato District Council (with Deloitte), and WWDW partners to ensure Elected Members can make an informed decision on the preferred option for future water services delivery for consultation.

The Options section in this report outlines all the options considered, as well as providing a list of strengths and risks for the two most beneficial models – Sub-Regional CCO and WWDW CCO (as per the direction from Council in late 2024). For the reasons

set out in the report, following the analysis of the options, staff recommend that Council approves the WWDW option as the preferred option for consultation.

The preferred water services delivery model (proposal) will be consulted on from 21 March 2025 to 21 April 2025, alongside the other options that have been identified and evaluated, and the status quo, with hearings expected to be held in May 2025 for those submitters who wish to be heard.

3 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That Council

- a) **Receives** the report of Sherryn Paterson, Manager Delivery Performance, titled *Local Water Done Well – CCO Options and Consultation* (document number 11366822);
- b) **Notes** that the possible options presented for future delivery of water services in the report are:
 - i. *Delivery of water services by Waipā District Council (current model)*
 - ii. *Delivery of water services by a Council Controlled Organisation wholly owned by Waipā District Council*
 - iii. *Joining the Hamilton City Council and Waikato District Council Controlled Organisation (“the Sub-Regional Option”)*
 - iv. *Establishing and joining a Council Controlled Organisation with one or more Councils that have signed the Waikato Done Well Heads of Agreement as executed by Council on 18 December 2024, and such other Waikato-based councils that choose to join that Council Controlled Organisation (“Waikato Waters Done Well Option”)*

noting that all Council Controlled Organisations within each option would own water and wastewater assets and provide stormwater services; and will have the ability to partner or join with other water services providers; and

- c) **Approves** the Waikato Waters Done Well Option as the preferred option for public consultation in accordance with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024; and
- d) **Directs** staff to prepare the relevant consultation documentation for Council approval to undertake public consultation on the preferred option in recommendation c).

4 BACKGROUND – KŌRERO WHAIMĀRAMA

“Local Water Done Well” is the Coalition Government’s plan to address New Zealand’s longstanding water infrastructure challenges. It will be given effect through the Local Government (Water Services Preliminary Arrangements) Act 2024 (PA Act) which largely came into force on 3 September 2024, and also the Local Government (Water

Services) Bill (Bill 3)¹, which was introduced in December 2024, and is expected to come into force mid-2025 (along with the remaining aspects of the PA Act).

Under the Local Water Done Well (LWDW) legislation framework, all councils across New Zealand are required to produce a Water Services Delivery Plan by 3 September 2025, with a focus on ensuring future delivery is financially sustainable and meets quality standards. Whilst ensuring water services are financially sustainable for our communities, there are recognised issues ahead for these activities with respect to an ageing workforce; procurement challenges with all councils looking to much larger capital works programmes to be delivered with constrained contractor resourcing; and meeting increasing environmental, compliance, and financial regulatory requirements.

On 19 November 2024 Beca, MartinJenkins and Mafic presented to Elected Members the 'Assessment of Viability and Sustainability of Water Services Delivery' report; this report also included a high-level option analysis. The report concluded that Waipā is in a good position to consider a range of options that will likely satisfy financial sustainability requirements under LWDW, and that Council should explore a range of options, including prioritising potential joint arrangements with other councils (a Council Controlled Organisation - CCO). The most credible options (different from the status quo) were:

1. **Standalone Water Services CCO** – *Council establishes an asset owning water organisation to deliver water services – viable back-stop option.*
2. **Sub-Regional CCO (Waipā District, Waikato District, Hamilton City)** – *Council partners with other councils to establish a sub-regional asset owning water services organisation aligned to key growth pressures.*
3. **WWDW CCO Asset Owning** (councils which have committed to signing the Heads of Agreement to establish an asset owning CCO are: Waipā, Matamata Piako, Taupō, Waitomo, Ōtorohanga, South Waikato, Hauraki) – *Council partners with other councils to establish a regional asset owning water services organisation.*

In each case, the relevant CCO would own water and wastewater assets and provide stormwater services back to Council.

¹

The Bill provides for:

- arrangements for the new water services delivery system
- a new economic regulation and consumer protection regime for water services
- changes to the water quality regulatory framework and the water services regulator.

Relevant governance issues included in the Bill include:

- Board appointments must be competency based
- Current councillors cannot be appointed to Boards
- Water organisations must be companies
- Activities are limited to water services only
- Water organisations will be subject to restrictions against privatisation
- Parts 1 to 7 of the Local Government Official Information and Meetings Act will apply to water organisations, but Part 7 will only apply to board meetings and not to other meetings such as board committees.

MartinJenkins identified that establishing a standalone Waipā District Council-owned water services organisation would be a viable back-stop option. However, while viable, they also identified that this option had lower benefit than the two multi-council options. Given this and the direction from Council in late 2024, no further work has been done on this option at this stage.

At the 26 November 2024 Council meeting a decision report was presented 'Waikato Waters Done Well – Heads of Agreement' (Appendix 3). The Council resolved to enter into the WWDW Heads of Agreement noting that work will also be undertaken in parallel to investigate further any collaborative sub-regional CCO water services delivery options.

Since the 26 November 2024 Council meeting, a significant amount of resource has gone into ensuring that Council has sufficient information to make a decision on the preferred water services delivery option for consultation. This includes working alongside Hamilton City Council (HCC)/Waikato District Council (WDC) and Deloitte on the Sub-Regional CCO option.

