

# Ōtorohanga District Council

Notice is hereby given that an ordinary meeting of the Ōtorohanga District Council will be held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Tuesday, 25 February 2025 commencing at 10.00am.

Tanya Winter, Chief Executive

19 February 2025



## OPEN TO THE PUBLIC AGENDA

### Ōtorohanga District Council membership

Chairperson	His Worship the Mayor, Max Baxter
Deputy Chairperson/Kāwhia Tihiroa Councillor	Deputy Mayor, Annette Williams
Kāwhia Tihiroa Councillor	Kit Jeffries
Kio Kio Korakonui Councillor	Rodney Dow
Ōtorohanga Councillor	Katrina Christison
Ōtorohanga Councillor	Steve Hughes
Rangiātea Councillor	Jaimee Tamaki
Rangiātea Councillor	Roy Willison
Waipā Councillor	Roy Johnson
Wharepūhanga Councillor	Cathy Prendergast

All attendees at this meeting are advised that the meeting will be electronically recorded (audio and video) for the purpose of webcasting to the ŌDC's YouTube channel. Every care will be taken to maintain individuals' privacy however attendees are advised they may be recorded as part of the general meeting proceedings.

## For use in both opening and closing meetings

A Member will provide the words of their preference or may choose to use the following:

Mā te whakapono	<i>By believing and trusting</i>
Mā te tūmanako	<i>By having faith and hope</i>
Mā te titiro	<i>By looking and searching</i>
Mā te whakarongo	<i>By listening and hearing</i>
Mā te mahi tahi	<i>By working and striving together</i>
Mā te manawanui	<i>By patience and perseverance</i>
Mā te aroha	<i>By all being done with compassion</i>
Ka taea e tātou	<i>We will succeed</i>

## For use in blessing food

A Member will provide the words of their preference or may choose to use the following:

Nau mai e ngā hua o te wao	<i>I welcome the gifts of food from the forest</i>
O te ngakinga	<i>From the cultivated gardens</i>
O te wai tai	<i>From the sea</i>
O te wai māori	<i>From the fresh waters</i>
Hei oranga mō tātou	<i>For the goodness of us all</i>
Tūturu whakamaua	<i>Let this be my commitment to all!</i>
Kia tina! Tina! Hui e! Tāiki e!	<i>Drawn together and affirmed!</i>

<b>Opening formalities</b>	<b>Ngā tikanga mihimihi</b>	
Commencement of meeting	Te tīmatanga o te hui	
Opening prayer/reflection/words of wisdom	Karakia/huitao/whakataukī	
Apologies	Ngā hōnea	
Public forum	Hui tūmatanui	
Late items	Ngā take tōmuri	
Declaration of conflict of interest	Te whakapuakanga pānga taharua	
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<b>Public excluded</b>		<b>Take matatapu</b>	
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Meeting closure		Katinga o te hui	139

<b>Workshops</b>		<b>Hui awheawhe</b>	
1	Monthly discussion with the Chief Executive		Public not permitted
2	Information session on water service delivery options		Open to the public

This Open Agenda was prepared by PA to Group Managers, Cathy Plowright and approved for distribution by Chief Executive, Tanya Winter on 19 February 2025.

**Commencement of meeting****Te tīmatanga o te hui**

The Chairperson will confirm the livestream to YouTube is active then declare the meeting open.

**Opening prayer/reflection/words of wisdom****Karakia/huitao/whakataukī**

The Chairperson will invite a member to provide opening words and/or prayer/karakia.

**Apologies****Ngā hōnea**

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 meeting may accept or decline any apologies. For clarification, the acceptance of a Member's apology constitutes a grant of 'leave of absence' for that specific meeting(s).

**Staff recommendation**

That Ōtorohanga District Council receive and accept the apology from Councillor Roy Johnson for non-attendance.

**Public forum****Hui tūmatanui**

Public forums are designed to enable members of the public to bring matters, not necessarily on the meeting's agenda, to the attention of Council. Requests to attend the public forum must be made to on the form available on Council's website: [otodc.govt.nz/about-council/meetings/speak-at-public-forum](https://otodc.govt.nz/about-council/meetings/speak-at-public-forum). Alternatively, please call 07 873 4000.

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 a speaker. Following the public forum, no debated or decisions will be made during the meeting on issues raised in the forum unless related to items already on the agenda.

No requests to be heard had been received when this agenda was distributed.

**Late items****Ngā take tōmuri**

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

Should a late item be raised, the following recommendation is made: *That Ōtorohanga District Council accept the late item .... due to .... to be heard ....*

**Declaration of conflict of interest****Te whakapuakanga pānga taharua**

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

A conflict can exist where:

- The interest or relationship means you are biased; and/or
- Someone looking in from the outside could have reasonable grounds to think you might be biased.

Should any conflicts be declared, the following recommendation is made: *That Ōtorohanga District Council receive the declaration of a conflict of interest from .... for item ... and direct the conflict to be recorded in Ōtorohanga District Council's Conflicts of Interest Register.*

**Confirmation of minutes****Te whakaū i ngā meneti**

The unconfirmed Minutes of the previous meeting is attached on the following page.

**Staff recommendation**

That Ōtorohanga District Council confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 10 December 2024 (document number 794729).

# Ōtorohanga District Council

Open Minutes of an ordinary meeting of the Ōtorohanga District Council held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Tuesday, 10 December 2024 commencing at 10.00am.

Tanya Winter, Chief Executive

17 December 2024



## OPEN TO THE PUBLIC

### Attendance Register

Chairperson	His Worship the Mayor, Max Baxter	Attended
Deputy Chairperson and Kāwhia Tihiroa Councillor	Deputy Mayor, Annette Williams	Attended
Kāwhia Tihiroa Councillor	Kit Jeffries	Attended
Kio Kio Korakonui Councillor	Rodney Dow	Attended
Ōtorohanga Councillor	Katrina Christison	Apology
Ōtorohanga Councillor	Steve Hughes	Attended
Rangiātea Councillor	Jaimee Tamaki	Attended
Rangiātea Councillor	Roy Willison	Attended
Waipā Councillor	Roy Johnson	Attended
Wharepūhanga Councillor	Cathy Prendergast	Apology

### Senior staff in attendance

Chief Executive	Tanya Winter	Attended
Group Manager Business Enablement	Graham Bunn	Attended
Group Manager Engineering & Assets	Mark Lewis	Attended
Group Manager Regulatory & Growth	Tony Quickfall	Attended
Group Manager Strategy & Community	Nardia Gower	Attended
Chief Advisor	Ross McNeil	Attended

<b>Opening formalities</b>	<b>Ngā tikanga mihimihi</b>	
Commencement of meeting	Te tīmatanga o te hui	4
Opening prayer/reflection/words of wisdom	Karakia/huitao/whakataukī	4
Apologies	Ngā hōnea	4
Public forum	Hui tūmatanui	4
Late items	gā take tōmuri	5
Declaration of conflict of interest	Te whakapuakanga pānga taharua	5
Confirmation of minutes (12 November 2024)	Te whakaū i ngā meneti	5
Confirmation of minutes (26 November 2024)	Te whakaū i ngā meneti	5
Receipt of Minutes (ŌCB 2 December)	Te rironga o ngā meneti	5
His Worship the Mayor's verbal report	Te pūrongo ā-waha a te kahika	6

<b>Information only reports</b>	<b>Ngā pūrongo mōhiohio anake</b>	
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<b>Decision reports</b>	<b>Ngā pūrongo whakatau</b>	
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<b>Information only reports</b>	<b>Ngā pūrongo mōhiohio anake</b>	
Item 205	Concept Plans – Implementation Update December 2024	11



Item 206	Community Facilities activity update for the month ending 30 November 2024	11
Item 207	Civil Defence Emergency Management (CDEM) Report for 31 July – 31 October 2024	12

**Public excluded****Take matatapu**

Item 208	Resolution to exclude the public for Item PE19 - Ōtorohanga Kiwi House Charitable Trust short-term loan	13
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**Other business****Ētahi atu take**

Councillor updates	Ngā kōrero hou a ngā Kaikaunihera	12
Resolution Register	Rēhita tatūnga	13

**Closing formalities****Ngā tikanga whakakapi**

Closing prayer/reflection/words of wisdom	Karakia/huritao/whakataukī	14
Meeting closure	Katinga o te hui	14

**Workshops****Hui awheawhe**

1	Public liability for community events	Open to the public
2	Update on Annual Plan 25/26	Open to the public
3	Local Water Done Well consultation options	Open to the public
4	Monthly discussion with the Chief Executive	Public not permitted

These Open Minutes were prepared by Manager Governance, Kaia King and approved for distribution by Chief Executive, Tanya Winter on 17 December 2024.

**Commencement of meeting****Te tīmatanga o te hui**

His Worship the Mayor declared the meeting open at 10.00am.

**Opening prayer/reflection/words of wisdom****Karakia/huitao/whakataukī**

His Worship the Mayor led the Councillors in a recitation of the karakia provided in the agenda. Councillor Willison provided the words of Te Arikinui Kuini Ngaawaihoneitepoos' great grandfather uttered to emphasise the importance of 'Kotahitanga/unity:

*Ki te kotahi te kakaho, ka whati!*

*Ki te kaapua, e kore e whati!*

A single reed is easily broken!

Several reeds bound together will not break!

**Apologies****Ngā hōnea**

Resolved C309: That Ōtorohanga District Council receive and accept the apologies from Councillors Katrina Christison and Cathy Prendergast for non-attendance.

His Worship the Mayor | Councillor Johnson

**Public forum****Hui tūmatanui****Rachel Wiggins - Rewarewa Recreational Reserve and the old School Building**

Ms Wiggins provided a handout and gave background information on the Reserve and school. She requested ŌDC retain the school on its current site with the site either mown or replanted into native trees. She also requested the school is maintained.

Councillor Jeffries queried if there were other people from the community who had worked on the school or site. Ms Wiggins spoke on the work undertaken.

Councillor Johnson queried Ms Wiggins' vision for the future of the Reserve. She stated people do come and visit and ŌDC should install picnic tables.

**Late items****Ngā take tōmuri**

There were no late items.

**Declaration of conflict of interest****Te whakapuakanga pānga taharua**

Resolved C310: That Ōtorohanga District Council receive the declaration of a conflict of interest from Councillor Steve Hughes for Item 202 – Funding request from Ōtorohanga Historical Society Incorporated and direct the conflict to be recorded in Ōtorohanga District Council's Conflicts of Interest Register.

His Worship the Mayor | Councillor Dow

**Confirmation of minutes****Te whakaū i ngā meneti**

Resolved C311: That Ōtorohanga District Council confirm as a true and correct record of the meeting, the open Minutes of the Extra-ordinary meeting held on 12 November 2024 (document number 780360).

His Worship the Mayor | Councillor Willison

**Confirmation of minutes****Te whakaū i ngā meneti**

Resolved C312: That Ōtorohanga District Council confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 26 November 2024 (document number 791814).

Councillor Hughes | Councillor Tamaki

**Receipt of Minutes****Te rironga o ngā meneti**

The unconfirmed minutes of the Ōtorohanga Community Board and Kāwhia Community Board meetings held in December were not available to be included in the agenda. They will be presented at the February meeting.

**His Worship the Mayor's verbal report****Te pūrongo ā-waha a te kahika**

His Worship the Mayor attended the Wintec graduations, Ōtorohanga Christmas parade and the 3 Waters hui with local iwi.

Resolved C313: That Ōtorohanga District Council receive the verbal update from His Worship the Mayor, Max Baxter.

His Worship the Mayor | Councillor Tamaki

**Information only reports****Ngā pūrongo mōhiohio anake****Item 199 – Assessment of Water Services delivery on a standalone basis**

ŌDC's Mark Lewis, taking the report as read, introduced Anne McLeod and the external specialists, Lorraine Kendrick (BECA) and Mike Chatterley (MartinJenkins). He stated the ŌDC could potentially reach the threshold of financial sustainability as a standalone water services delivery model. He noted this would require some increased investment to reach that threshold. He advised staff were hoping to have the comparative data by February 2025 to allow ŌDC to make an informed decision.

Councillor Jeffries referred to page 28, clause 2.2 and page 88 where there appeared to be an inconsistency. Mr Lewis noted the separate business unit for a standalone model could be considered for ŌDC as a CCO for a small council would not be viable. It is proposed that the two options, ŌDC standalone business unit or a joint CCO are the two options that are consulted on as the legislation stated a minimum of two options.

Councillor Jeffries queried the drinking water compliance of councils joining a CCO and ŌDC's Tanya Winter noted that all councils in New Zealand would have different levels of compliance, including some with non-compliant water treatment plants.

Councillor Jeffries queried page 37 and if the replacement values are what is known now as they are likely to increase as more information becomes available on asset condition. Ms Kendrick stated that many councils did not understand the condition of their assets but noted that ŌDC had undertaken quite a few condition assessments and CCTV for wastewater. She noted overall asset management was commonly based on age of the infrastructure rather than the condition or performance. She noted there was a risk but it was common across councils.

Councillor Jeffries noted a previous investigation into a water treatment plant for Kāwhia was unaffordable and how any future requirement would be flagged for a CCO. Mr Lewis advised the prioritization of works would be around compliance whereas Kāwhia was not a compliance issue but related to levels of service and growth.

Councillor Jeffries referred to page 52 and the 'ring fencing' querying if that applied in a collective arrangement and Mr Lewis stated the short term work agreed with the community in the Long Term Plan would be prioritised however the long term goal would be harmonisation across all required schemes.

Councillor Jeffries queried if the affordability benchmark could be more localised, and Mr Chatterley stated that affordability was not set under legislation at this time. He noted a tariff structure could be used to provide for different charges for individual schemes however there would be an administration cost for the separation. Ms Kendrick noted that if ŌDC didn't think the 2.5% benchmark was appropriate and this was supported by the community following consultation, that it could be an area of discussion during a CCO establishment phase.

Councillor Jeffries referred to page 65 and the operating surpluses seeking clarification on what the deficits would mean to future consumers. Mr Lewis advised that if ŌDC decided to join a COO model then all water services would go as a package deal. He noted the deficits were being reduced over the next ten years as staff have been focused on the reduction of those deficits. Councillor Jeffries then queried if a CCO would take the deficit and Mr Lewis advised that a discussion on that topic would occur at a future phase and was outside the terms of reference for this report.

Councillor Jeffries referred to page 105, clause 6.9 and if provision for future services for small communities would be identified in the Water Services Strategy. Ms Winter advised a settlement statement would be prepared in advance of any transfer to a CCO and if ŌDC opted to continue the discussions, that would be included in the next stage.

Councillor Dow queried if stormwater was included and Mr Lewis advised stormwater was not included in the CCO model, but an agreement could be negotiated if required, however with a standalone 'plus' model then ŌDC would continue with current services including stormwater.

Councillor Hughes queried the impact of choosing a standalone model if ŌDC needed to enter the CCO at a future date. Mr Lewis advised being part of the design and early stages meant that ŌDC could choose to join at a future date. Ms Winter noted that ŌDC would pay for the privilege as other councils time and money was being used in the initial development. His Worship the Mayor spoke on the status quo plus option.

Councillor Johnson queried the impact on the rural water schemes and ability of water committees to set their own water rates. Mr Lewis stated the ability to set rates in a standalone model would be impacted by the economic regulations around how it sets revenue to meet levels of debit.

Resolved C314: That Ōtorohanga District Council receive the report 'Assessment of viability and sustainability of water services delivery' prepared by Beca, MartinJenkins and Mafic (document number 791777).

His Worship the Mayor | Councillor Johnson

## Decision reports

## Ngā pūrongo whakatau

### Item 200 – Heads of Agreement – Waikato Waters Done Well

ŌDC's Mark Lewis was joined by Anne McLeod and external specialists, Lorraine Kendrick (BECA) and Mike Chatterley (MartinJenkins). ŌDC's Tanya Winter noted four councils had already agreed to sign the Heads of Agreement (HOA), with three of those signalling they want to proceed straight to stage 2. The other four councils were due to decide within the next week. She noted Waikato District Council has decided to join in a separate CCO with Hamilton City Council. She advised the proposed CCO outlined in the staff report remained viable without those two councils. She noted the intention to ensure the two CCOs, if established, were as aligned as possible to ensure the possibility of a joining together in the future.

His Worship the Mayor noted the staff recommendation would ensure there was comparative data available at the next decision point for ŌDC to make a decision. Councillor Dow queried if any other councils had approached with a view to joining the proposed CCO and Ms Winter advised that no approaches had been made. Councillor Johnson queried if all councils would go to stage one or two if a CCO was formed. His Worship the Mayor advised any decision to move to stage 2 would be made by the individual councils. Councillor Jeffries commented that information of the impact on remaining ŌDC services if the water services were removed would be of great interest.

Resolved C315: That the Ōtorohanga District Council:

- a) Receives the following reports:
  - i) The 'Draft Heads of Agreement relating to Waikato Water Done Well' (document number 791242) and
  - ii) The report titled 'Agreed form Heads of Agreement' from the Waikato Water Done Well Project Team (document number 791243).
- b) Agrees to be a signatory to the Draft Heads of Agreement relating to Waikato Water Done Well (HoA) and authorises the Chief Executive to sign the HoA on behalf of Council.
- c) Notes that:
  - i) The HoA is not intended to be legally binding
  - ii) By agreeing to be a signatory, at this time, Council is not making:
    - 1. A determination of the proposed model or arrangement for delivering water services for Ōtorohanga District but is signalling its intention to present the aggregated regional water service delivery model to the Ōtorohanga community for public consultation
    - 2. A decision to join a water services council-controlled organisation (CCO)
  - iii) A joint committee is proposed to be established to support the participating councils putting forward the regional model as an option for consultation.

His Worship the Mayor | Deputy Mayor Williams

**Item 201 – Class 4 Gambling Policy review**

ŌDC's Tony Quickfall took the report as read noting ŌDC was required to maintain a Class 4 Gambling Policy with regular reviews. He noted there were no issues with the feedback received.

Councillor Dow exited the meeting at 11.11am and rejoined the meeting at 11.13pm.

Councillor Johnson queried page 154, noting the daily spend and how that compared to other districts. Mr Quickfall stated this hadn't been compared. Councillor Hughes queried how that was worked out and Mr Quickfall stated the figure was calculated by the Department of Internal Affairs.

Resolved C316: That the Ōtorohanga District Council:

- a. Confirm the review of the Class 4 Gambling Policy, without amendment, and
- b. Correct the Policy title to read "*Class 4 (Gaming Machines) Gambling Policy 2024*"; and
- c. Update the Policy to include a footnote "*Reviewed December 2024, no amendments*".

Councillor Dow | Councillor Jeffries

**Item 202 – Funding request from Ōtorohanga Historical Society Incorporated**

Councillor Hughes refrained from participating in this item in accordance with his earlier Declaration.

ŌDC's Nardia Gower provided a summary of the funding required. She outlined the options available for consideration. His Worship the Mayor commented on the improvements made to the Museum which was due in part to having paid staff with time to make changes. He noted the precinct was volunteer driven. Councillor Jeffries queried if the Museum took school groups and Ms Gower stated she did not know but was aware that they reached out to schools and early learning centres.

Resolved C317: That Ōtorohanga District Council:

- a. Grants the Ōtorohanga Historical Society Incorporated **\$29,005** which is pro rata of the \$58,010 from the General District Reserve Fund,
- b. Notes this funding will provide for two staff with a total of **35 hours per week for six months** from 1 January to 30 June 2025, which aligns to their current capacity and Council's financial year,
- c. Directs the Chief Executive to include any ongoing funding for the Society as an item for consideration as part of the draft Annual Plan 2025/26 development process.