The table below shows the key parameters for the CCO modelling for both the Sub-Regional and WWDW options:

Parameter	Sub-Regional	WWDW
CCO Establishment Date	1 July 2026	1 July 2026
Water and Wastewater Asset Owning CCO	Yes	Yes
CCO Partners	Waipā DC/Hamilton CC/Waikato DC	Waipā/Taupō/Matamata Piako/South Waikato/Waitomo/Ōtorohanga/Hauraki
All of Waipā's currently planned capital investment is delivered	Yes	Yes
Stormwater Management	Provided as a shared services opportunity by CCO	Provided as a shared services opportunity by CCO

Financial Considerations

A high-level financial summary is provided (Appendix 2) for the Sub-Regional and WWDW CCO options (with WWDW modelling based on all of the other six councils participating) – noting that this includes water and wastewater and excludes stormwater, and is for the period 2026/2027 to 2033/2034. Consultation under the PA Act on the proposed water services delivery model will need to explain how proceeding with (or not proceeding with) the proposed model will affect the Council's rates, debt, levels of service and any charges for water services.

The perception of some councils subsidising other councils' historic underinvestment has been discussed amongst participating councils as part of the WWDW Heads of

Agreement development, with it being agreed that they will develop a process for addressing this once the extent of any underinvestment is clearly understood. Any underinvestment will become clearer as councils sign off on their Water Services Delivery Plans.

Affordability

For affordability, the assumption in both models is that the additional debt headroom provided by the increased debt to revenue availability, and efficiencies once realised, can be used to offset price rises. Note this has not yet been fully modelled under either option, and the degree to which price increases are moderated through the balancing of revenue or use of debt, and the consideration of price harmonisation over time will form part of the remit of the relevant CCO Board.

Under the new economic regulation and consumer protection regime proposed in Bill 3, the Commerce Commission will have tools available to be able to set revenue thresholds at their discretion, so that regulated water services providers have a clear understanding about the level of revenue they need to collect and invest in water infrastructure. Bill 3 will also provide tools to the Commerce Commission for price-quality regulations – enabling the Commerce Commission to set minimum and/or maximum prices that may be charged, and/or minimum and/or maximum revenues, alongside quality and performance requirements.

Six of the seven WWDW partner councils have identified community affordability as an issue (whether now or in the future). There is no official definition of unaffordable waters costs in New Zealand, but international indicators suggest that there is an affordability challenge if water and wastewater services are more than 2% of household income. The Sub-Regional CCO has yet to consider an appropriate target for household affordability. WWDW has provided the information below with respect to comparing current costs for consumers relative to the threshold of 2%, and the outcome from the WWDW financial model in 2034.

Proposed CCO		2025			2034		
Council	Average Water Charges (\$)	Median Household Income (\$)	Affordability	Average Water Charges (\$)	Median Household Income (\$)	Affordability	
Hauraki	2,575	68,884	3.7%	3,919	101,228	3.9%	
Matamata-Piako	1,931	89,758	2.2%	2,641	131,903	2.0%	
Ōtorohanga	2,261	88,715	2.5%	3,518	130,369	2.7%	
South Waikato	1,756	80,365	2.2%	2,544	118,099	2.2%	
Taupō	2,016	90,802	2.2%	2,646	133,437	2.0%	
Waipā	1,852	107,501	1.7%	2,563	157,977	1.6%	
Waitomo	3,114	76,190	4.1%	4,663	111,964	4.2%	
Weighted Average	2,007	92,579	2.2%	2,811	136,049	2.1%	

Status Quo (LTP)		2025			2034		
Council	Average Water Charges (\$)	Median Household Income (\$)	Affordability	Average Water Charges	Median Household Income (\$)	Affordability	
Hauraki	2,575	68,884	3.7%	6,315	101,228	6.2%	
Matamata-Piako	1,931	89,758	2.2%	2,695	131,903	2.0%	
Ōtorohanga	2,261	88,715	2.5%	3,404	130,369	2.6%	
South Waikato	1,756	80,365	2.2%	4,302	118,099	3.6%	
Taupō	2,016	90,802	2.2%	3,220	133,437	2.4%	
Waipā	1,852	107,501	1.7%	3,535	157,977	2.2%	
Waitomo	3,114	76,190	4.1%	5,434	111,964	4.9%	
Weighted Average	2,007	92,579	2.2%	3,620	136,049	2.7%	

Costs for consumers relative to the threshold of 2%, and the outcome from the WWDW financial model in 2034

Establishment

The tables below show Waipā's projected percentage shareholding as at 30 June 2026 for both of the preferred options. The amounts shown in the tables are based on current forecasts (for Waipā this is the draft 2025-34 LTP as at September 2024) and will not be the final numbers.

Sub-Regional CCO model:

	Waipā	WDC	HCC	Total
As at 30 June 2026	\$m	\$m	\$m	\$m
Total Assets Contributed	678	645	1,672	2,995
Total Debt	196	94	441	731
Net Assets Contributed	482	551	1,231	2,264
<i>Funded by:</i>				
Cash (external debt)	196	94	441	731
Ordinary Shares	482	551	1,231	2,264
Uncalled capital ²	TBC	TBC	TBC	TBC
% Shareholding	21%	24%	55%	100%

WWDW CCO Model:

	Waipā	Other Councils	Total
As at 30 June 2026	\$m	\$m	\$m
Total Assets Contributed	678	1,403	2,081
Total Debt	196	459	655
Net Assets Contributed	482	944	1,426
<i>Funded by:</i>			
Cash (external debt)	196	59	655
Ordinary Shares	482	944	1,426
Uncalled capital	TBC	TBC	TBC
% Net Assets Day 1	32.6%	67.4%	100%
Average Connections (000's)	16.1	55.5	71.6
% Equity based on Average Connections ³	22.5%	77.5%	100%

Agreements

The following table shows the differences between the Sub-Regional Record of Agreement between HCC and WDC; and the agreed approach documented in the WWDW Heads of Agreement. As the respective shareholders' forums are established there will be the ability to have further input. (Waipā is seeking clarification from the Sub-Regional CCO working group as to whether Waipā would be joining the CCO or part of the initial establishment of the CCO (noting that both HCC and WDC will be

² Uncalled Capital represents the contingent liability for Council as a shareholder which is required under the LGFA lending criteria to jointly with other shareholding councils provide a guarantee of CCO debt.

³ Connection numbers are still to be confirmed and verified for each of the councils who have signed the Heads of Agreement in WWDW.

consulting on a two-council joint CCO)). This is because those councils made an earlier decision to propose a two-council joint CCO, in advance of the Council providing direction to Officers on the options that should be evaluated further.

Agreement	Sub-Regional CCO	WWDW
Matters of Note:		
<i>During operation:</i>		
<ul style="list-style-type: none"> ▪ Shares cannot be sold or transferred and can only be held by a council (part of legislation in Bill 3). 	Not directly covered but it is implied.	√
<ul style="list-style-type: none"> ▪ No transfer of risk and therefore no margin on shared services provided by Council to CCO (ie, any overhead costs currently recovered from internal waters activity/business unit will continue to be recovered at the current level from the CCO post establishment until transition process completed). 	√	Degree of shared services TBC
<ul style="list-style-type: none"> ▪ Shareholder Forum voting rights are one vote per Council (for Director appointments and Iwi representative also have one vote). 	√	
<ul style="list-style-type: none"> ▪ Shareholder forum voting rights are proportional to shareholding. 		√
<i>During establishment period:</i>		
<ul style="list-style-type: none"> ▪ The Establishment Board (3 pax including Chair) has power of veto on key decisions such as contracts of duration of more than three years, development agreements relating to water services and infrastructure, transfer of water assets, and employment conditions. 	√	
Principles of the Transfer Agreement		
<ul style="list-style-type: none"> ▪ The councils should be treated in a fair, equitable and even manner. 	√	
<ul style="list-style-type: none"> ▪ The approach to quantifying net debt transferred must be transparent and able to be simply explained to the public. 	√	
<ul style="list-style-type: none"> ▪ Shareholding for each council will be equal to the value of assets contributed less any water related debts assumed by the CCO. The value of the Councils' assets will be determined by independent valuations prior to the establishment of the CCO. Debt will be independently reviewed; DC reserves will also transfer to CCO and CCO will pay the council any net balance transferred. Shareholding does not change unless new council joins. 	√	
<ul style="list-style-type: none"> ▪ Shares allocated to shareholding councils based on the number of connections, reviewed and adjusted every five years. 		√
<ul style="list-style-type: none"> ▪ Given the intention to minimise costs to water customers and the need to leave headroom for future capital expenditure, the amount of consideration that is paid as cash needs to be prudent and should not result in the CCO exceeding the maximum prudent level of debt that the CCO could take on at establishment. 	√	

<ul style="list-style-type: none"> ▪ The councils' level of existing water debt will be confirmed by an independent reviewer. 	√	TBC
<ul style="list-style-type: none"> ▪ The level of Uncalled Capital attributed to shareholding councils is proportional to their shareholding or initial debt position (uncalled capital is a contingent liability for councils and could be used as a last resort in the event of a debt default by the CCO to recover CCO debt). 	TBC	TBC

Governance and Accountability Considerations

Whilst Council will no longer be directly responsible for providing these water services, there will still be appropriate mechanisms in place for Council to positively influence the outcomes experienced by consumers. This may be reflected through factors such as ownership structure, governance arrangements, decision making, prioritisation approaches and accountability arrangements (both shareholder and public).

The finer detail of these arrangements is expected to be finalised through Bill 3 and in tandem with public consultation, however, below are the broad implications of these in each of the proposed models.

One of the considerations is the degree of influence or control that Council may want to have on establishment. As part of the WWDW CCO, Waipā would be a “foundation” shareholding council, whereas with the Sub-Regional CCO option there is no clarity on whether Waipā will become a foundation shareholder (and a signatory to a Record of Agreement) or whether Waipā will have to join the Sub-Regional post establishment, which would be subject to a process involving the Sub-Regional CCO Board and other shareholding councils. While unconfirmed, it is anticipated that this would be a point of negotiation once consultation processes are complete. Given that the Sub-Regional CCO is not intended to become operational until 1 July 2026, there would be time to consider and agree how any CCO will be formally established.

Some of these factors can also be developed through the CCO constitution, ongoing input into the Statement of Expectations and the detail of shareholder agreements. Where Waipā is a minor shareholder, it will be important to ensure that shareholding makes provision for negative control, that is, the ability for a single shareholder group to block or prevent corporate actions and decisions due to their proportion or terms of shareholding. Negative control includes, but is not limited to, instances where a minority shareholder has the ability, under the shareholders' agreement, to prevent a quorum or otherwise block action by the board of directors or shareholders.