Deputy Mayor Williams | Councillor Willison

**Item 203 – Submission on the Principles of the Treaty of Waitangi Bill**

ŌDC's Ross McNeil referred to the workshop held in November on whether a submission would be made by ŌDC and the direction provided was to a draft submission for consideration at the December meeting. He noted a preliminary draft was developed and circulated to Councillors for comment and feedback with three responses received. The feedback was then provided to ŌDC, and an amended submission was now presented for consideration.

His Worship the Mayor commented the feedback consisted of good points. Deputy Mayor Williams suggested minor wording changes. Councillor Dow expressed his disappointment that the item was included in the agenda with staff time and resources used, stating that his role was to provide governance for ŌDC's core responsibilities, and he did not consider the submission part of that role. Councillor Johnson spoke in support of the submission and noted it was consistent with previous decisions made by ŌDC, for example the introduction of a Māori ward. He stated the Bill would likely be divisive for the Ōtorohanga community and may affect the Māori ward referendum in October. Councillor Jeffries saw the submission as ŌDC reinforcing support for local iwi and reinforcing the work undertaken by ŌDC to develop relationships with those iwi. Councillor Hughes commented he thought the Bill would not pass the first reading as National has stated it did not support it.

ŌDC's Tanya Winter queried if Mr McNeil needed time to make the minor amendments suggested by Deputy Mayor Williams before ŌDC formalised a resolution. Mr McNeil confirmed this was needed.

Resolved C319: That Ōtorohanga District Council let Item 203 – Submission on the Principles of the Treaty of Waitangi Bill lie on the table until the submission is amended and re-presented later in the meeting.

His Worship the Mayor | Deputy Mayor Williams

**Item 204 – Change of Council logo**

ŌDC's Nardia Gower spoke on behalf of the report writer who could not attend the meeting. Councillor Dow referred to recent articles where organisations changing their logo had copyright infringement issues. He stated that he hoped staff had undertaken the relevant research and noted that being cost neutral the change was more operational than governance. His Worship the Mayor queried if research had been completed and Ms Gower advised the only similar logo was Taupō which was plain with no weave. Councillor Johnson spoke in support of Councillor Dow's comments and stated he thought changing the logo would be a disservice to the Ōtorohanga Kiwi House. Councillor Jeffries stated the kiwi logo had more visual impact but liked the rationale for 'The Nest' although he thought the colours weren't quite right.

Resolved C320: That Ōtorohanga District Council adopts Te Ōhanga/The Nest as the sole logo for the organisation.

His Worship the Mayor | Councillor Tamaki

Councillors Dow, Jeffries and Johnson requested their votes against the resolution be recorded.



His Worship the Mayor adjourned the meeting at 11.40am and recommenced at 11.50am.

### **Item 203 – Submission on the Principles of the Treaty of Waitangi Bill (continued)**

ŌDC's Ross McNeil read the amended submission noting the amendments were made in collaboration with Deputy Mayor Williams.

Resolved C321: That Ōtorohanga District Council approve the submission (document number 791794) to the Justice Select Committee on the Principles of the Treaty of Waitangi Bill.

His Worship the Mayor | Deputy Mayor Williams

Councillors Dow and Hughes requested their votes against the resolution be recorded.

### **Information only reports**

### **Ngā pūrongo mōhiohio anake**

#### **Item 205 – Concept Plans – Implementation update – December 2024**

ŌDC's Sahndra Cave, Community Projects Lead outlined the report. Members had no questions.

Resolved C322: That the Ōtorohanga District Council receives the report: Concept Plans – Implementation Update December 2024 (document number 790125).

Councillor Johnson | Councillor Tamaki

#### **Item 206 – Community Facilities activity update for the month ending 30 November 2024**

ŌDC's Jared le Fleming, Manager Community Facilities took the report as read. In response to a query from Councillor Hughes, Mr le Fleming advised no vandalism had occurred in the Windsor Park toilets. He noted that graphics would be installed on the toilets and may discourage graffiti. In response to a query from Councillor Jeffries, Mr le Fleming advised the recycling contract extension was expected to be signed later in the week. Once the contract was confirmed, discussions would commence with Waitomo District Council in 2025.

Resolved C323: That the Ōtorohanga District Council receive the report titled 'Community Facilities activity update for the month ending 30 November 2024' (document number 790502).

Councillor Jeffries | Councillor Johnson

**Item 207 – Civil Defence Emergency Management (CDEM) Report for 31 July – 31 October 2024**

ŌDC's Tony Quickfall presented the report in the absence of the report writer. He noted the new Bill was expected to include responses to the after action reviews arising from the recent Government inquiries such as better integration with iwi/Māori, increased capacity and priority etc. A potential change is that Chief Executive would be designated the primary Controllers, but they could delegate to Controllers who are seconded to that council.

Mr Quickfall noted there were two catastrophic level events that could happen in New Zealand with one being the Hikurangi subduction zone. He noted in a scenario of a 5 minute long, magnitude 9 earthquake, local damage would likely occur in the Ōtorohanga district, but ŌDC staff would be required to provide surge staffing to assist in the Bay of Plenty response. Mr Quickfall noted the request from Kāwhia Community Board Member Whiu to include Te Reo on the tsunami signage in Kāwhia. He spoke on the training targets for council staff across the shared service and on the community engagement activities held recently including a pop-up at Arohena and a community meeting at the Honikiwi Hall. He noted shared service CDEM professionals were working with marae around training and support.

In response to a query from Councillor Jeffries on a marae preparedness plan for Maketū and Mōkai Kainga, Mr Quickfall stated he would discuss with the CDEM professionals and provide a response. Councillor Tamaki noted feedback from local marae indicated they felt more secure in how they operate and look after each other in times of need. Councillor Jeffries then noted that Kāwhia did not currently have a local policeperson, and the fire chief was on secondment which meant the available leadership in an event was diminished. Councillor Hughes queried the potential of volcanic activity from Mount Ruapehu and Mr Quickfall advised a Ruapehu eruption is on the hazardscape and there is quite a lot of information around an eruption. He noted there wasn't much information known on the Hikurangi Faultline, so it was a current focus area.

Resolved C324: That the Ōtorohanga District Council receive the report titled 'Civil Defence Emergency Management Report for 31 July – 31 October 2024' (document number 789309) from David Simes, Emergency Management Operations Manager.

Councillor Tamaki | Councillor Hughes

**Councillor updates on meetings attended on behalf of Ōtorohanga District Council****Ngā kōrero hou a ngā Kaikaunihera**

Councillor Dow attended the Waikato Regional Transport Committee meeting and the 3 Waters hui with Councillors Jeffries, Johnson, and Tamaki. Councillor Hughes attended the Ōtorohanga Community Board meeting and Councillor Jeffries attended the Kāwhia Community Board meeting. Councillor Jeffries and Kāwhia Community Board Chairperson, Geoff Good, attended a hui at Kāwhia School to discuss the Ōtorohanga College school bus. Councillor Jeffries also met with Waipa Networks to discuss continuity of supply and funding via a community organisation similar to Maru Trust.

Councillor Johnson attended the Ōtorohanga Christmas Market and the Ōtorohanga Christmas Parade. Councillor Tamaki attended a hui around the Kāwhia Community Hub and a possible extension into other rural communities. She joined Local Government New Zealand's Te Maruata online wānanga and a symposium at Te Anga on building better partnerships. Deputy Mayor Williams attended the Waikato Region Civil Defence Emergency Management Joint Committee meeting and a Waikeria meeting at the ŌDC building.

## Resolution Register

## Rēhita tatūnga

Resolved C325: That Ōtorohanga District Council confirm the removal of Resolutions C147, C255, C300, C301, C302 and C303 from the Register.

His Worship the Mayor | Councillor Willison

His Worship the Mayor adjourned the meeting for the lunch break at 12.28pm and recommenced at 1.04pm.

## Public excluded

## Take matatapu

### Item 208 – Resolution to exclude the public for Item PE19 – Ōtorohanga Kiwi House Charitable Trust short-term loan

Resolved C326: That the Ōtorohanga District Council exclude the public from the following parts of the proceedings of this meeting confirming:

- a) This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act where a risk of prejudice is minimised by the holding of the whole or the relevant part of the proceedings of the meeting in public; and
- b) The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds for the passing of this resolution are as follows:

General subject of each matter to be considered	Ground(s) under section 48(1) for the passing of this resolution	Interest
Item PE18: Ōtorohanga Kiwi House Charitable Trust short-term loan	Section 9(2)(b)(ii)	Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information;

His Worship the Mayor | Deputy Mayor Williams

The public were excluded from the meeting at 1.04pm and re-admitted at 1.20pm.

**Closing prayer/reflection/words of wisdom****Karakia/huritaō/whakataukī**

His Worship the Mayor led Members in a recitation of the karakia provided in the agenda.

**Meeting closure****Katinga o te hui**

His Worship the Mayor declared the meeting closed at 1.20pm.

**Workshops****Hui awheawhe**

Workshop 1 – Public liability insurance for community events

Open to the public

Workshop 2 – Update on Annual Plan 25/26

Open to the public

Workshop 3 – Local Water Done Well consultation options

Open to the public

Discussion – Monthly discussion with the Chief Executive

Public were not permitted

**Receipt of Minutes****Te rironga o ngā meneti**

The unconfirmed Minutes of the meetings of the Ōtorohanga and Kāwhia community boards are attached on the following page.

**Staff recommendation**

That Ōtorohanga District Council receive the unconfirmed Minutes of the meeting of:

- a. the Ōtorohanga Community Board – 2 December 2024 (document number 791259); and,
- b. the Kāwhia Community Board – 5 December 2024 (document number 794256).

# Ōtorohanga Community Board

Open Minutes of an ordinary meeting of the Ōtorohanga Community Board held in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Monday, 2 December 2024 commencing at 4.00pm.

Tanya Winter, Chief Executive

13 December 2024



## OPEN TO THE PUBLIC

### Ōtorohanga Community Board membership

Chairperson	Councillor Katrina Christison	Attended
Deputy Chairperson	Peter Coventry	Apology
Board Member	Kat Brown-Merrin	Apology
Board Member	Jo Butcher	Attended
Board Member	Councillor Steve Hughes	Attended
Board Member	Tori Muller	Apology

### Senior staff in attendance

Chief Executive	Tanya Winter	Apology
Group Manager Business Enablement	Graham Bunn	Apology
Group Manager Engineering & Assets	Mark Lewis	Attended
Group Manager Regulatory & Growth	Tony Quickfall	Attended
Group Manager Strategy & Community	Nardia Gower	Apology
Chief Advisor	Ross McNeil	Attended

<b>Opening formalities</b>	<b>Ngā tikanga mihimihi</b>	
Commencement of meeting	Te tīmatanga o te hui	4
Opening prayer/reflection/words of wisdom	Karakia/huitao/whakataukī	4
Apologies	Ngā hōnea	4
Public forum	Hui tūmatanui	4
Late items	Ngā take tōmuri	4
Declaration of conflict of interest	Te whakapuakanga pānga taharua	4
Confirmation of minutes	Te whakaū i ngā meneti	4

<b>Decision reports</b>	<b>Ngā pūrongo whakatau</b>	
There were no reports.		

<b>Information only reports</b>	<b>Ngā pūrongo mōhiohio anake</b>	
Item 36	Ōtorohanga Town Concept Plan – Implementation Update December 2024	5

<b>Other business</b>	<b>Ētahi atu take</b>	
Board Member updates		6
Board projects		6
Discretionary Fund		6
Resolution Register	Rēhita tatūnga	6

<b>Public excluded</b>	<b>Take matatapu</b>	
There were no reports.		

<b>Closing formalities</b>	<b>Ngā tikanga whakakapi</b>	
Closing prayer/reflection/words of wisdom	Karakia/huritao/whakataukī	7
Meeting closure	Katinga o te hui	7

<b>Workshops</b>	<b>Hui awheawhe</b>
No workshops	

This Open Minute was prepared by PA to Group Managers, Cathy Plowright, and approved for distribution by Group Manager Engineering & Assets, Mark Lewis on 13 December 2024.



**Commencement of meeting****Te tīmatanga o te hui**

Chairperson Christison declared the meeting open at 4.00pm

**Opening prayer/reflection/words of wisdom****Karakia/huitao/whakataukī**

Board Member Butcher provided the opening Karakia.

**Apologies****Ngā hōnea**

Resolved O97: That Ōtorohanga Community Board receive and accept the apologies from Board Members Brown-Merrin, Coventry and Muller for non-attendance.

Board Member Butcher | Board Member Hughes

**Public forum****Hui tūmatanui**

No requests to be heard had been received.

**Late items****Ngā take tōmuri**

There were no late items.

**Declaration of conflict of interest****Te whakapuakanga pānga taharua**

There were no declarations made.

**Confirmation of minutes****Te whakaū i ngā meneti**

Resolved O98: That Ōtorohanga Community Board confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 4 November 2024 (document number 785606).

Board Member Hughes | Board Member Butcher

**Decision reports****Ngā pūrongo whakatau**

There were no reports.

**Information only reports****Ngā pūrongo mōhiohio anake****Item 36: Ōtorohanga Town Concept Plan – Implementation Update December 2024**

ŌDC’s Sahndra Cave took her report as read, noting a couple of updates since the agenda had been published:

- Ōtorohanga Fitness Trail (Appendix item 6) – construction of Stage one was approved at the Council meeting on 26 November.
- Economic Development Strategy (Appendix item 33) – the implementation plan was endorsed by Council at the meeting on 26 November.

In answer to a question from Board Member Butcher, Ms Cave advised “Gateway Signage” (Appendix item 41) relates to the bricked signage at the entrances to Ōtorohanga township and also the welcome sign at Aotea. Board Member Butcher asked if the sign by Ōtorohanga Railway Station could also be included as it’s the first thing visitors see when they arrive in Ōtorohanga on the train.

ŌDC’s Chief Advisor, Ross McNeil, joined the meeting at 4.04pm.

In answer to a question from Councillor Christison, Ms Cave said staff were still at the scoping stage with implementation of the Town Concept Plan, but it’s intended to involve Project Kiwiana in discussions about signage at a later stage.

In answer to a question from Board Member Butcher, Ms Cave said local Playcentres had been contacted as part of the assessment of halls, but as Playcentre Aotearoa were carrying out their own assessments it was decided not to double up on that work.

With respect to “Weave Nature through Town” (Appendix item 29), Councillor Christison asked if maintenance plans were being included with this work. Ms Cave said a note would be included about maintenance.

In answer to a question from Councillor Hughes, ŌDC’s Ross McNeil said the review of flood risk assessments of local rivers was part of a wider climate change scenario. He said the Waikato Regional Council were open to the idea of moving this forward, but the timing had not been discussed with them.

Resolved O99: That the Ōtorohanga Community Board receives the report: Ōtorohanga Town Concept Plan – Implementation Update December 2024 (document number 790122).

Board Member Butcher | Board Member Hughes

## Board Member updates

Councillor Hughes went to opening of the new toilets at Windsor Park. He noted they were a great community facility and complemented that part of the park.

## Board projects

### Project 4: Ōtorohanga dog park

Board Member Butcher said she had received some information from ŌDC in relation to the reserve on Haerehuka Street (regarding its possible use as a dog agility park). She said initial findings are that the topsoil is good and cannot go past the clay capping. She said if it progresses to the next stage then information on costs and funding would be sought.

## Discretionary Fund

Councillor Christison suggested a Court Kings basketball covering for the Ōtorohanga Basketball court. She said the court is used every day and it would be a boost to the users to have a nice covering. She offered to make some enquiries on the cost of having it installed.

## Resolution Register

## Rēhita tatūnga

Resolved O100: That the Ōtorohanga Community Board approve the removal of Resolution O94 from the Register.

Board Member Hughes | Board Member Butcher

## Public excluded

## Take matatapu

There were no reports.

**Closing prayer/reflection/words of wisdom****Karakia/huritao/whakataukī**

In wrapping up another year, Councillor Christison thanked the Community Board for serving their community and she also acknowledged ŌDC staff for their continued support of the Community Board and the community. She wished everyone a safe and relaxing holiday season.

**Meeting closure****Katinga o te hui**

Chairperson Christison declared the meeting closed at 4.14pm

**Workshops****Hui awheawhe**

There were no scheduled workshops or briefings.

# Kāwhia Community Board

Open Minute of an ordinary meeting of the Kāwhia Community Board held in the Kāwhia Community Hall, 141 Jervois Street, Kāwhia on Thursday, 5 December 2024 commencing at 4.00pm.

Tanya Winter, Chief Executive

13 December 2024



## OPEN TO THE PUBLIC

### Kāwhia Community Board membership

Chairperson	Geoff Good	Attended
Deputy Chairperson	Hinga Whiu	Apology
Ōtorohanga District Councillor	Kit Jeffries	Attended
Board Member	Richard Harpur	Attended
Board Member	Dave Walsh	Attended

### Senior staff in attendance

Chief Executive	Tanya Winter	Attended
Group Manager Business Enablement	Graham Bunn	Apology
Group Manager Engineering & Assets	Mark Lewis	Attended
Group Manager Regulatory & Growth	Tony Quickfall	Attended
Group Manager Strategy & Community	Nardia Gower	Apology
Chief Advisor	Ross McNeil	Attended via Zoom

## Opening formalities

Commencement of meeting	Te tīmatanga o te hui	4
Opening prayer/reflection/words of wisdom	Karakia/huitao/whakataukī	4
Apologies	Ngā hōnea	4
Public forum	Hui tūmatanui	4
Late items	Ngā take tōmuri	5
Declaration of conflict of interest	Te whakapuakanga pānga taharua	5
Confirmation of minutes	Te whakaū i ngā meneti	5

## Decision reports

### Ngā pūrongo whakatau

Item 29	Update on consultation on the removal of pohutukawa trees, Kāwhia	6
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## Information only reports

### Ngā pūrongo mōhiohio anake

Item 30	Kāwhia/Aotea/Ōpārau Concept Plan – Implementation Update December 2024	<b>Error! Bookmark not defined.</b>
Item 31	Aotea Seawall resource consent renewal update	7

## Public excluded

### Take matatapu

There are no reports.

## Other business

### Ētahi atu take

Board Member updates	8
Board projects	8
Community Board discretionary fund	9

**Closing formalities**

Closing prayer/reflection/words of wisdom	Karakia/huritao/whakataukī	9
Meeting closure	Katinga o te hui	9

**Workshops/briefings**

There are no scheduled workshops or briefings.

This Open Minute was prepared by Manager Governance, Kaia King and approved for distribution by Group Manager Regulatory & Growth, Tony Quickfall on 13 December 2024.

**Commencement of meeting****Te tīmatanga o te hui**

Chairperson Good declared the meeting open at 4.02pm.

**Opening prayer/reflection/words of wisdom****Karakia/huitao/whakataukī**

Chairperson Good provided an opening prayer.

**Apologies****Ngā hōnea**

Resolved K88: That Kāwhia Community Board receive and accept the apology from Deputy Chairperson Hinga Whiu for non-attendance.

Chairperson Good | Board Member Walsh

**Public forum****Hui tūmatanui****Annie Mahara**

Ms Mahara spoke on the Kai 4 All project who had approached her to organise a kai distribution hub for the community from the Kāwhia Community Hall. She noted the distribution would be from the Hall kitchen and no home deliveries would be made. The distribution would be on a first come, first served basis. She requested funding for the Hall hireage of the kitchen for 2 hours per week for 6 months.