Long-Term Outcomes

Councils involved in the discussions on the future water services delivery model have indicated that ideally in the medium to longer term (possibly five to 10 years) there would be a single Waters CCO providing services across most, if not all, of the Waikato region to ensure that maximum benefits are achieved for water consumers from efficiencies through greater scale and a range of other benefits. It is acknowledged that this cannot be achieved in the short-term, so consideration can, and should, be

given to which pathway is best now, for Waipā to ensure this longer-term objective is achieved.

Both the PA Act and Bill 3 provide for changes to be made to water services delivery models in the future (ie, departing from the models adopted in the WSDP), if required.

5 SIGNIFICANCE & ENGAGEMENT – KAUPAPA WHAI MANA ME NGĀ MATAPAKINGA

Staff have reviewed the key considerations under the Significance and Engagement Policy, in particular sections 7 and 8, and have assessed that the matters in this report have a high level of significance. Consultation on the preferred water services delivery model will be undertaken from 21 March 2025 to 21 April 2025 (at the same time, but not combined with, the 2025-34 LTP consultation) using the alternative arrangements for consultation provided in the PA Act.

6 OPTIONS – NGĀ KŌWHIRINGA

The MartinJenkins report⁴ (Appendix 1) considered by Elected Members in November 2024 provided a high-level assessment of five water services delivery options. These options included:

1. Internal business unit or division (enhanced status quo)
2. Standalone water services CCO (Waipā alone)
3. Sub-Regional water services CCO (Hamilton City Council, Waipā and Waikato District Councils)
4. Waikato region water services organisation based on shared services (Waikato Water Done Well, stage one – non-asset owning CCO with contracted services)
5. Waikato region water services organisation that is asset owning (Waikato Water Done Well, stage two – asset owning CCO).

Internal Business Unit or Division (enhanced status quo)

Under Local Water Done Well, if a council continues to deliver water services itself, it must do so through an Internal Business Unit that separates three waters activities from each other and from the rest of council activity; this is consistent with how Waipā currently run the waters activities.

Water services delivery would remain fully integrated in Council's strategy, planning, and service delivery. A Water Services Strategy (like a long-term plan for waters), a separate waters annual report, and stand-alone financial statements on water services, is required.

⁴ On 19 November Beca, MartinJenkins and Mafic presented to Elected Members the 'Assessment of Viability and Sustainability of Water Services Delivery' report; this report also included a high-level option analysis.

Water services delivery will be accountable to the public through usual local democracy practices and governance arrangements, that will be similar to the status quo. However, it is important to note that the new economic regulator role for the Commerce Commission may, over time, be prescriptive in the scope of future Council decisions related to the waters' investment programme, charging, and operating surplus required to pay back debt.

The MartinJenkins report shows this option will unlikely be able to meet new financial requirements over the short and medium terms and will potentially create long-term challenges with efficiencies in operational and asset management under the current LTP.

Standalone Water Services CCO

Under this option, a Waipā Waters Council Controlled Organisation would be set up as a two waters asset owning Council Controlled Organisation, also providing stormwater services to Waipā District Council. It would have additional borrowing capacity to fund required waters infrastructure, up to a limit of 500 percent debt to revenue.

The MartinJenkins report found that a Waipā standalone water services CCO would have some advantages over an Internal Business Unit, including potential for efficiencies driven by commercial practices (Board), but benefits in asset management and procurement would be limited by a lack of scale.

The Council Controlled Organisation would have the ability to access higher debt head room compared with the Waipā Internal Business Unit.

A Waipā water services CCO does not provide scale that a joined-up model would.

MartinJenkins identified that a standalone Water Services CCO was a viable back-up option. However, they also identified that this option had a relatively lower benefit compared to the Sub-Regional or Waikato Water Done Well options.

The Council decided on 26 November 2024 to pursue work on the two multi-council Water Services CCO options. Therefore, no further work has progressed on the Standalone Water Services CCO.

Multi-Council CCO Options

The MartinJenkins report identified two options for further consideration by Council. These options were considered by the Council on 26 November 2024 and direction was given to further assess them beyond the high-level MartinJenkins report. Those options are:

- a three-council Sub-Regional CCO – Hamilton City Council, Waipā and Waikato District Councils (Sub-Regional CCO)
- a seven-council Waikato Regional CCO – Waipā, Matamata Piako, Taupō, Waitomo, Ōtorohanga, South Waikato and Hauraki District Councils (Waikato Water Done Well CCO (WWDW)). Note: Thames Coromandel District Council has not entered into the Heads of Agreement.

The following information provides insights into where both CCO options are currently, noting that there will be some areas where further detail is not yet available. Whilst this is not ideal, the timeline for consultation and the development of Waipā's Water Service Delivery Plan, requires a single preferred option (proposal) to be identified.

In the analysis undertaken, many of the strategic objectives identified in the MartinJenkins report aligned with both those for the Sub-Regional CCO and WDDW CCO. Further, when the strategic objectives are assessed against each CCO proposal, both either partially or fully meet Waipā's strategic objectives. There is a high level of alignment and therefore it is considered more appropriate to outline the key distinguishing factors between the two options. These are presented below along with the strengths and risks for each option.