Councillor Jeffries queried if the impact on local food businesses had been considered and Ms Mahara noted the distribution would be on 1 day per week which would benefit the big families in the community. Chairperson Good queried the volume of kai to be distributed and Ms Mahara advised the kai was provided by Fresh Choice, Woolworths and a Cambridge bakery. Fresh Choice would deliver to the Hall what was available however there were no guarantees on quantity. In response to a further query, Ms Mahara advised the distribution would commence before the holiday period.

**Horahaere Scott**

Ms Scott spoke then passed to Annie who advised the sculpture funded by the Board had been concreted in (with assistance from Board Member Walsh) and the area was now clean and tidy. Ms Mahara was looking at the fence and has contacted local artists to see if art could be installed in the area including



Carole Shepherd. Ms Mahara advised a reveal of the area and unveiling of the statue would be held on 13 February at 1pm. This would be followed by a community luncheon. She invited the Board to attend.

Ms Scott spoke on the initiative of the Māori Women's Welfare League to plant pīngao (golden sand sedge) between Te Papa o Karewa and Tangi Te Korowhiti. She advised pīngao has now been planted in the area.

Ms Scott spoke on the recent spate of vehicle strandings on the beach. She advised she has applied for a Rāhui to be placed on the area to protect the environment. In response to a query from Councillor Jeffries, ŌDC's Tony Quickfall undertook to investigate the public road location. Ms Scott advised the seawall outside Maketū Marae was not the actual boundary and the Marae's ownership of the land extending further out.

## Late items

## Ngā take tōmuri

Resolved K89: That the Kāwhia Community Board

- a) Approves consideration of a late item, being a request for funding from the Discretionary Fund for \$240 inclusive of GST to Annie Mahara for the fortnightly hireage of the Kāwhia Community Hall to open an Operation Kai 4 All foodbank.
- b) Note that this item cannot be dealt with at a subsequent meeting due to the next meeting being 13 February 2025 and the need for a foodbank over the holiday period.

Chairperson Good | Board Member Harpur

## Declaration of conflict of interest

## Te whakapuakanga pānga taharua

There were no declarations made.

## Confirmation of minutes

## Te whakaū i ngā meneti

Resolved K90: That Kāwhia Community Board confirm as a true and correct record of the meeting, the open Minutes of the meeting held on 7 November 2024 (document number 787676).

Board Member Walsh | Councillor Jeffries

Matters arising:

1. Councillor Jeffries sought an update on the progress to resolve car and boat parking at the Karewa boat ramp. ŌDC's Tony Quickfall advised a report would be presented to the Board in 2025.

2. Board Member Harpur spoke on the concerns raised by Councillor Jeffries in response to the presentation by Michael Edmonds at the previous Board meeting. He had spoken to Mr Edmonds who had requested a letter from the Board to support their initiative.

## Decision reports

## Ngā pūrongo whakatau

### Item 29 Update on consultation on the removal of pohutukawa trees, Kāwhia

ŌDC's Mark Lewis spoke on behalf of the report writer who could not attend the meeting. He acknowledged the feedback received during the community consultation but advised staff were still seeking the removal of the trees. He confirmed a total of 12 trees would need to be removed, of which 10 were pōhutakawa.

Board Member Walsh queried if direct mana whenua consultation had been done and Mr Lewis advised direct consultation had not been undertaken. Board Member Harpur suggested people could walk along the beach rather than install a pathway. Chairperson Good noted the beach was unavailable for 6 hours each day so this was not a viable option.

Mr Lewis stated the footpath was a secondary consideration as the trees were affecting the coastal structure and it would be a significant expense to the community to rebuild the seawall. He noted that a gravel pathway was proposed by staff.

Councillor Jeffries queried the funds provided for the seawall and Mr Lewis noted the \$730K was for the entire seawall through to Maketū Marae and not specifically for that portion of the seawall. He stated there were three areas where the seawall was damaged with some parts of the wall pushed out from the trees. He noted that further north there was no seawall, and staff were looking to put rock in as a temporary barrier to slow erosion.

Councillor Jeffries referred to clause 5.7 and queried the costings. Mr Lewis noted clause 5.7 was specifically in relation to option 3, relocating the seawall, and the costings for maintaining existing structures and building new were significantly different.

Chairperson Good queried if the boardwalk design could be amended for option 1 and Mr Lewis noted the tree removal may not require a boardwalk component. Councillor Jeffries queried if the watermain was impacted and Mr Lewis confirmed there was no underground infrastructure in the area concerned.

Councillor Jeffries noted the removal of the trees as at the Board's discretion and the Urban Trees Policy did not require community consultation. He suggested an arborist assess the trees and Chairperson Good noted an arborist could provide advice on how the trees were affecting the seawall which was an engineering matter.

In response to a query from Councillor Jeffries, Mr Lewis confirmed there were 10 pōhutakawa trees and 2 other trees recommended for removal. He advised the trees could be marked prior to removal for

community awareness and once removed the stumps would be removed prior to pathway construction. Chairperson Good noted the resulting wood could be offered to local Marae and community groups for re-use. Mr Lewis advised that could be actioned.

Resolved K91: That the Kāwhia Community Board:

- a) receives the feedback from the community from the consultation period and
- b) approves the removal of 12 trees including 10 Pōhutukawa along the seawall to the left of Pouewe St on the main entrance to Kāwhia as identified in the October 2024 report (document number 781672).
- c) Requests the trees are identified via marking for community awareness prior to their removal.
- d) Requests the wood is offered to local marae and the community for re-use.

Board Member Walsh | Board Member Harpur

## Information only reports

## Ngā pūrongo mōhiohio anake

### Item 30 Kawhia Aotea Ōpārau Concept Plan – Implementation Update December 2024

ŌDC's Ross McNeil took the report as read. In response to a query from Chairperson Good, Mr McNeil advised a targeted request for proposal (RFP) process would be undertaken with responses due in early February and commenced in March. This work would include reserve concept plans (Aotea Beach Reserve, and Omimiti Reserve) as well as the Urban Design Plan and Jervois Streetscape Upgrade.

Resolved K92: That the Kāwhia Community Board receives the report: Kawhia Aotea Ōpārau Concept Plan – Implementation Update December 2024 (document number 790123).

Councillor Jeffries | Board Member Harpur

### Item 31 Aotea Seawall Resource Consent Renewal update

ŌDC's Robbie Whiteman, Manager Projects took the report as read and advised of a minor error in the report where the May 2024 seawall emergency works was incorrectly noted as August 2024. He advised that following the distribution of the agenda, Waikato Regional Council had provided the draft Conditions which ŌDC staff were reviewing.

In response to a query from Councillor Jeffries, Mr Whiteman stated the wall height was based on the sea level of a 100 year return event which showed any areas below the level indicated would be subject to surcharge. In response to comments from Councillor Jeffries and Chairperson Good, Mr Whiteman confirmed on set of stairs had been removed during remedial works. In response to a query from Councillor

Jeffries, Mr Whiteman confirmed the costs were for the physical works and there was no overhead included.

Resolved K93: That the Kāwhia Community Board receive the report titled 'Aotea Seawall resource consent renewal update' (document number 787014).

Board Member Harpur | Board Member Walsh

## Public excluded

## Take matatapu

There were no reports.

## Board Member updates

## Ngā kōrero hou a ngā Kaikaunihera

Board Member Walsh spoke on the Kāwhia Sports Club rebuild project advising the draft Memorandum of Understanding and draft lease agreement had been received from Ōtorohanga District Council. He advised the formal quote for the structure build had been received and was approximately \$100K less than the original quote. In response to a query from Board Member Harpur, he advised the Club had to decide if the driveway access would need to be gated which would close the tennis courts during the rebuild.

Board Member Harpur spoke on the Pataka Kai shed which was on hold as the person who initiated the project would not be able to oversee the Pataka once installed. Chairperson Good called for a member of the community to step forward and take ownership of the Pataka. Board Member Harpur attended the local Art Exhibition, and the Hamilton let of the recent Hikoi. In response to a query from Board Member Walsh, he advised a site had been selected for a community garden, but he had no further update at that time.

Councillor Jeffries, with Chairperson Good, provided a tour of the Kāwhia and Aotea communities for Ōtorohanga District Council's Regulatory department. He then spoke on a Maru Trust presentation to Ōtorohanga District Council's meeting in November and joined via Zoom a hui on 3 Waters reform which provided an update to iwi.

Chairperson Good thanked Deputy Chairperson Whiu who chaired the November meeting in his absence. He attended the farewell for the local Policeman, Jonathan (Jono) Maoate. He was joined by Councillor Jeffries at a meeting on the Ōtorohanga College school bus and advised a possible solution may have been determined. He then spoke on an incident at Aotea where 5 fuel tanks were stolen from the marine farm, and another incident where visiting fishermen were threatened and assaulted at the Aotea boat ramp.

## Board projects

**Project 1: Kāwhia Storyboards**

No update was provided as Deputy Chairperson Whiu was not in attendance.

**Community Board discretionary fund**

Resolved K94: That the Kāwhia Community Board approve a grant of \$480 inclusive of GST to Annie Mahara for the weekly hireage of the Kāwhia Community Hall to open an Operation Kai 4 All foodbank.

Councillor Jeffries | Board Member Walsh

**Resolution Register**

Board Member Walsh advised the Kāwhia Sports Club had received the draft lease from Ōtorohanga District Council for consideration. He requested Resolution K85 be retained on the Register until the lease was signed. No changes were made to the Register.

**Closing prayer/reflection/words of wisdom****Karakia/huritao/whakataukī**

Councillor Jeffries led the Board in a recitation of the karakia provided in the agenda.

**Meeting closure****Katinga o te hui**

Chairperson Good declared the meeting closed at 5.35pm.

**Workshops/briefings**

There were no scheduled workshops or briefings.

**His Worship the Mayor’s verbal report**

**Te pūrongo ā-waha a te kahika**

His Worship will provide a verbal update at the meeting.

**Staff recommendation**

That Ōtorohanga District Council receive the verbal update from His Worship the Mayor, Max Baxter.

**Decision reports**

**Ngā pūrongo whakatau**

**DISCLAIMER:** The reports attached to this Open Agenda set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions DO NOT represent Ōtorohanga District Council policy until such time as they might be adopted by formal resolution. This Open Agenda may be subject to amendment either by the addition or withdrawal of items contained therein.

**Item 209 Draft Ōtorohanga Reserves Strategy and Management Plan – Recommendations from the Ōtorohanga District Council Hearings Panel following the Consideration of Feedback/Submissions**

**To** Ōtorohanga District Council

**From** Ross McNeil, Chief Advisor

**Type** **DECISION REPORT**

**Date** 25 February 2025



**1. Purpose | Te kaupapa**

1.1. To consider recommendations from the Hearings Panel on their consideration of feedback/submissions received on the draft Ōtorohanga Reserves Strategy and Management Plan (ŌRSMP).

**2. Context | Horopaki**

2.1. The Hearings Panel considered 16 submissions, having heard from four submitters in person at the Hearings and Deliberations meeting held on 11 February 2025 (agenda <https://www.otodc.govt.nz/assets/Documents/Meetings/Hearing-Panel/Agenda-Hearings-Panel-11-February-2025.pdf>).

2.2. Having considered and deliberated on the submissions, the Hearings Panel made the following recommendation to Council:

Resolved HP2: That, having considered the feedback/submissions received on the draft Ōtorohanga Reserves Strategy and Management Plan, the Hearings Panel (comprising Ōtorohanga District Council, Ōtorohanga Community Board and Mana Whenua representatives) make the following recommendations to Ōtorohanga District Council:

- That Island Reserve option 2 be progressed with the relocation of the Ōtorohanga Netball courts as a priority action; and,
- That further discussions be held on the future use of the Ōtorohanga Netball court area before a decision is made on the preferred option for the Ōtorohanga Domain; and,
- That a naming protocol be developed to ensure all Reserve names are aligned with the work undertaken as part of the development of the Ōtorohanga Town Concept Plan.

His Worship the Mayor | Councillor Prendergast

2.3. The unconfirmed minutes of the Hearings Panel are attached as Appendix 1. The minutes signal changes to be made to the draft ŌRSMP in response to specific matters raised/requested by submitters.

### 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That, having considered the recommendations from the Hearings Panel, the Ōtorohanga District Council:

1. Confirms the following changes be made to the draft Ōtorohanga Reserves Strategy:
  - a. That Island Reserve option 2 be confirmed, noting the establishment of new courts for Ōtorohanga Netball as a priority action.
  - b. That the Ōtorohanga ‘Village Green’ be included in the Strategy.
  - c. That specific cultural and heritage items/places, such as the Memorial Park guns, Village Green carvings/pou and the historic waka at Ōtorohanga Museum, be reflected as icons on the relevant maps in the Strategy.
2. Confirms that further discussions be held with stakeholders on the future use of the Ōtorohanga Netball courts area and referred back to Council for consideration/confirmation.
3. Confirms that an updated draft Ōtorohanga Reserves Strategy and Management Plan reflecting matters covered by 1 and 2 above be referred to Council for adoption.
4. Notes that work on naming protocols is underway and that the naming of Reserves in the Strategy is aligned with the work undertaken as part of the development of the Ōtorohanga Town Concept Plan.

### 4. Appendices | Ngā āpitihanga

Number	Title	Document number
1	Unconfirmed minutes of the Ōtorohanga District Council Hearings Panel convened on 11 February 2025	



# OPEN MINUTES



## Ōtorohanga District Council Hearings Panel

Open Minutes of a meeting of the Ōtorohanga District Council Hearings Panel held to hear and deliberate on the Ōtorohanga Reserve Strategy & Management Plan in Waikōwhitiwhiti (Council Chambers), Ōtorohanga District Council, 17 Maniapoto Street, Ōtorohanga on Tuesday, 11 February 2025 commencing at 10.00am.

**Tanya Winter, Chief Executive**

17 February 2025

### Membership

Chairperson	His Worship the Mayor, Max Baxter	Attended
Deputy Chairperson	Deputy Mayor, Annette Williams	Attended
Ōtorohanga District Councillor	Kit Jeffries	Attended
Ōtorohanga District Councillor	Rodney Dow	Attended
Ōtorohanga District Councillor	Katrina Christison	Attended
Ōtorohanga District Councillor	Steve Hughes	Apology
Ōtorohanga District Councillor	Jaimee Tamaki	Attended
Ōtorohanga District Councillor	Roy Willison	Apology
Ōtorohanga District Councillor	Roy Johnson	Apology
Ōtorohanga District Councillor	Cathy Prendergast	Attended
Ōtorohanga Community Board	Jo Butcher	Attended
Ōtorohanga Community Board	Peter Coventry	Apology
Ōtorohanga Community Board	Kat Brown-Merrin	Apology
Ōtorohanga Community Board	Tori Muller	Attended
Mana whenua representative	Whakaotirangi Paki	Attended
Mana whenua representative	Wikitōria Tāne	Attended

All attendees at this meeting are advised that the meeting will be electronically recorded (audio and video) for the purpose of webcasting to the Council's YouTube channel. Every care will be taken to maintain individuals' privacy; however, attendees are advised they may be recorded as part of the general meeting proceedings.

## ORDER OF AGENDA

### OPENING FORMALITIES

[Commencement of meeting | Te tīmatanga o te hui](#) 3

[Opening prayer/reflection/words of wisdom | Karakia/huritao/whakataukī](#) 3

[Apologies | Ngā hōnea](#) 3

[Declaration of conflict of interest | Te whakapuakanga pānga taharua](#) 3

### HEARINGS REPORT

[Item 3: Ōtorohanga Reserve Strategy & Management Plan hearing and deliberations](#) 4

The following submitters have requested to be heard:

- Submitter: Ōtorohanga Museum (Liz Cowan)
- Submitter: Ōtorohanga Kiwi House (Jo Russell, Kim Ingham and Robbie Neha)
- Submitter: Ōtorohanga Domain Sports/Football Club (David Bailey)
- Submitter: Royal Forest and Bird Protection Society of New Zealand (Elvisa van der Leden)

### CLOSING FORMALITIES

[Closing prayer/reflection/words of wisdom | Karakia/huritao/whakataukī](#) 6

[Meeting closure | Katinga o te hui](#) 6

OPENING FORMALITIES

**COMMENCEMENT OF MEETING | TE TĪMATANGA O TE HUI**

His Worship the Mayor declared the meeting open at 10.00am.

**OPENING PRAYER/REFLECTION/WORDS OF WISDOM | KARAKIA/HURITAO/WHAKATAUKĪ**

His Worship the Mayor led the Panel in a recitation of the opening karakia.

**APOLOGIES | NGĀ HŌNEA**

Resolved HP1: That Ōtorohanga District Council Hearings Panel receive and accept the apologies for non-attendance from:

- Ōtorohanga Community Board Members Peter Coventry and Kat Brown-Merrin, and
- Councillors Steve Hughes, Roy Johnson and Roy Willison.

His Worship the Mayor | Councillor Tamaki

**DECLARATION OF CONFLICT OF INTEREST | TE WHAKAPUAKANGA PĀNGA TAHARUA**

There were no Declarations made.

DECISION REPORTS

**ITEM 3: ŌTOROHANGA RESERVE STRATEGY & MANAGEMENT PLAN HEARING AND DELIBERATIONS**

ŌDC’s Community Projects Lead, Sahnra Cave outlined the number of submissions received and noted four had requested to be heard.

***Submitter: Liz Cowan on behalf of the Ōtorohanga Museum***

Ms Cowan provided commentary on her submission and three handouts which were distributed to Panel Members.

***Submitter: Jo Russell and Kim Ingham on behalf of the Ōtorohanga Kiwi House***

Ms Russell and Ms Ingham spoke to a PowerPoint presentation on their submission.

***Submitter: David Bailey on behalf of Ōtorohanga Domain Sports/Football Club***

Mr Bailey spoke to his submission and provided a handout.

***Submitter: Elvisa van der Leden on behalf of the Royal Forest and Bird Protection Society of NZ***

Ms van der Leden spoke to her submission.

***Deliberations***

ŌDC's Nardia Gower and Sahndra Cave took the Panel through each submission noting their stated preferences.

Councillor Jeffries queried if a budget was allocated for the Ōtorohanga Museum's waka restoration. ŌDC's Tanya Winter noted the matter should be raised at a future meeting of Ōtorohanga District Council as it is outside the scope of the item.

Councillor Dow queried if ŌDC were considering what the reserves were being used for or whether funding was being considered as well. Ms Gower responded that the Panel were to consider the use of the land only, whereas any potential funding would be subject to a further process.

Responding to a query from mana whenua representative, Wikitōria Tāne, Ms Cave noted the Plan included an action to fence the area of the dog reserve to allow off-leash activity. Councillor Dow queried the status of the current fencing and Ms Cave responded on the current construction and the proposed new fencing.

*The meeting adjourned for a short break at 10.52am and recommenced at 11.07am.*

Ms Gower outlined the next steps for the deliberation process was to consider the Island Reserve and Ōtorohanga Domain options.

***Island Reserve***

Ms Cave noted the number of submitters in support of option 1 and option 2, and those who had not stated a preference. She noted the submitters had signalled support of option 2.

Board Member Butcher noted option 2 included the removal of the grandstand and wanted to make sure that the community was comfortable with the removal of the grandstand.

Councillor Dow queried the low submitter numbers (16), and Ms Winter advised it was hard to engage the general public and get a submission. She noted the Panel was to consider the submissions received but also the knowledge gathered from informal discussions to inform individual opinions. His Worship the Mayor advised it was the role of elected members to consider and make decisions on behalf of the community.