Sub-Regional CCO

Efficiency and Financial Considerations:

The Sub-Regional CCO provides debt capacity/headroom for the delivery of a combined investment programme of the three shareholding councils based on a forecast revenue and an average annual price increase to customers of 10.2% per annum. Financial modelling completed by Deloitte indicates there will be sufficient head room for the CCO to be financially sustainable, whilst delivering the planned programme of work. The analysis undertaken to date has been conservative in that it has not included provision for any efficiency gains, however, these are expected to be achieved as scale *will* bring efficiencies (with the approximate number of combined water and wastewater connections 84,500 – subject to confirmation) and with the involvement of a large metro council. These efficiency gains are expected to be later in the decade post establishment due to the timeframe for transition (five-year period), as in this early period there is a higher dependency on shared services to be provided by the shareholding councils. The opportunities for a reduction in customer price increases within the period to FY34 is unclear at this stage of the analysis.

Servicing of Waipā's future growth

The Sub-Regional CCO will allow a lower risk transition for management of development expected in the north Waipā / southern Hamilton area. This provides potential for integration with the other Tier One growth councils (Waikato District Council, Hamilton City Council) to more efficiently manage servicing of growth in approved spatial plans and growth strategies, and aligns with established Future Proof planning and proposed implementation mechanisms. This arrangement can also more easily respond to future local government boundary changes between the three councils and/or may reduce the need for such boundary changes. It is noted that the growth expected in the north Waipā area accounts for only around 20-30% of Waipā District's overall growth projections in the first decade.

Mana Whenua and Iwi relationships

As it stands the Sub-Regional CCO has arrangements in place with Waikato Tainui only (where Waikato Tainui will participate in the proposed model's shareholder forum). This would mean that should Waipā join the Sub-Regional CCO we would need to

ensure adequate and equitable provision for Waipa Iwi and Mana Whenua representation.

Catchment Management and Catchment-Based Consenting

The Sub-Regional CCO has a primary focus on achieving the objectives of Te Ture Whaimana (with respect to the lower reaches of the Waikato River).

Waipā's Role – Joining a CCO versus Establishment

There is no clarity on whether Waipā would become a foundation shareholder (and a signatory to a Record of Agreement) or whether Waipā would have to join the CCO, which would be subject to a process involving the CCO Board and other shareholding councils. Whilst not confirmed, it is anticipated that this would be a point of negotiation once consultation processes are complete, if the Sub-Regional CCO was the preferred option. Hamilton City/Waikato are consulting in the short-term on a two council CCO, with the ability for other councils to “join”.

Transition/Establishment Considerations

Hamilton City and Waikato have documented a transition intent in the Record of Agreement which includes both councils moving their water and wastewater services to the CCO from 1 July 2026, subject to employment processes. This transition process would be an up to five-year transition with some shared services to remain with each individual council (or Hamilton City as a shared services provider) and move to the CCO in one, three or five years depending on the shared service. The parties have determined that an aligned approach could apply to a three-party CCO including Waipā, that is, a five-year transition timeframe.

Waikato Regional Leadership

This model would exemplify a CCO demonstrating growth council alignment with a large metro and two rural and provincial councils involved. This does align with Future Proof (although noting that this CCO would not include Matamata Piako, which is a member council of Future Proof) and its goals and aspirations.

Strengths

- Positioned to support growth in north Waipā (including provision of the southern/sub-regional wastewater treatment plant).
- This CCO would include three of the largest Waikato council populations – these are each Tier one growth councils.
- More easily respond to future boundary changes (on HCC/WDC/Waipā boundary) or reduce the need for boundary changes.
- Provides greater opportunity to align with, and give effect to, Te Ture Whaimana (the Vision and Strategy for the Waikato River).
- Less partners meaning initial CCO set-up might be less complex.
- Will be a metro/growth focused opportunity for workforce.

WWDW CCO

Efficiency and Financial Considerations:

In the analysis completed to date, an allowance for expected efficiency gain of 1% per year (cumulatively 15% over the modelled period of time) has been included, recognising the material increase in scale compared to contributing council operational size (approximate number of combined water and wastewater connections 72,000 – subject to confirmation). These efficiency gains are expected to result from the opportunity for service improvements from consolidating operations and maintenance and capital delivery across the greater number of councils. The WWDW CCO financial analysis also indicates that debt capacity/headroom available to the organisation is sufficient to meet all partner councils' investment requirements based on a forecast revenue and an average annual price increase to customers of 4.6%. This will meet the DIA requirements in respect to financial viability.

Servicing of Waipā's future growth

In the WWDW CCO, Waipā will be the only high-growth Tier One council, and servicing of growth adjacent to or across the Waipā/Hamilton City/Waikato DC boundary would likely require the two CCOs to work closely together and may require agreement between them on how servicing, financing and charging would work. Some examples of how this may work is the enactment of the existing Waipā/Hamilton City Strategic Boundary Agreement or formal agreements between the CCOs to provide each other service via the planned Southern Wastewater Treatment Plant (already envisaged in the joint Hamilton City/Waikato DC/Waipā/Tainui Memorandum of Understanding document developed after the completion of the Business Case for this project).