Deputy Mayor Williams spoke on the decommissioning of the netball courts as signalled in option 2 and Ms Cave advised Ōtorohanga Netball were driving the decommissioning and the move to the Island Reserve. She noted a staged approach could be used and ŌDC could determine the move a priority when it made a decision on the Plan.

In response to a comment from Councillor Christison, Ms Cave advised that to her knowledge the Ōtorohanga Sports Club were happy with either option and had chosen not to submit. In response to a

query from Ms Tāne, Ms Cave advised the Tigers were involved in the discussions with the Sports Club and would be involved in the design of a proposed new building/facility.

In response to a query from Councillor Dow, Ms Cave outlined the parking area redesign which would allow for 220 cars. In response to a query from Ms Tāne, Ms Cave noted the grandstand could potentially be relocated however this had not been investigated to determine feasibility.

His Worship the Mayor took an informal show of hands to indicate the Panel's support of each option. Option 2 received 9 votes in support.

Ms Gower noted submitters signalled a preference for option 2 but noted the Plan would retain option 1 for reference purposes. She noted some pre-conditions still needed to be met and His Worship the Mayor noted the transition could be staged.

### ***Ōtorohanga Domain***

Ms Cave noted the number of submitters in support of option 1 and option 2, and those who had not stated a preference.

Councillor Dow queried the use of the land where Ōtorohanga Netball is currently located, should ŌDC resolve to go with option 2 for the Island Reserve. His Worship the Mayor noted the land could potentially be used for car parking for either the Ōtorohanga Kiwi House or the Ōtorohanga Domain. He also noted it could be sold. Councillor Christison spoke in support of the additional parking for the Kiwi House noting a nature bush walk could link the two areas. She noted the use of the land for parking would impact the scope of option 2 and the submission made by the Kiwi House.

ŌDC consultant, Gary Marshall spoke on the request by Ōtorohanga Netball and noted the land could form part of the Ōtorohanga Domain, Rotary Park and Bob Horsfall Reserve concept design.

His Worship the Mayor stated any decision to relocate the netball courts would impact the options for the Ōtorohanga Domain. ŌDC's Tanya Winter stated the purpose of the Hearing was to hear the submission and the purpose of the deliberations was to discuss what had been heard and received. She advised that if more time was required to consider options, that ŌDC could make a decision to progress investigations before making a final decision on the Domain.

### ***Other matters raised in submissions***

Ms Cave took the Panel through the other matters raised in submissions noting the dog exercise area in Heather Taylor's submission was already included in the Plan. Councillor Christinson also noted the Ōtorohanga Community Board were looking at an enclosed dog agility space in that area.

Ms Tāne spoke on the Island Reserve portion of Liz Cowan's submission noting there was the potential for storyboards to tell the history of the area. She stated it made sense to consider integrating any naming considerations with the work previously done for the Ōtorohanga Town Concept Plan. Ms Gower suggested ŌDC could consider if a naming protocols policy project (or similar) could be included in as an action across all reserves. Ms Tāne noted the areas within Ōtorohanga district were not English but had Māori names.

Ms Gower spoke to Liz Cowan's request to include specific cultural and heritage items in the strategy saying that the strategy would capture each using the pin drop icon and that the Village Green/Ōtorohanga Reserve would be included in the strategy as a reserve.

Ms Cave spoke on the submission by Elvisa van der Leden, noting that the actions proposed would need to be considered as part of a future review of the District Plan.

Resolved HP2: That, having considered the feedback/submissions received on the draft Ōtorohanga Reserves Strategy and Management Plan, the Hearings Panel (comprising Ōtorohanga District Council, Ōtorohanga Community Board and Mana Whenua representatives) make the following recommendations to Ōtorohanga District Council:

- That Island Reserve option 2 be progressed with the relocation of the Ōtorohanga Netball courts as a priority action; and,
- That further discussions be held on the future use of the Ōtorohanga Netball court area before a decision is made on the preferred option for the Ōtorohanga Domain; and,
- That a naming protocol be developed to ensure all Reserve names are aligned with the work undertaken as part of the development of the Ōtorohanga Town Concept Plan.

His Worship the Mayor | Councillor Prendergast

## CLOSING FORMALITIES

### MEETING CLOSURE | KATINGA O TE HUI

His Worship the Mayor declared the meeting closed at 11.46am.

**Item 210** Joint Submission on Local Water Done Well Bill #3

**To** Ōtorohanga District Council

**From** Mark Lewis, Group Manager Infrastructure and Assets

**Type** **DECISION REPORT**

**Date** 25 February 2025



## 1. Purpose | Te kaupapa

- 1.1. To seek ratification of a joint submission from Waikato Water Done Well (WWDW) participating councils in relation to the Local Government (Water Services) Bill (Bill#3).

## 2. Executive summary | Whakarāpopoto matua

- 2.1. In December 2024, a new bill was introduced into Parliament completing the trifecta of legislation relating to the government’s Local Water Done Well (LWDW) policy framework. Once enacted, this legislation will establish the enduring settings for LWDW.
- 2.2. Bill#3 is currently with the Finance and Expenditure Committee and submissions closed on 23 February 2025. Councils participating in WWDW have prepared a Joint Submission signed by their respective Chief Executives. Retrospective ratification of this submission is now being sought.

## 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That Ōtorohanga District Council:

- 3.1 Receives the report ‘Joint Submission on Local Water Done Well Bill #3’ (document number 807131) and the Joint Submission from the participating Waikato Water Done Well participating councils (document number 807130)
- 3.2 Ratify the approval of the Joint Submission on behalf of Council by the Chief Executive (following consultation with the Mayor)
- 3.3 Note the overview of Bill#3 as set out in Appendix One to this report.

## 4. Context | Horopaki

- 4.1. As Council is aware, Local Water Done Well is being implemented in three stages. The first stage was the repeal of the former Three Waters Legislation in March 2024. Stage two was the passing into law of the Local Government (Water Services Preliminary Arrangements) 2024 in September 2024. The

third stage commenced in December 2024 with the introduction of Bill#3 into Parliament and, once completed, will establish the enduring settings for LWDW.

- 4.2. Whilst far reaching in its content, there are no material changes in Bill#3 from the guidance announced by Central Government in August 2024. Essentially the new Bill provides the implementing legislation for LWDW and furnishes the details on the requirements of the new water services delivery system. Specifically, all water services providers<sup>1</sup>:
  - a. Will be subject to economic, environmental and water quality regulation;
  - b. Must comply with a new planning and accountability framework for water services, including preparing financial statements for water supply, wastewater, and stormwater;
  - c. Must act in accordance with prescribed statutory objectives and financial principles;
  - d. Are subject to restrictions against privatisation.
- 4.3. There are three main components to Bill#3<sup>2</sup>:
  - a. Matters relating to water services delivery systems are covered including the structural arrangements, objectives, financial principles and obligations, operational matters and planning, reporting financial management for water services providers
  - b. An economic regulation and consumer protection regime for water supply and wastewater services is introduced, with the potential to include stormwater services at a later date
- 4.4. Changes to the water quality regulatory framework to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021 are also introduced.
- 4.5. Bill#3 has been referred to the Finance and Expenditure Committee and submissions closed on 23 February 2025. A joint submission has made on behalf of councils participating WWDW. This report seeks retrospective ratification of this submission.
- 4.6. Due to tight timeframes (submissions closed before this Council meeting), the CE sought approval from the Mayor to sign the submission on behalf of Council, with this report seeking retrospective ratification.

## 5. Considerations | Ngā whai whakaarotanga

### Significance and engagement

- 5.1. Ratifying the Joint Submission on Bill#3 is not significant and no engagement/consultation with the community is required.

### Impacts on Māori

- 5.2. As with the previous legislative components of the government's LWDW framework, Bill#3 will impact Iwi/Māori. The Joint Submission explicitly references the vision agreed to by participating Waikato

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<sup>1</sup> Water Services Provider is a Territorial Authority, Regional Council, Water Service Organisation, or other organisation who is directly providing water services. The term 'water service provider' includes councils that continue with direct (in-house) delivery and water organisations such as a Council Controlled Organisation.

<sup>2</sup> Further detail of the components of Bill#3 are contained in Appendix One to this report.



councils of *Te Wai, Te Mana o Te Tangata | Healthy Waters, Healthy People*<sup>3</sup>. This vision serves to underpin the approach taken by the respective councils in all matters relating to LWDW.

### **Risk analysis**

- 5.3. New or amended legislation is recognised as a substantive risk for Council. Providing local leadership and ensuring the district's views are made known to Central Government via submissions and other mitigation mechanisms serves to reduce this risk.

### **Policy and plans**

- 5.4. There are no plans or policies are affected by this decision.

### **Legal**

- 5.5. By endorsing the Joint Submission, Council is being proactive in helping ensure that the legislation, once enacted, is fit for purpose from a Waikato perspective.

### **Financial**

- 5.6. There are no financial implications arising from the Joint Submission.

## **6. Discussion | He kōrerorero**

- 6.1. The Joint Submission (refer Appendix 2) prepared by the WWDW councils acknowledges the intent of Bill#3 in providing the legislative framework for LWDW and focuses on specific aspects of the proposed legislation requiring clarifying or amending. In general terms these matters are:

- a. The scope of the 'enduring settings' for water services delivery and the need for express provisions which would facilitate future mergers of water service providers thereby ensuring unnecessary cost are not imposed on customers in the future.
- b. The need for clarity with respect to ongoing compliance costs. Under Bill#3, as it stands, councils retain decision making responsibility for a number of matters, including making by-laws and drinking water catchment plans. The WWDW councils contend that Bill should expressly clarify that these activities are not 'water services' and, as such, costs incurred in meeting these obligations should not be subject to economic regulation.
- c. Water organisations should be given the ability to collect growth investment from non-connected customers other than through development contributions and is recommended that the serviceability charge in clauses 60 and 62 of Bill#3 be widened.
- d. Integration with the RMA reform and exceptions to the proposed standards for wastewater and stormwater environmental performance are needed to allow water service providers to put forward a smarter approach to consenting. Potentially this could significantly reduce costs whilst having a significant impact on the overall health of water bodies.

- 6.2. Other specific comments in the Joint Submission relate to:

- a. Extending the definition of water organisations
- b. Reviewing clause 11 of the Bill relating to transfer agreements with water organisations

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<sup>3</sup> Refer to Ōtorohanga District Council Meeting Minutes dated 27 August 2024, Resolution C255(b).

- c. The need for a transition provision in relation to development contributions
- d. The need for redrafting of aspects of Schedule 1 in relation to transitional matters for affected employees.

**Recommended option and rationale**

- 6.3. The Joint Submission provides a comprehensive analysis of Bill#3 as it affects WWDW councils. It also endorses the submission made by Taituarā.
- 6.4. It is recommended that Council ratify the approval of the Joint Submission (dated 21 February 2025) as signed by the Chief Executive.

**7. Appendices | Ngā āpiti hanga**

Number	Title	Document number
	Local Government (Water Services) Bill Overview	807129
2	Joint Submission on Local Government (Water Services) Bill, Waikato Water Done Well, 21 February 2025	807130

## **APPENDIX ONE: LOCAL GOVERNMENT (WATER SERVICES) BILL OVERVIEW**

### **INTRODUCTION**

Bill#3 sets the enduring settings for Local Water Done Well and is the implementing legislation for the policy decisions announced by Central Government in August 2024. There are no material changes from that guidance, but the Bill does provide further detail on the requirements of the new water services delivery system. This includes that all water services providers<sup>1</sup>:

- will be subject to economic, environmental and water quality regulation
- must comply with a new planning and accountability framework for water services, including preparing financial statements for water supply, wastewater, and stormwater
- must act in accordance with prescribed statutory objectives and financial principles (refer below)
- is subject to restrictions against privatisation.

Essentially Bill#3 is made up of three categories:

- Water services delivery systems
- Economic regulation and consumer protection regime
- Changes to the water quality regulatory framework.

### **WATER SERVICES DELIVERY SYSTEMS**

Bill#3 sets out the structural arrangements, objectives, financial principles and obligations, operational matters and planning, reporting financial management for water services providers.

Councils are responsible for water services delivery but there are service delivery options available to them to choose from when determining how best to deliver water services. As per the guidance, this remains providing water services in-house, transferring water services to a water organisation (such as a Council Controlled Organisation (CCO)) or other forms of joint arrangement.

Regardless of which option is chosen, Bill#3 requires the water services provider<sup>2</sup> to provide water services in a cost-effective and financially sustainable manner including by planning effectively to manage assets used to provide water services in the future and share the benefits of efficiency gains with consumers, including when setting charges for water services.

Every water service provider must perform its functions in an open, transparent and accountable manner and in accordance with sound business practice. They must also act in the best interests of current and future consumers.

There are additional requirements that apply to a water organisation such as a CCO. These include that:

- a water organisation must be a limited liability company
- the company must be governed by a competency-based board of directors who have the appropriate mix of skills, knowledge and experience
- current Council staff and elected members cannot be appointed to the board
- activities must be limited to the provision of water services and directly related activities
- only councils or consumer trusts can be shareholders

Where a Council seeks to transfer responsibility to a water organisation (such as a CCO), it will do this through a document called a transfer agreement, which captures the responsibilities and other matters (such as assets and liabilities) being transferred and which are being retained by the Council.

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<sup>1</sup> Water Services Provider is a Territorial Authority, Regional Council, Water Service Organisation, or other organisation who is directly providing water services. The term 'water service provider' includes councils that continue with direct (in-house) delivery and water organisations such as a Council Controlled Organisation.

<sup>2</sup> Ibid.

## Financial principles

The financial principles require that:

- revenue from water services is spent on providing water services (including on maintenance, improvements, and providing for growth)
- water services revenue is sufficient to sustain long-term investment in the provision of water services
- revenue (including from charges) and expenses are transparent to the public. The provider must be accountable for its revenue and expenses – if the provider is a Council, it is accountable to its communities, if the provider is a water organisation such as a CCO, is it accountable to its shareholders.
- demonstrate compliance with above in financial operations, financial policies and planning and reporting documents.

## Powers for water organisations

Bill#3 empowers water organisation to do a range of matters similar to what Councils are able to do. This includes:

- Charging customers for services, including setting and collecting charges. Charges can be set and collected for initial connection, contribution to capital costs of infrastructure, serviceability and meeting the costs incurred by the water organisation in performing and exercising its functions. When setting the charge, the water organisation can determine how the charge is assessed and invoiced, when it is due and how it may be paid or collected.
- Requiring development contributions for growth related capital costs. This is through a modified version of the development contributions regime in the Local Government Act.
- Proposing that a Council create, amend or revoke water services bylaws to regulate connections to water services networks. This involves a three-step process. A Council can delegate functions or powers that relate to the administration or enforcement of a water services by-law to a water organisation but not the power to make, amend or revoke the by-law.
- Access private land to carry out water services infrastructure work, subject to notice and other requirements).

Water organisations will not:

- have the same debt collection powers as local authorities and will instead rely on commercial debt practices to collect overdue amounts. This is similar to the situation for Watercare and regulated utilities
- be allowed to use property values as a factor in setting water charges. The Bill includes a transitional provision that will allow water organisations to smooth prices over a five-year period if consumers are shifting from a property-based rate levied by Council to a water charge assessed by a water organisation.

## Accountability, planning and reporting

All water services providers will be required to prepare:

- a water services strategy: due every three years with the first one due 1 July 2027.
- an annual water services report: with the first due for the financial year 2027/2028. Councils must complete this four months from the end of the financial year if the Council is a water services provider. For water organisations, the due date is three months after end of financial year and a half yearly report is also due. Shareholders can request quarterly reports.

If a water organisation is formed, then the shareholding councils in that organisation must prepare and issue a statement of expectations to the board of directors. An interim statement of expectations can be adopted. The first statement of expectations must be agreed to by shareholders six months from when organisation is established and every three years after that.

## **ECONOMIC REGULATION AND CONSUMER PROTECTION**

The Bill will introduce an economic regulation regime for water supply and wastewater services, with the potential to include stormwater services later.

The regime will apply to all water service providers responsible for making core decisions about capital and operating expenditure, revenue recovery, and charging levels. Initially, community suppliers, private schemes, Crown providers, and private third-party contractors will be excluded, but may be included later.

The objective of the regime is to protect customers by ensuring adequate levels of investment by water services providers and that charges for water are fair, reflect the cost of providing the service and are sufficient.

The regime will be introduced through amendments to the Commerce Act 1986. The Commerce Commission will have a range of regulatory tools such as information disclosure requirements, revenue threshold regulation, quality regulation, performance requirement regulation, and price-quality regulation. Initial information disclosure requirements are to be set by early 2026.

The Bill also introduces a consumer protection regime, allowing the Commerce Commission to monitor and enhance consumer protections based on gathered information.

## **WATER QUALITY REGULATORY FRAMEWORK**

The Bill includes a range of changes designed to reduce the cost and burden for drinking water suppliers associated with complying with the Water Services Act 2021. This includes reducing regulatory burden on small suppliers, by excluding known 'shared domestic supplies' serving 25 consumers or fewer from regulation. The Bill also includes other changes to reduce regulatory requirements and compliance costs for a wider range of drinking water suppliers, which would not be covered by the 'shared domestic' supply exclusion.

### Stormwater

Councils will retain responsibility for ensuring that stormwater services are provided in their district but can choose the delivery arrangements that best suit their circumstances. This includes:

- Continue to deliver stormwater services directly (in-house)
- Transfer all or some aspects of stormwater service provision to a water organisation
- Contract a water organisation (or potentially another third party) to provide all or some aspects of stormwater delivery.

Councils must ensure that any agreement, contract, or arrangement does not transfer the ownership or control of the operation of the transport corridor stormwater infrastructure.

To support the integrated management of stormwater services the Bill provides an enabling framework for the development of service agreements for parties to work together to manage their respective statutory roles and functions. The Bill also makes changes to improve the management of stormwater network, including overland flow paths and urban watercourses. This includes the enabling of new planning and regulatory tools – stormwater network risk management plans and stormwater network bylaws to manage risks and hazards that may affect the operation of critical stormwater network infrastructure.

### Wastewater and Stormwater Environmental Performance Standards

Taumata Arowai has existing powers to regulate the performance of wastewater and stormwater networks and infrastructure under the Water Services Act 2021. The Bill amends the legislation so there will be a single standard, rather than a minimum (or maximum), which would be implemented in

resource consents. The national wastewater environmental performance standards are currently under development.

The standards will:

- Set nationally consistent requirements for all wastewater networks and operators
- Focus on specific activities that are commonly part of consenting for wastewater treatment plants
- Clarify the Government's expectations for wastewater network operators

Regional Councils will be the consenting authority and implement the standards through consent conditions. Wastewater standards are expected to be in place by August 2025, with the stormwater environmental performance standards to be developed after that.

## APPENDIX 2

# Joint Submission on Local Government (Water Services) Bill

**To:**

the Finance and Expenditure Select Committee

**From:**

the following Waikato Councils:

- Hauraki District Council
- Matamata-Piako District Council
- Ōtorohanga District Council
- South Waikato District Council
- Taupō District Council
- Waipā District Council
- Waitomo District Council

**Date:** 21 February 2025

Waikato Water Done Well

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## Background

1. The Seven Waikato Councils (the **Submitting Councils**) listed above make this submission.
2. The Submitting Councils thank the Finance and Expenditure Select Committee (**the Committee**) for the opportunity to make this submission and note that, in general terms, there are certain matters they seek to jointly submit on:
  - a) The scope of the “enduring settings” in Local Government (Water Services) Bill (**Bill#3**)
  - b) Clarity on how Councils are expected to meet ongoing compliance costs under Bill#3
  - c) Inclusion in Bill#3 of charging provisions which enable a water services organisation to collect growth investment from non-connected customers other than through development contributions
  - d) The need for exceptions to the proposed standards for wastewater and stormwater environmental performance
3. Specific comments are also included in the table at the end of this submission on provisions of the draft legislation. Individual submissions may also be made by each Council in relation to specific matters relevant to them. This submission does not address any of the provisions that are particular to Watercare Services Limited.
4. Submitting Councils would appreciate a hearing in relation to the matters set out in this submission should there be the opportunity to do so. The Committee is asked to contact Vaughan Payne on 021 246 2314 or via email on vaughan.payne@colabsolutions.govt.nz to arrange such a hearing.

## Support of other submissions

5. Before turning to the substance of this submission, Submitting Councils note they have had the benefit of reviewing draft submissions from Taituarā and Waikato Regional Council. In respect of each of these, Submitting Parties:
  - a) **Taituarā:** acknowledge Taituarā as New Zealand’s leading network of local government professionals and fully support their detailed submission on the Bill. In this submission, we focus on issues that are specific to Waikato Water Done Well and will not be repeating the points made by Taituarā.
  - b) **Waikato Regional Council:** support the submission of the Waikato Regional Council in relation to a catchment-based approach to consenting in specific circumstances. Submitting Councils welcome the policy intent of introducing standards to reduce the costs to councils. However, a key strategic outcome of Waikato Water Done Well is for ‘smart consenting’. Smart consenting involves a catchment-based approach to consenting rather than focusing on single point discharge. To balance between the availability of standards and the ability for ‘smart consenting’, it is submitted that exceptions to standards should be available (at the request of the water services provider) where there is an agreed integrated catchment plan that can achieve a better return on investment.

# Executive Summary

## Summary of general comments

### a) Enduring settings

6. Local Water Done Well requires councils to determine how they will deliver water services in the future, whether alone or with others. Due to the complexities of multiple councils agreeing how to join up, a consequence of Local Water Done Well is likely to be several small to medium sized water organisations at the outset<sup>1</sup>. Based on overseas experience<sup>2</sup>, there is a real possibility organisations will seek to merge overtime (subject to terms agreed by Councils and communities).
7. In the Waikato, Submitting Council are signatories to a Heads of Agreement setting out what a joined-up approach to water services could look like, subject to public consultation and Council decision making. This option is referred to as Waikato Water Done Well. Parallel to this, in the Waikato region, Hamilton City Council and Waikato District Council have resolved to form a separate council-controlled organisation (**CCO**) (subject to consultation). Notwithstanding this, a single regional model is seen as being of benefit to all Councils in the region at some point in the future.
8. As Bill#3 provides the enduring settings for water services delivery, it is submitted that express provisions should be included which would facilitate future mergers. The objective of this is to ensure that unnecessary cost is not imposed on customers in the future<sup>3</sup>.

### b) Means by which Councils are to meet ongoing compliance costs under Bill#3

9. Under Bill#3, Councils retain decision making responsibility for a number of matters, including making by-laws and drinking catchment plans. This responsibility rests with Councils regardless of whether they choose to transfer responsibility for water services to a water organisation. While retention of these responsibilities ensures a local approach to the specific matters, compliance will come at a cost. It is submitted that the Bill should expressly clarify that these activities are not incurred for “water services” and, as such, costs incurred in meeting these obligations will not be subject to economic regulation.

### c) Charging provisions for growth to non-connected customers

10. Water organisations under Bill#3 should have the ability to recover all or part of its investment in growth infrastructure (including water infrastructure) from benefiting landowners ahead of development occurring (i.e. in the period before the ability to charge development contributions arises). The benefits to this include increasing revenue and so reducing the amount that needs to be debt financed. The serviceability charge in section 60 and 62 of Bill#3 is not wide enough to achieve these benefits as it

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<sup>1</sup> With some Councils potentially also continuing with existing arrangements or some other form of joint arrangement.

<sup>2</sup> TasWater and Scottish Water being just two examples.

<sup>3</sup> It is acknowledged that there is reference to changes to shareholding arrangements in a water organisation in section 25, Bill#3 and this would apply if one of the water organisations continued in a merger. Section 214(1) (b) also provides that the “same person” classification will apply from a tax perspective (for a period of 5 years) when a water organisation transfers the role of providing water services to another water organisation (note a specific submission is made on this later in this submission).

is limited to properties within 100m of a network.

#### **d) Proposed standards for wastewater and stormwater environmental performance**

11. Currently multiple resource consents impacting the same natural resource are consented and renewed on an ad hoc individual basis, often driving expensive gold-plated solutions that have a negligible benefit to the natural resource. For water service providers, renewing consents is a major driver of infrastructure capital works (most costs relate to wastewater infrastructure). In some instances, despite significant investment in treatment plants, the measurable benefit to the water body downstream is negligible. There is a real opportunity for an integrated catchment plan that informs the best return on investment through:
  - a) nutrient balancing between wastewater treatment plants (council and industry)
  - b) an offset regime to reduce the impact of diffuse discharges (which often have the largest contaminant load within a catchment compared to point source discharges)
12. While work is underway to develop such a form of smart consenting, the proposed “one size fits all” standards in Bill#3 are not consistent with achieving this if they are to apply without exception. Although standards may reduce the cost on providers, there may still be wasted investment in terms of improving water quality outcomes in a catchment. The standards will be focused on a single point of discharge without having regard to the overall receiving environment. It is submitted that integration with RMA reform needs to occur to achieve a shift from ad hoc to strategic investments. Exceptions to standards should be available where a water service provider can put forward a smarter approach to consenting which can significantly reduce costs but also have a significant impact on the overall health of the water body (refer to example in relation to Matamata-Piako DC below).

### **Summary of specific comments**

13. In relation to the specific comments, there are some matters that are raised in the specific comments table that are typographical / relate to cross-referencing. However, from a substantive perspective, in summary, it is submitted that:
  - a) To future proof Bill#3, the definition of water organisation should be extended so that it applies not just to an entity where Councils transfer responsibility for water services but also the resulting entity should two or more water organisations transfer their businesses to a new water organisation as part of a restructure or merger.
  - b) Section 11 should be reviewed. This sets out when new transfer agreements are required by a Council but as currently drafted, is likely to result in significant costs in any change by a Council. This section should be broken down so there is:
    - clarity on when an amended transfer agreement is required rather than a new transfer agreement

- provision to enable a Council to direct the transfer of its water services business from one organisation to another (in the event of it exiting a shareholding arrangement or disestablishing a water organisation). As currently drafted, a transfer agreement is required to transfer from a water organisation back to Council and then another transfer agreement is required from Council to the new water organisation.
- c) Currently, if an asset is not listed in a transfer agreement, it is deemed to stay with a Council. It is submitted that all assets solely used for the purpose of a water services activity should be deemed to be transferred to the water organisation.
  - d) To reduce the administration (and costs) in transferring a water services business to a water organisation, it is submitted that all contracts that relate solely to a water services activity transferred to a water organisation should be deemed to be novated.
  - e) Provide clarity on the situation where a council only transfers two waters to a water organisation and engages the water organisation to provide management services in relation to stormwater (refer submission in relation to subsection 20(3) below).
  - f) There should be a transition provision in relation to development contributions. As drafted, the development contribution policy of a council can be extended to a water organisation. However, there are no provisions that consider a situation where several councils are shareholders in the same water organisation. It is submitted that a water organisation should be able to extend a number of policies for a transitional period (refer submission re section 92 and 93)
  - g) Schedule 1, as currently drafted, does not operate as intended. It refers to the transfer of employees from one water organisation to another water organisation. As a Council is not a water organisation, it is not clear that it will apply to a Council transferring employees to a water organisation.
  - h) Schedule 1 raises a risk for Councils as currently drafted because it is not clear when a redundancy payment may be triggered. The provision as drafted refers only to employees who accept an offer of employment, with the implication being that if an employee is offered equivalent employment but does not accept that offer, they may be entitled to redundancy (subject to the terms of their contract of employment). This could give rise to significant costs to Councils and create a barrier to achieving one of the strategic outcomes being sought by a joined-up approach, namely the retention of staff.

## Introduction

1. This submission is made jointly by the following Waikato Councils in respect of Bill#3:
  - a) Hauraki District Council
  - b) Matamata-Piako District Council
  - c) Ōtorohanga District Council
  - d) South Waikato District Council
  - e) Taupō District Council
  - f) Waipā District Council
  - g) Waitomo District Council
2. As noted above, these Councils are referred to in this submission as the Submitting Councils.

## Submitting Councils and wider regional context

3. As Committee members are aware:
  - a) Bill#3 completes the trilogy of legislation implementing Local Water Done Well.
  - b) Part 2 of the trilogy, namely the Local Government (Water Services Preliminary Arrangements) Act 2024 (**Preliminary Arrangements Act**), requires Councils<sup>4</sup> to identify a viable model for future water services delivery that is financially sustainable and meets regulatory requirements. As a minimum, Councils are required to consider the option of joining or establishing a water services council-controlled organisation (**CCO**) or some other form of arrangement against existing arrangements.
4. Waikato Water Done Well refers to the proposed establishment of a multi-council owned CCO across the service area of the Submitting Councils. The intended start-up name is Waikato Waters Limited. This option is being considered by Submitting Councils as part of their obligations under the Preliminary Arrangements Act. At the time of writing this submission, the status of Waikato Water Done Well as a service delivery option is that:
  - a) each Submitting Council has signed a Heads of Agreement setting out what a joined-up approach to delivering water services could look like, subject to public consultation and evolving legislative requirements
  - b) each Council is assessing that option against existing arrangements (and in some cases other options) with a view to deciding the preferred option, consulting with the public on that and making a definitive decision within the first half of 2025.
5. Parallel to the above, Hamilton City Council and Waikato District Council have formerly resolved to set up a separate CCO (subject to public consultation). However, they made it clear that a single regional model would benefit all Councils in the region. In broad terms, at least two separate CCOs are likely to be established in the Waikato region.

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<sup>4</sup> Except for Auckland Council

## General Comments

6. Submitting Councils support the purpose of Bill#3 which to establish a framework for local government to provide water services in a flexible, cost-effective, financially sustainable, and accountable manner.
7. Submitting Councils have agreed in principle to the joint vision for any combined water services CCO. This vision is Te Mana o Te Wai, Te Mana o Te Tangata | Healthy Water, Healthy People. This sets the foundation for a strategic and results oriented approach to water services governance and delivery. Guided by this vision, and guidance issued by DIA in August 2023, Submitting Councils have co-designed the framework for a proposed CCO. The co-designed CCO substantively aligns with the requirements of Bill#3 in relation to water organisations. The terms “CCO” and “water organisation” are used interchangeably in this submission.
8. As a general position, Submitting Councils welcome the clarity that Bill#3 provides in relation statutory powers, authority, accountability and the taxation status of any future water services CCO, including the planning, reporting and accountability requirements that are set out in Part 4 of Bill#3.
9. At a general level, it is noted that the focus of the legislation is on:
  - a) the service delivery options available to Councils from a present-day perspective with provision made for future ‘change proposals’ in section 25 of Bill#3
  - b) the accountability of a water services provider in respect of a water services activity that it is responsible for
  - c) introducing mechanisms to assist Councils in transferring water services delivery to a water services organisation should they choose this delivery model<sup>5</sup>

### (a) Enduring settings

10. Discussions across Councils to date demonstrate that it is complex to get multiple Councils to agree the terms on which they are willing to establish a joint water services CCO. Due to this complexity, an inevitable feature of Local Water Done Well (in the early years in any event) is likely to be the formation of a number of small to medium sized water services CCOs (or water organisations) across the country.
11. From a regional perspective, it is likely that there will be more than one water services CCO operating within certain regional areas. Overseas experience points to future mergers / amalgamations of water services CCOs being a real possibility in the long term. Bill#3 states that it provides the enduring settings for water services delivery and so it is submitted that express provision should be made to the possibility of future amalgamations within the Bill itself <sup>6</sup> and provisions included to assist in the implementation of these.

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<sup>5</sup> Please note specific submission in relation to Schedule 1, Clause 1 in relation to the transfer of affected employees. The submission is that this clause is not drafted in a manner that achieves what it is understood to be the objective i.e. assisting in the transfer of employees from Councils into water organisations.

<sup>6</sup>Refer footnote 1 above and the submission in relation to employees).

12. It is accepted that the terms of any potential merger / amalgamation will be a matter for commercial negotiation at the appropriate time, having regard to all applicable legislation (particularly the Companies Act 1993).

**Decision requested**

13. It is submitted that **Bill#3 should acknowledge the possibility of future mergers. Where Councils are looking at implementation plans for the establishment and operationalisation of water services CCOs, it is submitted that they should be required to take a broad view of the landscape in which they will operate and not establish the CCO in silos. Furthermore, where councils are establishing separate water services CCOs in the same Local Government regional area, it is submitted there should be a requirement / expectation that they collaborate and engage on key operational matters so that any pathway to a future amalgamation is not made unduly and unnecessarily costly for the ratepayers.**
14. Further, it is submitted that **provision should be included in Bill#3 (as the instrument for the enduring settings) to assist with the transfer of assets (and employees) in any such restructure (whether it be a water organisation merging into an existing water organisation or two water organisations merging to form a new water organisation). It is also submitted that the availability of these provisions (in a water organisation to water organisation context) should extend beyond the 5-year period currently provided for in Bill#3.**

## **(b) Councils and ongoing compliance costs under Bill#3**

15. Bill#3 places statutory responsibility onto Councils in respect of specific matters regardless of whether water services are transferred by that Council or not. This includes Subpart 3, (Water services networks: connections), Subpart 5 (drinking water catchment plans) and Subpart 6 (trade waste).
16. Subpart 5 and 6 provides that administration of drinking water catchment plans and trade waste plans can be delegated to a water organisation services in the district (with limitations placed on the scope of the delegation).
17. As Councils will incur costs in relation to these matters which relates (albeit indirectly) to water services, it is submitted that the Bill should expressly clarify that these activities are not “water services”. As such costs incurred in meeting these obligations will not be subject to economic regulation and the cost is not recoverable through water charges but through rates.

**Decision requested**

18. **Clarification that the costs incurred by Council in meeting its obligations under subparts such as Subpart 3, Subpart 5 and Subpart 6 are not costs incurred for the purpose of “providing water services” and do not fall within scope of economic regulation.**

## (c) Charging provisions for growth to non-connected customers

19. Under the Local Government (Rating) Act 2002 a Council can charge a targeted rate to recover all or part of its investment in growth infrastructure, including waters infrastructure. This targeted rate can be charged based on, for example, land area within a serviced catchment. This gives Councils the ability to recover investment from benefiting landowners ahead of development occurring, and before the Council can charge development contributions under the LGA. Although not all Councils charge in this way, it has the following material benefits for those that do:
  - a) money collected through targeted rates means a Council has less to debt finance
  - b) increase revenue results in increased borrowing capacity (based on debt to revenue ratio debt covenants)
  - c) landowners are incentivised to develop land as infrastructure in line with Council development strategies, thereby improving land supply to the housing market.
20. It is acknowledged that section 60 and section 62 of Bill#3 allow for a serviceability charge to be levied by a water organisation but only in respect of properties within 100m of a network. If a water organisation were to, for example, build a wastewater pump station and rising main to service a greenfield catchment, there are likely to be many properties outside the 100m limit who will benefit.
21. Bill#3 does not provide for a water organisation to levy a charge on benefiting landowners ahead of development occurring. It is submitted that this should be remedied. This is consistent with the Infrastructure Funding and Financing Act but rather than having to create special purpose vehicles to fund smaller scale infrastructure projects, a water organisation will be able to fund these on balance sheet without associated overheads.

### **Decision requested**

22. **That Bill#3 be amended to enable a water organisation to charge landowners in the manner set out above. To ensure clarity in application, provision should be included to ensure that when setting the charge, a water organisation is required to assess the relativity between the amount being levied ahead of development and the amount to be recovered by way of development contributions (when development occurs).**

## d) Proposed standards

23. Through Waikato Water Done Well, Submitting Councils are currently scoping the merits of taking a whole of catchment approach to the consenting of water services (water, wastewater and stormwater). This applies particularly to wastewater as the most significant infrastructure cost. The issue is:
  - a) In the region, overall water quality continues to decline, including the Waikato River



- b) Significant improvements to point source discharges have occurred. However, their contribution to overall water quality is now minor (e.g. between 2011 and 2020 council wastewater treatment plants only contributed 0.5% of the total load of nitrogen in the Waikato River).
  - c) Despite the diminishing returns on investment, billions of dollars are proposed to be invested by councils and industry on improving point source discharges. The Resource Management Act 1991 (**RMA**) currently promotes ad hoc investments to improve environmental outcomes, without flexibility to enable strategic investments to improve such outcomes.
24. As New Zealand water service providers assess the best way to deliver water services in their area, there is a real opportunity to assess the way consent applications are granted. As part of the RMA reforms, there should be a framework created encouraging strategic investments that improve environmental outcomes. Currently, resource consents are lodged on an organisation-specific ad hoc basis; this is a legacy of the first-in-first service nature of the RMA. If we can evolve to applications being made having regard to the whole catchment, it will enable an assessment of what is the best return on investment for the river (or other water body).
25. By encouraging Regional Councils to develop statutory plans that will improve water quality for an entire catchment (integrating diffuse and point source discharges), there is a real opportunity to reduce the significant infrastructure costs. The framework created needs to enable:
- a) nutrient balancing between wastewater treatment plants (council and industry)
  - b) an offset regime to reduce the impact of diffuse discharges (which often have the largest contaminant load within a catchment compared to point source discharges)
26. An example of the cost savings possible is Matamata-Piako DC (**MPDC**). MPDC had five wastewater treatment plants with expiry dates between 2024 and 2035. The Council lodged an application to renew all five plants to align their expiry dates and to prioritise capital investment relative to water quality outcomes for the Firth of Thames. In addition to better environmental outcomes, by taking a collective view of their discharges Matamata-Piako DC estimate consent processing savings of 33% (\$4m) and capital works savings of 20% (\$20m).

**Decision requested**

27. **Introduction of an exception to the application of the proposed standards (at the request of the water services provider) where a water services provider is party to an integrated catchment plan approved by their Regional Council which is focussed on consent applications taking a whole of river (water body) approach rather than focusing on single point discharge.**
28. **That the improvement to the RMA recommended by this submission be referred to the Minister Responsible for RMA Reform.**

# Specific comments

29. The following table sets out the specific comments Submitting Councils would like to make on Bill#3 for Committee consideration. Again, it is noted that each Submitting Council reserves the right to make an individual submission.