Mana Whenua and Iwi relationships

It was at the invitation of the Waikato Iwi Chairs Forum that the Waikato Mayors met to consider a Waikato wide waters response to the current challenges. As a result of this conversation, WWDW was formed. Due to the broader area of responsibility that the WWDW model covers, including the Waikato, Waipā and Waihou/Hauraki catchments, there are both collective and individual responsibilities and obligations to a range of Iwi including (but not limited to): Ngāti Tuwharetoa, Raukawa, Ngāti Maniapoto, Te Arawa River Iwi, Ngāti Haua, Waikato Tainui, Ngāti Hinerangi and Hauraki Iwi. The proposed model, as indicated through the Heads of Agreement provides for the Shareholder Forum to determine how Iwi will be formally engaged in the model, but recognises and provides for these partner relationships. However, it is acknowledged that appropriate mechanisms will need to be established to meet all Treaty Settlement and Joint Management Agreement obligations.

Catchment Management and Catchment-Based Consenting

The WWDW model includes and strengthens provision for progressing catchment-based consenting for discharges (rather than a narrower focus on point source discharges) across the wider Waikato Region, bringing benefits to all river and estuarine catchments, and in line with all Treaty based settlements focused on river and catchment restoration. For the Waipā District this covers the Waikato and Waipā Rivers and associated catchments, but overall provides for scale, consistency and a broader all of region approach. The WWDW model is seeking to find innovation in

achieving sustainable waters done well objectives in both environmental standards and financial return for its shareholders customers and communities.

Waipā's Role – Joining a CCO versus Establishment

Waipā would be a “foundation” shareholding council

Transition/Establishment Considerations

The underlying approach for the WWDW CCO is to build a minimum viable CCO operation on day one, with any processes remaining with shareholding councils to be migrated to the CCO as quickly as possible post-establishment. Shareholding councils would migrate core water and wastewater businesses to the CCO in tranches, with Waipā being in tranche one on 1 July 2026. Subject to employment processes, this would include all operational staff. Discussion on shared services arrangements has not yet been undertaken, but it could reasonably be expected that shareholding councils may provide some shared services (such as billing of customers, although noting that the CCO could reasonably be expected to want to develop customer relationships for billing and maintenance request responses, as soon as practicable). It is expected that the transition period to the CCO for WWDW will be less than the three years forecast for the Sub-Regional CCO.

Waikato Regional Leadership

It has been noted by Central Government officials that the WWDW model is clearly the largest potential model of a rural and provincial council CCO under the new waters regime across New Zealand. It is attracting strong interest from Government Ministers and potentially would augment and reinforce the leadership messages being driven through the proposed Waikato regional deal model. Given its scale and early adopter model it is possible that opportunities may exist to lead conversations with the Crown about incentives and support for WWDW.

Strengths

- Waipā being in tranche one and one of the largest contributing councils is expected to be in a position to shape (with other shareholder councils) the establishment and transition of the CCO – seen as an anchor council.
- Reflects Waipā's position as rural/provincial council with growth challenges, not a metro council with some rural issues.
- Model strongly focuses on people, place and environment over a wider geographical area, including looking at catchment-based consenting rather than individual discharge points.
- Average price rise of 4.6% across the seven councils is substantially lower than other options considered, and lower than the draft 2025-34 LTP indicating better affordability outcomes for customers.
- Provides opportunity to align with, and give effect to, multiple Treaty and other settlements, including but not limited to Te Ture Whaimana of the Waikato and Waipā Rivers, alongside supporting future Hauraki Catchment settlements focused on improving catchments.

- Expected to improve workforce sustainability, attraction and retention issues across the broader region, particularly as it applies to the workforce needs of rural and provincial councils.
- Expected to provide greater certainty, consistency and smoothing of investment for the civil contracting sector, which is a vital partner in delivery.
- Will provide a large rural and provincial model for multiple Iwi to engage with, and development of economic partnership, investment and workforce opportunities.

Risks – Sub-Regional CCO and WWDW CCO

The table below shows the ‘very high’ risks for both multi-Council CCO options.

Risk	Consequences	Risk Reduction Measures
If the true cost of establishing or changing the current delivery method is unclear/unknown then this could impact decision making.	High loss of trust and confidence in the community Risk of possible increase in water charges. Impacts decision making.	Investigation of set-up costs for proposed models - assumptions etc to be shared with LWDW PGG. Learn from other examples, eg, Watercare and Wellington Water. Bill 3 provides for shareholder input into charging, through the water services strategy document. Financial principles also require ring-fencing, and transparency in terms of revenue and expenses.
If there is a lack of understanding and ability to tell the LWDW and LTP collective story, then the community may not understand the problem or the need for Council to work through solutions.	High loss of trust and confidence in the community.	Effective communication strategy that: a) reiterates the project objective; this being to ensure Council is in position to make an informed decision about how they wish to respond to the requirements of Local Water Done Well. b) accurately and appropriately communicates the policy intent of Local Water Done Well and the obligation on Council to respond to the consumer / end user, and Waipā's current state of Three Waters and what it means for Waipā. c) Communication of legislation requirements -

Risk	Consequences	Risk Reduction Measures
		include in the 'story' being told to the community.
If there is a perception that the WWDW CCO model will be complex due to the large number of councils and Iwi involved, then the collaborative effort to bring numerous parties together may be considered too hard.	Council advances standalone option without investigating other options. Failure to meet timeframes for WWDW.	Bold leadership. Strong communications to council members, so there is clarity on the issue(s) and, what is required. Early decision made on continuing or discontinuing on WWDW. LWDW PGG governance.
WWDW - If other councils who have signed the Heads of Agreement look for other water service delivery options due to uncertainty, then potentially WWDW will become unviable.	WWDW will potentially become unviable or of a smaller scale	Transparency with other parties. Timeliness of decision making. Chief Executive meetings. Bold leadership.