SECTION	SUBMISSION	RECOMMENDATION
<p><b>1. Section 4 (interpretation). Definition of water organisation and water service provider</b></p>	<p>The definition of water organisation refers to a water organisation established under Section 36 (Bill#3) or to a CCO that was providing water services immediately before Bill#3 is enacted into law (and which meets the conditions set out in that definition).</p> <p>When one turns to section 36, it refers to a water organisation established by a territorial authority for the purpose of transferring responsibility for providing water services to that organisation. The definition does not cover instances where a territorial authority has already transferred its responsibility to a water organisation but after a period of time, seeks to restructure that water organisation.</p>	<p>Definition of water organisation should be extended to include (d): where the territorial authority is an existing shareholder of a water organisation, consents to the restructure of that water organisation resulting in the creation of a new water organisation responsible for the delivery of water services in that territorial authority's district.</p>
<p><b>2. Section 11 (and Schedule 2) Transfer Agreements</b></p>	<p>Section 11 requires a council to enter into a transfer agreement with a water services organisation (which it has established or in which it is a shareholder) specifying the responsibility, specific infrastructure, related assets and other matters being transferred.</p> <p>Section 11(5) requires that if more than one council has established a water organisation, one of those Councils must not enter into a transfer agreement unless all of them do and the transfer agreements must be developed and entered separately.</p> <p>The way this section is framed is contradictory. If transfer agreements are developed and entered separately then it will not, timewise, be possible for all agreements to be entered into at the same time. It is</p>	<p>Subsection 11(5) is deleted and replaced with the following:</p> <p>As part of the establishment of a water organisation, a territorial authority commits to entering into a transfer agreement in relation to the water services that it intends to transfer responsibility for. If more than 1 territorial authority has established the water organisation (each being an <b>Establishing Territorial Authority</b>) then:</p> <ol style="list-style-type: none"> <li>a) Each Establishing Territorial Authority must develop and enter into a separate transfer agreement with the water organisation</li> <li>b) Each transfer agreement will be conditional upon the other Establishing Territorial Authority</li> </ol>

SECTION	SUBMISSION	RECOMMENDATION
	<p>also likely that not all transfers will take place on the same day. In the context of the Submitting Councils, work is underway to agree how (if a decision is made to transfer to a CCO) the transfers should be staggered / sequenced to ensure that transition risk is best mitigated.</p> <p>To address this, what is proposed is that the timing of transfer agreements is linked to water services delivery plans (which in themselves are a commitment to enter into the transfer agreement and part of the commitment to a future water services delivery model, including the implementation plan also required). It is submitted that section 11 (5) should be amended to clarify that:</p> <ul style="list-style-type: none"> <li>a) Transfer agreements can be entered into at different times but be conditional on all transfer agreements being entered into within a stipulated timeframe</li> <li>b) Where the establishment of a water organisation is identified by a council as its future delivery model in its water services delivery plan, the conditional date by which all parties must enter into a transfer agreement should be aligned with the implementation plan unless agreed otherwise by all parties in writing.</li> </ul>	<p>entering into a transfer agreement with the water organisation within:</p> <ul style="list-style-type: none"> <li>i. such timeframe as set out in the implementation plan submitted as part of the Water Services Delivery Plan (as defined in the Local Government Water Services (Preliminary Arrangements) Act; or</li> <li>ii. such other date as agreed by all parties in writing.</li> </ul> <p>c) The effective date of each transfer agreement may be different (i.e. it is accepted that Councils may agree to transfer their businesses into a water organisation in a staggered / sequenced fashion and it is within the discretion of the Councils to do so subject to the water organisation being financially sustainable by no later than 1 July 2028)</p>
<p><b>3. Section 11 (and Schedule 2) Transfer Agreements (cont'd)</b></p>	<p>Schedule 2 sets out the contents of transfer agreements which must set out:</p>	<p>Amendment to clause 11(7) so that all assets relevant to the provision of services that are being transferred to a water organisation are deemed to be transferred unless otherwise stated.</p>

SECTION	SUBMISSION	RECOMMENDATION
	<p>a) the responsibilities, water infrastructure, related assets and specific responsibilities etc being transferred</p> <p>b) matters that relate to water services that are not being transferred</p> <p>c) matters of shared interest</p> <p>d) collection of charges</p> <p>e) responsible decision makers for revenue and charging</p> <p>f) other information considered appropriate</p> <p>Section 11(7) provides that any matter a transfer agreement does not specify as being transferred is taken to be retained by the territorial authority.</p> <p>It is submitted that if a council decides to transfer responsibility for drinking water and wastewater services to a water organisation, then the assumption should be that the council intends to transfer all assets required for the purpose of successfully discharging the transferred responsibility. A pragmatic way of addressing this would be to include a provision that all assets held by a territorial authority for the sole purpose of providing a water service are deemed to transfer to the water organisation unless the transfer agreement states otherwise.</p> <p>To ensure that transfer agreements achieve the purpose stated in clause 12, it will still be necessary for all assets to be listed in the transfer agreement (and particularly</p>	

SECTION	SUBMISSION	RECOMMENDATION
	<p>where the allocation of shares may be based on value of assets transferring). However, amending clause 11(7) in this manner would ensure it works in a manner that is more aligned with a commercial transaction where a “wrong pocket clause” is generally introduced to ensure that assets which should transfer to enable the acquiring company to carry out the business transferred.</p>	
<p><b>4. Section 11 (and Schedule 2) Transfer Agreements (contd)</b></p>	<p>Building on the above, it is submitted that section 11 should be further developed to assist with the transfer of assets to a water organisation. Where the matters transferring include contracts and agreements that relate wholly to the water services that are being transferred under the terms of the transfer agreement, it is submitted that legislation should deem these agreements to be novated so that the councils and water organisation are not required to novate each individual contract or agreement to give effect to the transfer.</p> <p>It is accepted that there will need to be a review of ‘mixed-use’ contracts and agreements that relate to more than just water services (or to a water service that is transferring and one that is not). These contracts will need to be addressed on a case-by-case basis to identify the appropriate arrangement in that context.</p>	<p>Clause 11(7) amended to provide that contracts that relate wholly to the provision of water services that are being transferred to a water organisation will novate by operation of law to the water organisation</p> <p><b>Note:</b> this should be cross-referenced in section 39 which requires councils to consider how the transfer of water services to a water organisation will be managed.</p>
<p><b>5. Section 13 (circumstances that require a new transfer agreement)</b></p>	<p>It is submitted that Section 13 should be reviewed in its entirety. This is because:</p>	<p>Clause 13 to be reviewed and redrafted to reflect the correct circumstances in which a new transfer agreement is required.</p>

SECTION	SUBMISSION	RECOMMENDATION
	<ol style="list-style-type: none"> <li>1) Clause 13(1)(a) and (b) should refer to an amended transfer agreement rather than a new transfer agreement</li> <li>2) Clause 13(1)(c) and (d) relate to the transfer back of assets to the Council from the water organisation of assets which were transferred. This should not be addressed by reference to a new transfer agreement in isolation. A more practical mechanism would be to require shareholder agreements to include provision (if all parties agree) whereby on the disestablishment or a water organisation or exit of a shareholding council as shareholder, the Council's assets are (at the direction of the relevant council):               <ol style="list-style-type: none"> <li>a. transferred back to the Council via a new transfer agreement</li> <li>b. transferred directly from the existing water organisation to the water organisation the exiting shareholder is seeking to become a shareholder in.</li> </ol> </li> <li>3) Clause 13(1)(e) envisages the council becoming a shareholder in a further water organisation. However, the sub-clause as drafted suggests double handling, with assets needing to be transferred back to the Council and then transferred by the Council to the other water organisation (under another section 11 transfer agreement). A more practical proposal is to enable the Council to direct the transfer of assets to the other water organisation as suggested at (2) (b) above.</li> </ol>	

SECTION	SUBMISSION	RECOMMENDATION
<p><b>6. Section 17 (obligation to continue water services)</b></p>	<p>Section 17(2)(c) provides that in fulfilling its obligations, a water services provider must comply with sub-section (3). However, detail is not provided as to which sub-section 3 this is referring to.</p>	<p>Section 17(2)(c) to be reviewed and clarity included on the sub-section 3 that is being referred to.</p>
<p><b>7. Section 20 (water supply ensured if supplier facing significant problem)</b></p>	<p>Section 20(1) refers to a drinking water supplier but does not limit it to a drinking water supplier within the service area of the water supplier.</p>	<p>Section 20(1) is amended to ensure there its application is limited to drinking water suppliers within the service area of the water service provider.</p>
<p><b>8. Section 21 (contracts for providing water services)</b></p>	<p>Subsection section 21(2) provides that "<i>... A water service provider who enters into a contract under this section: (a) continues to be the water service provider responsible for the water services to which the contract relates and (b) retains control over (i) the development of policy for providing the relevant water services and (ii) the pricing of the relevant water services.</i>"</p> <p>Subsection 21(3) then states that a contract between a water service provider and another water service provider is not limited by subsection 21(2). This points to one water services provider being able to contractually transfer responsibility for developing policy and pricing to another water services provider. It is submitted that subsection 21(3) should be amended to expressly state this.</p> <p>Clarity is sought on how the provision is intended to apply when a water service provider:</p>	<p>Subsection 21(3) is amended to provide:</p> <p>"A contract between the water service provider and another water service provider:</p> <p>(a) is not limited by the 50 years maximum term in subsection 1; and</p> <p>(b) can provide for the contracting water service provider to transfer control over the development of policy for providing the relevant water services and pricing of the relevant water services</p> <p><b>Note for consideration:</b> A contract for water services management does not negate the obligation of the water services provider to complete a water services strategy for water services activities it remains responsible for. It is open to that water services provider to engage the support and assistance of the other water services provider in preparing the relevant water services strategy under the terms of the relevant contract.</p>



SECTION	SUBMISSION	RECOMMENDATION
	<p>a) transfers responsibility for drinking water and wastewater to a water organisation under transfer agreement</p> <p>b) contracts the water organisation to provide stormwater management services under a stormwater management services agreement</p> <p>It is assumed that the water service provider remains a water service provider in the context of the stormwater services. Clarity is sought on what subsection (3) means when it states “not limited by subsection 21(2)”.</p>	
<p><b>9. Section 25 (decision making by territorial authorities)</b></p>	<p>Section 25(1) defines when a change proposal is required. While it is arguable that the merger of a water organisation with another water organisation is covered through one (or more) of the matters listed in (a) to (d), for the sake of clarity, it is submitted that an additional provision should be included to ensure a change proposal is required where the territorial authority is considering the merger of the water organisation that it is a shareholder in with another water organisation.</p> <p>In addition, it is submitted that the establishment of a consumer trust which will own or co-own a water organisation should be within scope of a change proposal</p>	<p>Include the following in section 25(1)</p> <p>Amalgamating an existing water organisation in which the territorial authority is a shareholder with another water organisation to form a new water organisation</p> <p>Establishing a consumer trust (in accordance with section 43 et seq) to which the Territorial Authority seeks to transfer some or all shares the Territorial Authority is entitled to in a water organisation.</p>
<p><b>10. Section 28 (how consultation is carried out)</b></p>	<p>Section 28(c) and (d) refer to the authority’s rates, debt and level of service. If the change proposal were to relate to a water organisation that the territorial authority was a shareholder in, the proposal should refer to the</p>	<p>Wording in section 28(c) and (d) to be considered and amended to ensure that where a change proposal relates to the territorial authority changing shareholding arrangements, the reference to debt and</p>

SECTION	SUBMISSION	RECOMMENDATION
	debt and levels of service of the relevant water organisation.	levels of service is to the entity that is providing the water services.
<p><b>Subpart 2 (section 76 et seq – Development Contributions)</b></p>	<p>Section 78 sets out the purpose of development contributions in similar terms to the purpose set out in the Section 197AA of the LGA 2002. Subsection 78(2) of Bill #3 provides that “a water organisation must only recover a cost under this subpart if it incurs the cost in relation to water services infrastructure that it owns or will own”.</p> <p>Section 93 of Bill#3 provides that if a water organisation does not adopt a development contributions policy, the organisation and Council in whose district the water organisation operates may agree that the territorial authority will extend its developments contribution policy to cover the operations of the water organisation. The provision does not provide clarity as to what occurs where there are a number of territorial authorities who have transferred water services to a water organisation. Is it intended that the policy of only one Council can be extended to the water organisation or for more than one to be extended with the application of each limited to the geographical area of the relevant Council.</p> <p>Where there are multiple Councils coming together to form a water organisation, and Councils have development contribution policies that are operating effectively, it is submitted that the water organisation should be able to apply the development contributions policy of a number of Councils to its operations, with the</p>	<p>Amend section 92 so that it is mandatory for a water organisation to engage a Council to administer part of the water organisations development contributions on its behalf where a water organisation has extended a number of shareholding councils development contributions policy to its operations.</p> <p>Amend section 93 so that where there are a number of Councils who have a transferred responsibility for water services to a water organisation, each Council can extend its development contributions policy to cover the operations of the water organisation in its area for a period of time (and subject to each policy meeting the requirements of Bill#3). This is valid for a period of 5 years from establishment of the water organisation, after which time, the:</p> <ol style="list-style-type: none"> <li>1) The development contributions policy of only one Council can be extended to all operations of the water organisation; or</li> <li>2) The water organisation adopting an entity wide development contributions policy</li> </ol>

SECTION	SUBMISSION	RECOMMENDATION
	<p>application of the policy ring fenced to the former service area of the relevant Council, with it being open to open to other shareholding councils to adopt the policy of another Council and extend it to water services activity in its district.</p> <p>For the above reason, is submitted that transitional provisions should be included in relation to section 93 so that that subsection 93(1) enables the water organisation to adopt a development policy of a number of Councils but limited to the geographical area of that Council district unless otherwise agreed by Councils.</p> <p>To make the above work, it is submitted that where a water organisation has extended the development contributions policy of a number of territorial authorities to its operations, then it must enter into an agreement with each Council under section 92 for the relevant Council to administer the development contributions policy on behalf of the organisation in that Council's district.</p>	
<p><b>Section 116 (power to carry out work in relation to water services infrastructure on land)</b></p>	<p>Section 116(6) states “Despite <b>subsection (6)(b), subsection (1)(a)</b> applies to land administered by a local authority under the Reserves Act 1977.” There appears to be an error, and the cross-reference needs to be reviewed.</p>	<p>Amend cross-reference in Section 116(6) as appropriate.</p>
<p><b>Subpart 7 (Management of stormwater networks)</b></p>	<p>This subpart refers to a “water service provider that is responsible for the management of a stormwater network in its service area”. Clarity is sought on the</p>	<p>Extend section 166 so that it applies in the context of a stormwater management services agreement between water service providers.</p>

SECTION	SUBMISSION	RECOMMENDATION
	<p>scope of “responsibility” in the context of a Council who engages a water services provider to provide stormwater management services on its behalf in its district under a service agreement (not a transfer agreement).</p> <p>Akin to Subpart 5 and 6, can a Council who has not “transferred” stormwater services to a water organisation under a transfer agreement, but has transferred responsibility under a services agreement, delegate the obligation to develop a stormwater network risk management plan for the service area or make recommendations as to a combined plan across the relevant stormwater network that the water organisation manages for the relevant councils consideration?</p>	<p>Extend section 170 so that a water service provider who is responsible for stormwater services under a services agreement with a Council can make recommendations in relation to stormwater network bylaws for Council consideration (in a similar manner as provided for in Subpart 5 and 6)</p>
<p><b>Section 176 (service agreements for stormwater network)</b></p>	<p>This section provides that a water service provider “may” enter into a service agreement with 1 or more entities that have a statutory role, function or interest in the operation of any stormwater infrastructure in the provider’s service area.</p> <p>It is submitted that where a water organisation is established that covers a number of districts, it should be mandatory for the water organisation to enter into a service / relationship agreement with each transport corridor manager and the relevant regional council so there is clarity on the integrated management of stormwater network.</p>	<p>Word ‘may’ replaced with ‘must’.</p>
<p><b>Section 214 (consequences of transfer for purposes of Inland Revenue Acts)</b></p>	<p>Section 214 provides that the specified entities are treated as the same person in specified circumstances for a period of 5 years. It is submitted that considering</p>	<p>Amend section 214(2) so that section 214(1) continues to apply in the context of section 214(b) (i.e. water</p>

SECTION	SUBMISSION	RECOMMENDATION
	<p>the possibility of water organisations merging over time, the time frame in section 214(2) should be extended to 10 years in the context of section 214 (1)(b)</p>	<p>organisation to water organisation) for a period of 10 years after the section comes into force.</p>
<p><b>Section 268, 269 (Infrastructure design solutions), Section 320 and 330 (Stormwater Environmental Performance Standards)</b></p>	<p>We support a catchment-based approach to consenting as an alternative to national standards which have no regard to the receiving environment.</p> <p>Exceptions should be included so there is the ability to have a catchment approach rather than solely focussing on point source discharge.</p>	<p>Exception included to the standards where there is an integrated catchment plan</p>
<p><b>Schedule 1 (transfer of employees)</b></p>	<p>Schedule 1, clause 1 and 2 provide the transitional provisions that apply for a period of 5 years where water services are transferred from one <i>water organisation</i> to another <i>water organisation</i>. The definition of water organisation does not include the water services business of a Council (again it being noted that water organisation is defined to include a water organisation established under section 36 or a CCO that was in existence before Bill#3 comes into force and intends to continue to provide water services after that date).</p> <p>In contrast, the term water service provider does extend to a territorial authority. It is submitted that for the transitional provisions to apply to the employees in the context of a Council to water organisation transaction, clause 1 of Schedule 1 needs to be amended to refer to the transfer of water services from a water services provider to a water organisation.</p>	<p>Include subclause 1(4) into Schedule 1 to provide that "An employee of organisation A that is offered employment by Organisation B (and where the offer meets the conditions set out in subclause (3)(a) to (c)) is not entitled to receive any payment or other benefit on the ground that the employee's position in Organisation A has ceased to exist, whether or not the employee accepts the offer."</p>

SECTION	SUBMISSION	RECOMMENDATION
	<p>In addition to the above, it is noted that clause 1(3) of Schedule 1 provides that an employee <i>who accepts</i> an offer of employment into water organisation B is not entitled to any payment or other benefit (including redundancy) as a result of the transfer subject to the conditions set out in that sub-clause. The consequence is that if an employee receives an offer (on the terms set out in subclause 3) which they do not accept, the relevant employee may be entitled to redundancy on termination of their employment with the Council (subject to the terms of their employment contract).</p> <p>The implications of the above could be significant for Councils due to employees choosing to take redundancy rather than accept an offer from water organisation B. To mitigate this, it is proposed that Clause 1 of Schedule 1 is amended in the manner proposed.</p>	

## Signed for and on behalf of:

	Authorised signatory	Signature
<b>1. Hauraki District Council</b>	David Speirs	
<b>2. Matamata Piako District Council</b>	Manaia Te Waiata	
<b>3. Otorohanga District Council</b>	Tanya Winter	
<b>4. South Waikato District Council</b>	Susan Law	
<b>5. Taupo District Council</b>	Julie Gardyne	
<b>6. Waipa District Council</b>	Steph O'Sullivan	
<b>7. Waitomo District Council</b>	Ben Smit	

**Item 211** Local Water Done Well Option Analysis Process

**To** Ōtorohanga District Council (ŌDC)

**From** Mark Lewis, Group Manager Infrastructure and Assets

**Type** **DECISION REPORT**

**Date** 25 February 2025



## 1. Purpose | Te kaupapa

1.1. To confirm Council’s objectives for district water services and the critical success factors and criteria that will be used to assess options for the delivery of these services under the Local Water Done Well (LWDW) policy framework.

## 2. Executive summary | Whakarāpopoto matua

- 2.1. For the past six months, Ōtorohanga District Council (ŌDC) has been investigating two water service delivery options for the district and must soon determine a preferred arrangement for community consultation.
- 2.2. Deciding on a preferred arrangement is an important and complex decision balancing a range of considerations for current and future residents. To help focus on what is important for the district a set of objectives for water services has been developed drawing on our legislative obligations and informed by our specific regional and local circumstances.
- 2.3. Supplementing the objectives, a three-step process is proposed to help compare and analyse the differences and similarities between the water service models we have been investigating. The three step process filters the options for compliance with the legislation, then analyses the options against a set of weighted criteria. The third step in the process is analysis of the options from a financial perspective.
- 2.4. Council confirmation of the objectives and three-step process is sought before we begin the analysis.

## 3. Staff recommendation | Tūtohutanga a ngā kaimahi

- 3.1 That Ōtorohanga District Council receive the report ‘Local Water Done Well Option Analysis Process’ (Document number 807066) and confirm:
  - a. The objectives for water services outlined in Appendix One;
  - b. The critical success factors, evaluation criteria in Appendix Two, and the following



weightings for each criterion:

Criterion	Weighting %
Financial sustainability	22
Community Connectiveness	17
Operational Effectiveness	19
Uphold partnerships	13
Regional Leverage	11
Maintain Viability	17
<b>Total</b>	<b>100</b>

#### 4. Context | Horopaki

- 4.1. Following the previous government’s initiatives to bring wide reaching change to the sector via the Three Waters Reform programme, the current Coalition Government has instigated LWDW to address New Zealand’s long-standing water infrastructure challenges. LWDW establishes a framework for improving the management of drinking water, wastewater, and stormwater services by requiring councils to develop water service delivery plans (WSDP) to provide for financially sustainable and high-quality water services to their communities, while allowing for local decision-making on how to achieve this goal.
- 4.2. Consultation is not required on the draft or final WSDP, but councils must consult before deciding on the anticipated or proposed model for delivering water services. In doing so, information must be provided on:
  - a. The model or arrangement proposed
  - b. An analysis of at least two options (including their proposed arrangements / model) but the legislation is silent on the method for carrying out this analysis
  - c. Potential impacts of proceeding or not proceeding with the proposal.
- 4.3. For the past six months, ŌDC has been investigating two water delivery options for the district – an enhanced status quo model (Status quo +) and an aggregated council controlled organisation (CCO) model. However, we are yet to determine our preferred arrangement and this decision is due to be made in early April to allow sufficient time for community consultation prior to submitting our WSDP to meet the legislative deadline of 3 September 2025.
- 4.4. Deciding on a preferred option is an important and complex decision as Council will have to balance a range of considerations to meet both the immediate and long term needs of the district. It will also need to demonstrate to the community its reasoning for the proposed delivery arrangement whilst being transparent about the advantages and disadvantages of the model selected.
- 4.5. To assist with making a decision, this report sets out Council’s objectives and a process to help compare and analyse the differences and similarities between the two models being investigated for the district.

The intent is to provide a structured, consistent, defensible method for determining the preferred water service delivery arrangement for community consultation.

## 5. Considerations | Ngā whai whakaarotanga

### Significance and engagement

- 5.1. Determining the best arrangement for the future delivery of water services is a significant decision with far reaching consequences. Not only do the community need to be consulted, if they are to meaningfully engage in Council's decision, they need to have a good understanding of LWDW and the basis upon which the preferred arrangement has been selected.

### Impacts on Māori

- 5.2. Council's delivery arrangements for water will have impacts for Māori. The objectives and process proposed in this report make explicit provision for honouring and upholding relationships and agreements with hapū and our iwi partners when assessing our options.

### Risk analysis

- 5.3. A thorough assessment of the options Council is considering for its water services and structured process for determining its preferred option are essential for making a robust decision and reducing risk. However, Council will be comparing a tried and tested arrangement against a theoretical model. Despite a rigorous process, there will be an element of uncertainty requiring Council to make judgements based on the best information to hand.

### Policy and plans

- 5.4. Council must prepare a WSDP which must include the anticipated or proposed model or arrangements for delivering water services<sup>1</sup>. The plans are a one off requirement and must be submitted to the Minister of Local Government no later than 3 September 2025.

### Legal

- 5.5. The Local Government (Water Services Preliminary Arrangements) Act 2024 (WSPAA) specifies that when making its decision, councils must assess the advantages and disadvantages of all options identified (WSPAA S61(2)(c)). Certain information that must also be made available to the public when undertaking consultation. This information includes an analysis of the reasonably practicable options - which in our case is the two models we have been investigating (WSPAA S64(2)).

### Financial

- 5.6. Costs associated with LWDW are being met utilising monies from the Department of Internal Affairs to assist councils to prepare their WSDPs and transition to the new water services delivery framework. There are no new financial costs associated with applying the processes outlined in this report in addition to costs already identified.

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<sup>1</sup> Local Government (Water Services Preliminary Arrangements) Act 2024, S13(k).

<b>DIA TRANSITION FUNDING (Since July 2023)</b>	<b>Actual YTD</b>	<b>Projected Additional Spend</b>	<b>Total Spend</b>
Previous 3 Waters Reform	35,651		35,651
WWDW	57,500	57,000	114,500
Viability Assess / Enhanced Status Quo / WSDP	38,600	76,000	114,600
Staff/Consultants	43,305	30,000	73,305
<b>Total</b>			<b>338,056</b>
Money received from DIA			478,478
Projected money left over			140,422

## 6. Discussion | He kōrerorero

### Objectives

- 6.1. While establishing a national framework, a stated intention of LWDW is to provide local flexibility for communities and councils to determine how their water services are delivered. Prior to analysing options, it is important that we are clear about our local objectives as this will help focus on what’s important for our community in our decision making in relation to water.
- 6.2. Appendix 1 contains a set of objectives recently workshopped with Elected Members. These objectives draw on our legislative obligations<sup>2</sup> whilst being informed by our specific regional and local circumstances. Furthermore, the objectives reflect targeted, ongoing consultation undertaken with elected members, iwi and our rural scheme owners on the matter of water reforms over the past three years.
- 6.3. Council is requested to confirm these objectives as they provide a platform for analysing our two water services options and determining our preferred arrangement for community consultation.

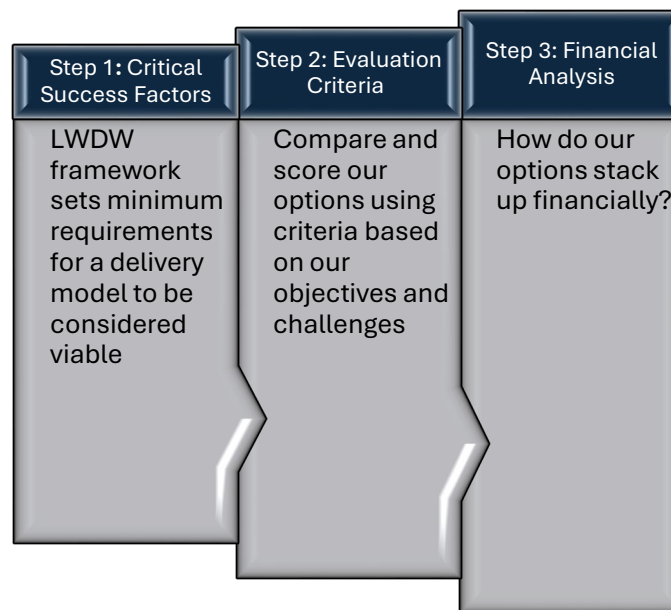
### Three Step Option Analysis

- 6.4. Council is soon to receive final reports detailing the key components and financial arrangements for the options for the delivery of water services it has been investigating. Without prejudging the outcomes of these reports, it is likely that both delivery arrangements will have merits and equally shortcomings making the determination of a preferred arrangement difficult without a consistent approach for comparing the models. Staff are proposing that Council apply a three-step process to analysing its options, as outlined below.
  - a. Critical Success Factors: The LWDW framework sets minimum requirements that must be met in order for a delivery model to be considered viable. These requirements, referred to in our proposed process as critical success factors (CSFs), will be used as a first filter to exclude arrangements unlikely to reach these thresholds (Refer Appendix 2 for CSFs).

<sup>2</sup> Albeit anticipated as we await the enactment of the Local Government (Water Services) Bill 2024, cl. 15. Refer Appendix 1 for Objectives of water service providers.

- b. **Evaluation Criteria:** Based on the objectives described in sections 6.1 to 6.3 above, and the challenges the district experiences in the delivery of water<sup>3</sup>, a set of weighted criteria will be used to evaluate, compare and score our options providing a qualitative (measure of quality) assessment of our selected water service arrangements (refer to Appendix 2 for Evaluation Criteria, Scoring and Weighting).
- c. **Financial Analysis:** A high-level financial analysis of the options will be undertaken. Within limitations, this analysis will provide quantitative (measure of data) information for comparing the options.

Figure 1: Three Step Analysis Process



6.5. It is also intended that a risk analysis will be undertaken.

**Options**

6.6. When deciding its preferred delivery model, the WSPAA does not specify the method councils should apply to analysing its options – the process is left to councils to determine. Council has three options as set out below:

**Option 1: Three Step Option Analysis**

6.7. Applying the Three Step Option Analysis outlined in this report which includes weighted criteria based on Council’s objectives for water services.

**Option 2: Minimum Options Analysis**

6.8. Applying a minimum options analysis involving an assessment of:

- a. Compliance with the bottom lines in the WSPAA (ie. financial sustainability, revenue sufficiency etc)
- b. Advantages and disadvantages but without applying any set criteria or weightings.

<sup>3</sup> As identified in recent service delivery assessments and Council Workshops.

6.9. This option is not supported as the basis for the assessment is considered too narrow for such an important decision.

**Option 3: Alternative Options Analysis**

6.10. Applying another method such as a full Better Business Case methodology.

6.11. This option not supported as the legislative deadlines do not allow sufficient time to develop two in-depth delivery models as well as formulating and applying a comprehensive methodology to the assessment of these models.

**Recommended option and rationale**

6.12. Staff recommend that Council apply the three-step model as set out in this report. Although, judgements will need to be made about how well specific criteria are met, the process allows for great consistency and testing for alignment against the district’s objectives. It also applies a wider evaluation scope and a degree of rigour of analysis within the limited timeframes available for consultation and preparing a WSDPs.

**7. Appendices | Ngā āpitihanga**

Number	Title	Document number
1	Ōtorohanga District Council Water Services Objectives	807067
2	Critical Success Factors, Criteria and Weighting	807068

## APPENDIX ONE:

### ŌTOROHANGA DISTRICT COUNCIL WATER SERVICES OBJECTIVES

Delivery of integrated water services for the Ōtorohanga community that:

- |                         |   |
|-------------------------|---|
| Financially Sustainable | 1. Are efficient, financially sustainable and affordable now and into the future  |
| Compliant               | 2. Meet regulatory standards and requirements for public health and the environment whilst fulfilling community expectations with respect to quality  |
| Resilient               | 3. Are flexible and adaptive to social and environmental challenges including natural hazards and climate change                                      |
| Community Connectedness | 4. Publicly owned with provision for community input on local matters and bespoke solutions catering for the rural nature of our district             |
| Uphold Partnerships     | 5. Gives effect to Te Ture Whaimana as it relates to the district and honours and upholds relationships and agreements with our hapū and iwi partners |
| Regional Leverage       | 6. Supports inter regional collaboration to achieve efficiencies and enables coordinated, boundaryless planning and investment                        |
| Maintain Viability      | 7. Ensures remaining council operations are viable and capable of delivering cohesive services to meet community expectations.                        |

## APPENDIX TWO:

### CRITICAL SUCCESS FACTORS, CRITERIA AND WEIGHTING

#### CRITICAL SUCCESS FACTORS

CRITICAL SUCCESS FACTORS	DESCRIPTION
Regulatory Compliance	<ul style="list-style-type: none"> <li>Has the capacity and capability to achieve compliance with all applicable regulations for the safe and lawful operations of the district's water services.</li> </ul>
Financial Sustainability	<ul style="list-style-type: none"> <li>Provides for ring-fencing of water services (ie. no cross subsidisation of or for other services).</li> <li>Generates sufficient income to cover all operational and funding costs in the long term.</li> <li>Projected level of investment is sufficient to maintain assets, meet regulatory requirements and provide for growth.</li> </ul>
Transparency & Accountability	<ul style="list-style-type: none"> <li>Has the capacity to provide the public and consumers access to reliable information about the different components of the water services being delivered (including quality and other matters related to public safety) and water charges.</li> </ul>
Consistency with Legislative Objectives & Customer Expectations	<ul style="list-style-type: none"> <li>Ensures the health and safety of the community with respect to water service provision remains paramount.</li> <li>Acts in the best interests of current and future consumers.</li> </ul>
Ownership	<ul style="list-style-type: none"> <li>Remains in public ownership.</li> </ul>

#### EVALUATION CRITERIA

CRITERION	DESCRIPTION	WEIGHTING %
How well does the option ....		
Financial Sustainability	<ul style="list-style-type: none"> <li>Improve the financial efficiency of delivery by:               <ul style="list-style-type: none"> <li>Creating sufficient funding to meet investment required (Debt headroom)</li> <li>Generate savings that can be sustained savings</li> <li>Maximise economies of scale</li> </ul> </li> <li>Consider consumer affordability</li> <li>Optimise value for money and minimise associated risk</li> </ul>	22
Community Connectedness	<ul style="list-style-type: none"> <li>Maintain the local voice and allow for influence in strategy development and delivery of water services</li> <li>Deliver consistent, seamless levels of service to all consumers regardless of location</li> <li>Allow for consistent pricing aligned with level of service</li> </ul>	17

Operational Effectiveness	<ul style="list-style-type: none"> <li>• Attract and grow a highly skilled workforce</li> <li>• Provide for: <ul style="list-style-type: none"> <li>– All aspects of legislative compliance</li> <li>– Improve delivery of capital programmes</li> <li>– Improve asset management systems and processes</li> </ul> </li> <li>• Create a stable and secure operating environment (supports long-term decision-making, is resilient against fluctuations in political cycles, withstands changes in the ability or willingness of partner councils to collaborate, and respond to emergency situations)</li> </ul>	19
Uphold Partnerships	<ul style="list-style-type: none"> <li>• Give effect to Te Ture Whaimana as it relates to the district</li> <li>• Maintains the ability for ŌDC to uphold relationships and agreements with our hapū and iwi partners</li> </ul>	13
Regional Leverage	<ul style="list-style-type: none"> <li>• Support inter-regional collaboration to achieve efficiencies and enables catchment-based planning and investment</li> </ul>	11
Maintains Viability	<ul style="list-style-type: none"> <li>• Ensure remaining council operations are viable and can continue to deliver on community expectations including: <ul style="list-style-type: none"> <li>– Retention of ŌDC's standing as an anchor institution for the district</li> <li>– Maintaining integration with council's land use and non-water infrastructure planning</li> <li>– Mitigating potential stranded costs that could arise through structural separation</li> </ul> </li> </ul>	17
<b>TOTAL</b>		<b>100%</b>

#### SCORING SCALE FOR EVALUATION CRITERIA

SCORE	DESCRIPTION
Strongly Enables Criteria + Benefits (Score 5)	Aligns with all aspects of the evaluation criteria and provides additional benefits.
Strongly Meets Criteria (Score 4)	Aligns to the evaluation criteria, with no additional benefits.
Moderately Meets Criteria (Score 3)	Moderately aligns to the evaluation criteria but has some deficiencies.
Meets Criteria (Score 2)	Only somewhat aligns to the evaluation criteria and has substantial limitations.
Fails to Meet Criteria (Score 1)	Option fails to align to the evaluation criteria.



**Item 212** Local Water Done Well Communication & Engagement Plan

**To** Ōtorohanga District Council

**From** Nardia Gower, Group Manager Strategy and Community

**Type** **DECISION REPORT**

**Date** 25 February 2025



**1. Purpose | Te kaupapa**

- 1.1. To present a proposed communication and engagement plan (high level) for responding to the national water directives under the government's policy known as 'Local Water Done Well (LWDW)'.
- 1.2. Confirmation is also sought in relation to Ōtorohanga District Council's (ŌDC) expectations for community consultation and engagement on our preferred water service delivery arrangement for the district.

**2. Executive summary | Whakarāpopoto matua**

- 2.1. ŌDC is soon to consult on its preferred water services delivery arrangement which will determine how water supply, wastewater and potentially stormwater are managed into the future. This is a significant decision not only affecting our water services but with implications for the rest of the organisation.
- 2.2. ŌDC has been investigating two water service delivery models – an enhanced status quo model (Status quo +) and an aggregated council controlled organisation (CCO) model. However, we are yet to determine our preferred model.
- 2.3. As we are only investigating the two options, the streamlined 'alternative' processes for consultation under the Local Government (Water Services Preliminary Arrangements) Act 2024 (WSPAA) apply. This streamlined process allows for some flexibility in the duration and form of consultation undertaken.
- 2.4. A communication and engagement plan (the C&E Plan), attached as Appendix 1, has been developed and several workshops (December 2024 and February 2025) have been held with Elected Members on expectations in relation to the forthcoming consultation phase.
- 2.5. Balancing both timing constraints and the need for natural justice when making such a significant decision, a consultation period of one month with hearings is proposed. A range of Mayoral and Elected Member led tactics to inform and engage the community are also proposed.

### 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That Ōtorohanga District Council endorse the Local Water Done Well Communication and Engagement Plan dated February 2025 (document number 805826) noting that:

- a) The alternative consultation mechanisms provided for in Sections 61-64 of the Local Government (Water Services Preliminary Arrangements) Act 2024 will be applied
- b) Engagement with the community will be led by the Mayor and Elected Members using the tactics outlined in the Communication and Engagement Plan
- c) Consultation will adhere to the Principles of Consultation as per the Local Government Act 2002, Section 82
- d) Consultation will be for a period of one month from notification of Council's decision on its preferred option for the delivery of water services
- e) The public will be given the opportunity to present their views to Council, in person, at a hearing.

### 4. Context | Horopaki

- 4.1. Central Government has developed a proposed new framework for the delivery of three waters (drinking water, stormwater and wastewater) in New Zealand known as Local Water Done Well (LWDW), replacing the now repealed Three Waters legislation. The new framework aims to address water quality and water services infrastructure investment, while retaining local control over water services and assets.
- 4.2. As Council is aware, a key component of LWDW is the requirement for councils to prepare a water services delivery plan (WSDP) outlining the intended water services delivery and implementation arrangements for their district. Consultation is not required on the draft or final WSDP per se, but councils must consult before deciding on the anticipated or proposed arrangement for delivering water services in their respective districts.
- 4.3. When consulting, councils would usually be expected to follow the principles and procedures laid out in the Local Government Act 2002 (LGA). The WSPAA sets out a streamlined 'alternative' process for consultation. Councils complying with these 'alternative' processes, do not need to comply with the corresponding requirements in the Local Government Act 2002 (LGA). The main differences between the processes are:
  - a) When making decisions on its proposed arrangement for delivering water services, councils are only required to identify and assess the advantages and disadvantages of two options (one being the status quo) as opposed to identifying all reasonably practicable options as would be required under the LGA
  - b) There are no stipulations as to the form or duration of the consultation (like that specified when using the special consultative procedure under the LGA), however, the following requirements of the LGA do continue to apply:

- i) Taking into account the relationship of Māori and their culture and traditions in relation to water and other matters (LGA, S77(1)(c))
  - ii) The contribution of Māori to decision making (LGA S81)
  - iii) The principles of consultation (LGA, S82).
- 4.4. ŌDC has been investigating two water service delivery models – an enhanced status quo model (Status quo +) and an aggregated council controlled organisation (CCO) model. However, ŌDC is yet to determine its preferred model.
- 4.5. Timeframes are tight for consulting on a preferred delivery arrangement and preparing the WSDP for submission to the Secretary for Local Government (due 3 September 2025). While provisions in the WSPAA serve to simplify aspects of the decision-making/consultation process, a balance needs to be found between expediency and fairness ensuring people are able to give feedback and feel heard. Furthermore, as a significant decision, it is important that the community is well informed about why changes are happening, understands the reasons for ŌDC's preferred arrangement and are aware of the flow-on implications for ŌDC and the district. It is also important that the consultation process is transparent.
- 4.6. ŌDC has held several workshops to consider community consultation and engagement in relation to LWDW. At these workshops Elected Members have indicated a preference that the form and duration of consultation on this complex and important decision include the following elements<sup>1</sup>:
- a) A consultation period of one month
  - b) Use of a range of engagement tactics including Mayoral and Elected Member led 'in person' opportunities with support from staff such as public meetings, hui with mana whenua and various stakeholder meetings
  - c) Provision for formal hearings as part of the submission process, ensuring that those who wish to present their views to Council in person are able to do so.
- 4.7. This report seeks endorsement of the high-level C&E Plan for LWDW and confirmation of ŌDC's expectations with respect to consultation on our preferred option for the delivery of water services.