Preferred Option – WWDW CCO

While there are benefits and risks with both the Sub-Regional CCO and WWDW CCO options, it is recommended that Council approves the WWDW CCO Option due to the following key points:

- a) This option is supporting work planned and underway on developing a catchment-based approach to consenting rather than just assessing point source discharges.
- b) There would be lower cost increase impacts on the Waipā consumers.
- c) The Waipā District is more aligned with the rural-provincial characteristics of the WWDW members.
- d) This would show leadership for the region and help ensure the viability of the WWDW project as a whole, for the benefit of the entire region, supporting consideration of a single CCO for the region in the future.

7 OTHER CONSIDERATIONS – HEI WHAIWHAKAARO

Council's Vision and Strategic Priorities

Waipā's vision of building connected communities will be strengthened through ensuring that water services (which are a fundamental lifeline utility for our communities) are delivered in the most efficient and effective model, which meet all regulatory and legislative requirements, meeting public health and environmental expectations. Council will maintain a role with the CCO to monitor the delivery of services.

Legal and Policy Considerations – Whaiwhakaaro ā-Ture

Staff confirm that the staff recommendation complies with Council’s legal and policy requirements.

It is mandatory for the Council to consult on its water service delivery model and requires the use of bespoke arrangements under the PA Act. Consultation on the WSDP, generally, is optional. In the circumstances, Council Officers do not anticipate consulting on the balance of the WSDP.

In terms of consultation, there is a baseline requirement under the PA Act to consult on two options, being the status quo and a new arrangement. However, in this case, as other viable options have been identified, the Council is required to include an analysis of those options in its consultation information. For the purpose of consultation, Officers expect to include information that compares the status quo with the Sub-regional CCO and the WWDW CCO options, as well as information on the Waipā standalone CCO option that has not progressed. This will be consulted on from 21 March 2025 to 21 April 2025, with hearings expected to be held in May 2025 for those submitters who wish to be heard.

Waipā is currently fully compliant with water and wastewater standards and consent requirements. The capital programme that has been considered in all modelling reflects the appropriate investment to maintain compliance based on current requirements and consent conditions.

Financial Considerations – Whaiwhakaaro ā-Pūtea

The WWDW CCO option (as with the Sub-regional CCO option) will include implementation costs. These costs need to be assessed against the value of long-term benefits.

Under both models, establishment costs are intended to be paid for by the CCO and will become debt of the CCO and be governed by establishment boards. Agreement will need to be reached as to what costs constitute ‘establishment/transition costs’ so that there is clarity on what specifically can be passed on from the councils to the CCO. At this point, advice is that from the point that shareholding constitutional documents are agreed, costs thereon can be attributable to the CCO.

It is open to councils to treat the costs (from the point outlined above) of establishing the CCO, and transitioning their business into the CCO, as a loan to the CCO and capitalise into the CCO once established. This will need to be documented in appropriate agreed covenants.

The LGFA has not indicated a position with respect to councils passing the cost of establishment across to the CCO. From its perspective, it is between councils and the CCO as to how much debt comes across. The key requirement for the LGFA is that it wants the financial projections for the CCO to show investment grade metrics in the long-term.

Current costs for the LWDW project are being funded from Central Government funding, 'transition' funding and 'Better Off' funding.

The table below shows the average change in price per customer from 1 July 2026 – 30 June 2034, this is in nominal dollars and allows for assumed growth in customer connections.

Waipā Draft 2025-34 LTP	7.7%
Sub-Regional CCO	10.2%
WWDW CCO	4.6%

Risks - Tūraru

The risks for the options being considered have been outlined in the body of the report.

In addition, if a decision on Council's preferred water services delivery option for consultation is not made on 26 February 2025, then Waipā will not be able to align LWDW consultation with the LTP consultation. This could lead to potential community confusion, although consultation can be separated with appropriate messaging. There could also be risk in ensuring the Water Services Delivery Plan is completed to meet the 3 September 2025 deadline.

Iwi and Mana Whenua Considerations - Whaiwhakaaro ki ngā Iwi me ngā Mana Whenua

Waipā is committed to, and values, its current and future relationships with Mana Whenua and Iwi.

The various pieces of legislation provide for a wider ambit of relationships, protection of customary rights and activities and mechanisms that protect rights and interests into the future, as governed by Post Settlement entities. For Waipā, it is critical that our Treaty Settlement, JMA and other partnership obligations and responsibilities are recognised and protected.

At this point in time each council continues its responsibilities for engagement with Iwi and it is envisaged (and indeed directed by Iwi at the Waikato Mayoral Forum) that this will continue as councils make key decisions under the Local Water Done Well legislation.

8 NEXT ACTIONS

Action	Responsibility	By When
Preparation of consultation documentation	Communications & Engagement Team	Early March
Council adoption of LWDW consultation material		19 March 2025
Public consultation		21 March – 21 April

9 APPENDICES - ĀPITITANGA

No:	Appendix Title
1	Waipā District Council Water Services Delivery Viability and sustainability of the current model and high-level assessment of future options report - 14 November 2024 - Final Report (<i>document number 11338254</i>)
2	High Level Summary Financial Table (<i>document number 11384626</i>)
3	Report to Council 26 November 2024 - Waikato Water Done Well – Heads of Agreement (<i>document number 11291368</i>)



Sherryn Paterson

MANAGER DELIVERY PERFORMANCE



Approved by Dawn Inglis

GROUP MANAGER SERVICE DELIVERY

COMMUNITY BOARD REPORT



INFORMATION ONLY

To: The Chairperson and Members of Cambridge Community Board
From: Financial Accountant
Subject: **Treasury Report for the period ended 31 March 2025**
Meeting Date: 9 April 2025

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The report details the funds available to the Cambridge Community Board for the allocation of discretionary grants.

2 RECOMMENDATION – TŪTOHU Ā-KAIMAHI

That the Cambridge Community Board receive the report of Nada Milne, Financial Accountant titled Treasury Report - for the period ended 31 March 2025.

3 COMMENTARY - KŌRERO

3.1 Discretionary Grants – funds of \$2,288.05 have been committed from the prior year with funds of \$2,288.05 paid to date. Funds of \$37,951.23 have been committed from the current year with funds of \$23,951.23 paid to date. There is a balance of \$90.95 in uncommitted funds.

Sister Cities

The Sister City Reserve Balance Report for the period ended 31 March 2025. Funds of \$26,286.37 has been committed from the current year with \$3,501.37 being paid to date. There is a balance of \$1,577.90 in uncommitted funds.

NADA MILNE
FINANCIAL ACCOUNTANT

Reviewed by Jolanda Hechter
MANAGER FINANCE

**CAMBRIDGE COMMUNITY BOARD
DISCRETIONARY GRANTS**

Balance as at 1 July 2024	10,419.47	
2024/25 Allocation from Council	27,500.00	
		37,919.47
Revenue		
The Rotary Club of Cambridge Charitable Trust	2,410.76	
	-	2,410.76
Less Committed Projects	40,239.28	
		40,239.28
Uncommitted funds		<u>90.95</u>
Summary of Uncommitted Funds		
Annual Grants		<u>90.95</u>
		<u>90.95</u>

CAMBRIDGE COMMUNITY BOARD

Commitments 2024/25	Resolution No	Committed	Expenditure	Balance
ANZAC Day 2025	5/24/37	7,000.00	-	7,000.00
Christmas Tree Lights install and repair	5/24/37	1,500.00	-	1,500.00
Discretionary Grants	5/24/52	29,451.23	23,951.23	5,500.00
Total		37,951.23	23,951.23	14,000.00

Prior Year Commitments

	Resolution No	Committed	Expenditure	Balance
Reimburse Typeform platform	5/23/48	94.96	94.96	-
Typeform	5/23/48	146.01	146.01	-
Typeform	5/23/57	47.08	47.08	-
Paper Plus Cambridge	5/23/69	-	-	-
Cambridge Tree Trust	5/24/13	2,000.00	2,000.00	-
		2,288.05	2,288.05	-
Total Commitments		40,239.28	26,239.28	14,000.00

Returned to Uncommitted:

Cambridge Christmas Tree Lights	5/23/40	821.89		
ANZAC Day 2024	5/24/03	1,397.82		
Typeform	5/23/48	3.99		
Paper Plus Cambridge	5/23/69	86.96		

Sister Cities Reserve Balance Report
For the Period Ended 31 March 2025

Balance Carried Forward	15,430.27	
Funding Budget for 2024/25	<u>12,434.00</u>	
		27,864.27

Commitments 2024/25	Resolution No	Committed	Expenditure	Balance
Bihoro Japan - Gift	5/24/30	150.00	150.00	-
Armistice Day 2024	5/24/37	1,645.87	1,645.87	-
Annual Sister Cities Membership	5/24/37	690.00	690.00	-
Annual Website Domain Name	5/24/37	35.00	-	35.00
Annual Website fees	5/24/37	180.00	180.00	-
Global Cities New Zealand Regional Forum	5/24/46	200.00	200.00	-
Le Quesnoy brochure printing	5/24/46	635.50	635.50	-
Le Quesnoy gift	5/25/04	250.00	-	250.00
Le Quesnoy Signage Boards	5/25/11	2,500.00	-	2,500.00
Future Bihoro Delegation	5/25/11	10,000.00	-	10,000.00
Future Le Quesnoy Delegation	5/25/11	10,000.00	-	10,000.00
		<u>26,286.37</u>	<u>3,501.37</u>	<u>22,785.00</u>

Prior Year Commitments	Resolution No	Committed	Expenditure	Balance
Annual Sister Cities Membership	5/23/62	-	-	-
Bastille Day 2024	5/24/22	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>

Summary of Uncommitted Funds

Funds Available		<u>1,577.90</u>
		<u>1,577.90</u>

Returned to Uncommitted	Resolution No	
Annual Sister Cities Membership	5/23/62	300.00
Bastille Day 2024	5/24/22	250.00
Bihoro Japan - Gift	5/24/30	50.00
Armistice Day 2024	5/24/37	854.13

COMMUNITY BOARD AGENDA



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Board Members Report from Meetings Attended on Behalf of the Cambridge Community Board**

1 PURPOSE - TAKE

Community board members who have attended meetings on behalf of the Cambridge Community Board may give feedback to the community board. This is a discussion item only and no resolutions can be made from the discussion.



To: The Chairperson and Members of the Cambridge Community Board
From: Governance
Subject: **Date of the Next Meeting**

1 EXECUTIVE SUMMARY – WHAKARĀPOPOTOTANGA MATUA

The next Cambridge Community Board meeting is to be held at 6.00pm on Wednesday 21 May 2025.