## 5. Considerations | Ngā whai whakaarotanga

### Significance and engagement

- 5.1. Selection of a preferred arrangement for the delivery of water services is significant and triggers the thresholds in ŌDC's Significance and Engagement Policy. Under normal circumstances the decision would require use of the special consultative procedure (LGA, S83) particularly since the decision may involve transferring the ownership or control of a strategic asset(s) to another entity. In addition, an analysis of all reasonably practicable options would also normally be required.

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<sup>1</sup> For more further details, refer to Appendix 1: Local Water Done Well Consultation and Engagement Plan

- 5.2. The WSPAA makes provision for councils to step away from the LGA and its own Significance and Engagement Policy providing it complies with sections 61 to 64 of the WSPAA.

### **Impacts on Māori**

- 5.3. Council has endeavoured to keep its iwi partners abreast of the work it has been involved in relation to this kaupapa. Most recently an Iwi Leaders workshop was held on 4 December 2024 to brief mana whenua on progress to date with water services policy and legislation. The C&E Plan anticipates further hui with mana whenua to ensure Māori perspectives are integral to the planning process.
- 5.4. At a regional level, iwi leaders from Raukawa and Ngāti Maniapoto (Te Nehenehenui) have joined with other iwi leaders, and Mayors/Chair of Waikato Regional Council (WRC) for quarterly updates on LWDW and the investigations into an aggregated CCO water services delivery model. The most recent hui was 25 November 2024.

### **Risk analysis**

- 5.5. The C&E Plan for LWDW identifies a range of internal and external risks for ŌDC in both consulting on its preferred model for water service delivery but also in relation to LWDW in general (refer Appendix 1).
- 5.6. External risks include, amongst other matters, public concern and potential misinformation over the proposed changes to water services delivery including the associated financial impacts and implications for levels of service. To mitigate these concerns, the C&E Plan proposes:
- a) Clear, transparent messaging to ensure the community has sufficient information
  - b) A range of in-person tactics - Mayoral led supported by Elected Members and staff - to build trust and confidence.
- 5.7. A consultation process that adheres to the principles of consultation will also be important for allaying public concerns and retaining trust in Council. To this end, adequate provision needs to be made for community members to be able to express their views and feel heard.

### **Policy and plans**

- 5.8. Preparation of a WSDP is a one-off requirement for councils. While consultation is not required on the WSDP itself, the plan must include information on the council's proposed model or arrangements for delivering water services and it must have consulted on that proposed model or arrangement (WSPAA S13(1)(k) and S17(2)).

### **Legal**

- 5.9. As discussed in 4.2 and 4.3 above, under the WSPAA councils must consult before deciding on their proposed arrangement for delivering water services and the Act sets out streamlined 'alternative' processes for both decision making and undertaking this consultation. Compliance with these 'alternative' processes replaces the corresponding requirements under the Local Government Act 2002 (LGA). However, Sections 77(1)(c) and 81 relating to decision making affecting Māori and the principles of consultation (LGA, S82) continue to apply.

- 5.10. The legislation stipulates that, in its decision-making, a council must identify remaining with the existing approach for delivering water services and an option for a joint local government arrangement. It may also identify additional options if it wishes.
- 5.11. Section 64 of the WSPAA sets out the information that must be provided when consulting the public on its options. It should be noted that where a joint local government arrangement is the preferred option, information on the implications for communities throughout the joint service area must be made publicly available.

### **Financial**

- 5.12. Communication and consultation costs for LWDW will be met utilising monies from the Department of Internal Affairs to assist councils to prepare their WSDPs and transition to the new water services delivery framework.

## **6. Discussion | He kōrerorero**

- 6.1. Since reform was first mooted for water under the previous government, ŌDC has had targeted and ongoing engagement with iwi and our rural scheme owners. This engagement has sought to ensure:
- Our stakeholders and partners are kept up to date about any anticipated changes
  - We have an understanding of local concerns, views, and preferences with respect to these changes and able to represent the district's position on these matters in forums, where appropriate.
- 6.2. With the enactment of the WSPAA in September 2024, councils have had to move at pace to prepare for making decisions that will shape their WSDPs in time to meet the legislative deadline. We are now reaching a critical stage in the decision-making process – identifying and consulting on our preferred model for the delivery of water services. Communication and engagement will be required over the coming months to a wider audience to bring our community and other stakeholders along with us as we make this significant decision for the district.
- 6.3. Apart from stipulating specific information that must be provided to the public, the WSPAA is silent on both the consultation period and the form that consultation on a council's proposed water service delivery model must take. As a consequence, the legislation affords councils some flexibility about the process.
- 6.4. In preparation for the next stage in the development of the WSDP, staff are seeking confirmation from Council on the duration and form of the community consultation to be undertaken. We have two options:
- Option 1:**
- A one month consultation period (noting that this time could be extended if required)
  - Provision is made for formal hearings as part of the submission process, ensuring that those who wish to present their views to ŌDC in person are able to do so

- c) Three public engagement events, led by the Mayor with support from Elected Members and staff, be held during the public consultation phase at Kāwhia, Ōtorohanga and Arohena.

**Option 2:**

- a) Lengthening or shortening the consultation period (eg. five weeks or three weeks)
- b) Not holding hearings
- c) Holding more or fewer community event sessions or applying different methods to inform the community about the changes proposed.

**Recommended option and rationale**

- 6.5. Although the process for deciding on the preferred water services delivery model for the district has been streamlined, there are constraints that need to be balanced. On the one hand timing for making the decision is limited due to the WSDP having to be submitted to Government by 3 September 2025, leaving only a short window for community consultation. On the other hand, this is a significant decision that not only affects our water services, but it also has flow-on effects for the rest of the organisation. From a natural justice perspective, it is important that the community has sufficient time to understand the changes proposed and are given the opportunity to present their views in a manner and form appropriate to their preferences (LGA, S82).
- 6.6. Staff recommend that option one provides the best balance given the constraints of time and natural justice. Furthermore, the community are more likely to have confidence in the decision if they are able to engage directly with their decision makers.

**7. Appendices | Ngā āpitihanga**

Number	Title	Document number
1	Local Water Done Well Communication & Engagement Plan External	805824

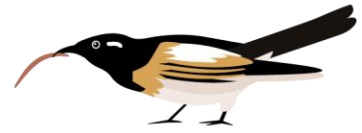


WEAVING THE  
FUTURE, TOGETHER  
**KOTAHITANGA**  
ŌTOROHANGA DISTRICT COUNCIL

# LOCAL WATER DONE WELL COMMUNICATION & ENGAGEMENT PLAN EXTERNAL

ŌTOROHANGA DISTRICT COUNCIL

February 2024



# Communication & Engagement Plan

## Local Water Done Well

Ōtorohanga District Council

### OVERVIEW

Ōtorohanga District Council is developing a plan in response to the national water directives under government policy 'Local Water Done Well (LWDW)'. This involves determining arrangements for delivering financially sustainable, compliant water services for the district and includes exploring the establishment of a council-controlled organisation (CCO) either alone or with other councils.

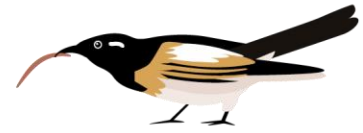
Our focus on People, Place and Partnerships will be strong throughout this period of potential change, and engaging with our communities and stakeholders will be central to our decision-making processes. Consultation is a critical part of the process and will require strong, visible leadership, making our Mayor the ideal figure to lead it. Unlike staff-led consultations, the Mayor's involvement underscores this project's significance as a top priority for our district, demonstrating accountability and a commitment to representing the entire community. With the Mayor at the forefront, residents can trust that their concerns and ideas will be directly addressed at the highest level, ensuring decisions reflect a shared vision for sustainable and equitable water management.

### OBJECTIVES

- Educate the community about the government mandated water directives and its implications.
- Present clear information on the preferred model for water service delivery.
- Minimise confusion and ensure transparent communication.
- Inform the community of the decision-making process and timeframes.
- Provide clear messaging around the consultation process and the opportunity to make submissions and influence decision making.
- Present the consultation options (status quo and new arrangement) and the impact the preferred model will have on rates, debt, levels of service and any charges for water services.
- Engage with the community, listen to and capture our districts wants and needs.
- Minimise negative publicity.
- Inform the community - what this will mean for us as an organisation.







## KEY MESSAGES

### STAGE ONE – Early-engagement:

- Introduce and inform our communities of the changes expected in the arrangements for the delivery of water services, its national context and its local impact.
- Advise/assure our communities there will be public consultation - “Local water done well - what it means”.

### STAGE TWO – Updates:

- “Here's where we are at”.
- Provide updates on Council decisions and initial proposals.

### STAGE THREE – Consultation and Hearings:

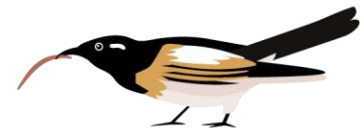
- “Now’s the time to have your say”
- Emphasise transparent consultation process and open channels for feedback.
- Highlight the significance of local input in shaping water service reform.
- Highlight the Mayor’s leadership as essential for the success of the consultation, emphasising the importance of public trust, accountability, and the need for decisions to be made with a strong, unified vision.

### STAGE FOUR – Decision:

- “Here’s what’s next - Council’s decision and what it means for you”
- Provide clarity on outcomes, impacts on rates, and next steps in the implementation.

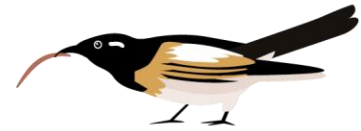
## RISKS & MITIGATIONS

RISKS	IMPACTS	MITIGATION
Community scepticism and resistance	Public mistrust in government could lead to negative sentiment toward the council’s decisions, reducing the effectiveness of the consultation process.	Develop clear, transparent messaging that emphasises the benefits of reforms, using relatable examples. Conduct open forums and Q&A sessions to address concerns directly. Utilise community champions (Elected Members) to build trust.
Financial concerns	Potential increases in water service costs could lead to public dissatisfaction, particularly if not well understood or perceived as unnecessary.	Clearly explain the long term financial benefits, including cost savings and infrastructure improvements. Provide detailed breakdowns of how funds will be used and offer financial assistance resources, such as rates rebates. Create educational materials to simplify complex financial data.
Misinformation	Inaccurate or negative commentary could amplify public resistance	Monitor media/social media coverage and promptly correct



	and spread misinformation.	inaccuracies to maintain public confidence.
Lack of digital connectivity	Some in our communities may lack internet access or the skills to engage in online consultations, limiting their participation.	Ensure non-digital engagement options, such as printed materials, in-person drop-in sessions, and telephone hotlines. Offer digital assistance in library and council office to assist residents.
In-person confrontation	Customer Experience (CX) staff could suffer negative customer feedback.	Ensure CX staff are given clear answers to potential enquiries.
Consultation fatigue	Continuous consultations over multiple subjects may overwhelm residents, leading to disengagement.	Space out consultations and focus on high-quality, engaging sessions. Combine events with community activities (e.g. sports events) to attract more attendees. Streamline messaging to avoid information overload.
Iwi and mana whenua engagement challenges	Insufficient engagement with Māori communities could lead to tensions or a perception of exclusion.	Schedule dedicated hui and maintain ongoing dialogue throughout the process. Include Māori representatives in governance and planning discussions.
Internal staff fatigue	Staff managing work programme, consultations and public enquiries may face burnout.	Prioritise workloads, maintain open communication channels within the organisation and recognise staff contributions.
Unrealistic expectations of outcomes	Public may expect immediate or unrealistic outcomes, leading to dissatisfaction if results take time.	Manage expectations by clearly communicating timelines, challenges, and achievable goals. Share success stories and regular progress updates to keep the community informed and motivated.
Public concern over loss of public control over a strategic asset	Public may perceive that they are losing an asset that their rates have paid for	Clearly communicate that public interest will be safeguarded, emphasising transparency and the continued value of community contributions to the asset.
Public concern about how this decision will affect other Council services	Public may see this as the 'thin edge of the wedge' leading to a loss of localism in general.	Provide clear information on the impact of the decision on the viability of the rest of Council.
Legislative compliance	Council's consultation process does not conform to legislative requirements.	Regular reviews of consultations processes to ensure compliance.





## AUDIENCES

INTERNAL	EXTERNAL
<ul style="list-style-type: none"> <li>• Elected Members - Councillors &amp; Community Boards</li> <li>• Leadership team</li> <li>• All staff</li> <li>• Customer Experience/Library team</li> <li>• Rural Water Supply Committees</li> </ul>	<ul style="list-style-type: none"> <li>• All residents</li> <li>• Mana whenua</li> <li>• Community groups</li> <li>• Affected parties (water users particularly sectors who have high water use)</li> <li>• Media</li> </ul>

## SPOKESPEOPLE

Mayor Max Baxter  
 All Councillors  
 Chief Executive Tanya Winter  
 Leadership team/water reform project team  
 Staff that are involved with drop-in sessions

## TACTICS

### Web-Based:

- Dedicated webpage – Central hub on Connecting Ōtorohanga with reform updates, media releases, FAQs, council reports, consultation document, and submission form.
- Social Media campaigns – Regular updates on Facebook, Instagram, and Antenna to ensure maximum reach.
- Āmio newsletter – Regular updates with key dates and actions.
- Virtual webinars – Interactive sessions with council representatives to discuss changes and gather feedback.

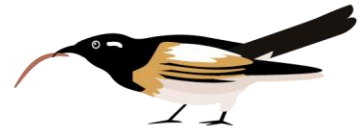
### Print-Based:

- Flyers and Brochures – Distributed at front of house and libraries, given to EMs to hand out.
- Posters – Displayed in high-traffic areas.
- Local newspaper ads/media releases – Regular notices in King Country News.
- QR business cards.
- Direct correspondence to rate database.

### In-Person:

- Mayoral led with the support from Elected Members and staff
- Hui with mana whenua – collaborative discussions to ensure Māori perspectives are integral to the planning process.
- Pop Up Council – information taken around the district via CX.
- Stakeholder meetings with Community Boards and Rural Water Scheme Boards.





- Three public engagement sessions – held throughout public consultation period at Kāwhia, Ōtorohanga and Arohena, details as follows:

LOCATION	DATE	TIME	LOCATION	ATTENDING
Kāwhia	TBC	TBC	Kāwhia Hall	Mayor, EMs, TBC staff
Ōtorohanga	TBC	TBC	The Club	Mayor, EMs, TBC staff
Arohena	TBC	TBC	Arohena Hall	Mayor, EMs, TBC staff



**Item 213** Elections 2025 - Order of candidate names on voting papers

**To** Ōtorohanga District Council

**From** Graham Bunn, Deputy Electoral Officer

**Type** **DECISION REPORT**

**Date** 25 February 2025



## 1. Purpose | Te kaupapa

1.1. To seek a decision on the order of candidate names on the voting papers for the Local Government Elections in October 2025.

## 2. Executive summary | Whakarāpopoto matua

2.1. Council may determine which order candidate names are to be presented on the voting paper. There are three options:

- a) Alphabetical order by surname: Candidates are ordered by surname in ascending alphabetical order.
- b) Pseudo-random order: The order of candidates is drawn by lot, and then each voting paper is printed with the same order of candidates.
- c) Random order: The order of candidates is determined randomly at the time each voting paper is printed.

2.2. In 2019 and 2022, Council exercised the option to decide on the order of candidate names on voting documents and determined to use random order. An early decision by Council provides clarity and certainty in the election preparations. If there is no exercise of this right, and no Council resolution, the default position is alphabetical order of surname.

2.3. Council staff recommend that in the interested of ensuring no advantage or disadvantage to any particular candidate, that the names presented on the voting paper be in random order. This option ensures no candidate is given an advantage by being listed first for that election on every voting paper. There is no additional expense for this option.

## 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That Ōtorohanga District Council resolve in accordance with Section 31 of the Local Electoral Regulations 2001, that for the next three years including the 2025 Local Body Election and any By-elections within that time if required, the names of the candidates are arranged in random order.

## 4. Context | Horopaki

- 4.1. Council appointed Warwick Lampp of electionz.com as Ōtorohanga District Council's Electoral Officer under resolution at an Ordinary Council meeting in 2004. That appointment remains valid until a further appointment is made. The Deputy Electoral Officer is Graham Bunn.
- 4.2. It is a requirement of local authorities to consider the order of candidate names on voting papers.
- 4.3. In 2019 and in 2022, Council resolved to have candidate names in random order of surname. By comparison, this is consistent with other neighbouring districts.

## 5. Considerations | Ngā whai whakaarotanga

### Significance and engagement

- 5.1. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance. Given the low level of significance determined, the engagement level is low. No engagement is required.

### Impacts on Maori

- 5.2. There is no requirement to engage specifically with Iwi.

### Risk analysis

- 5.3. The staff recommendation seeks to reduce the likelihood of any candidate being advantaged or disadvantaged.

### Policy and plans

- 5.4. This decision is consistent with Council's policies/plans and procedures.

### Legal

- 5.5. This decision is consistent with Section 10(a) "to enable democratic local decision making" of the Local Government Act 2002.
- 5.6. This decision is also consistent with Section 31 of the Local Electoral Regulations 2001.

### Financial

- 5.7. There are no significant financial implications that aren't already covered by budget.

## 6. Discussion | He kōrerorero

- 6.1. The three options for the order in which candidates are listed on voting documents are:
  - a) Alphabetical order by surname: Candidates are ordered by surname in ascending alphabetical order.
  - b) Pseudo-random order: The order of candidates is drawn by lot, and then each voting paper is printed with the same order of candidates.

- c) Random order: The order of candidates is determined randomly at the time each voting paper is printed.

**Option 1: Alphabetical order by surname**

- 6.2. This option is self-explanatory. The candidate names appear on the voting paper in alphabetical order of the surname. This is the default option if no preference is indicated.
- 6.3. Sorting in alphabetical order of surname is the simplest method for the voter and the most familiar, being the system used in central government elections. However, research suggests that there is a degree of advantage for candidates whose names are listed first on the voting paper.

**Option 2: Pseudo-random order**

- 6.4. Under this arrangement, the candidate names for each issue are placed in a receptacle, mixed together and then drawn out, with the candidate names then being listed on all voting documents for that issue in the order in which they are drawn.
- 6.5. The Regulations provide that if a local authority has determined that pseudo-random order is to be used, the Electoral Officer must state in the public notice required to be given, the date, time and place at which the order of the candidate' names will be arranged. Any person is then entitled to attend while the arrangement is in progress.
- 6.6. All candidates have an equal chance in having a degree of advantage for candidates whose names are listed first on the voting papers. However, research suggests that there is a degree of advantage for candidates whose names are listed first on the voting paper. Voters may find it more difficult to find their preferred candidate
- 6.7. There are minor additional public notice costs because the draw to select the order of candidate names on the voting paper must be advertised as being open to the public.
- 6.8. The additional time needed to complete the draw means that there is time pressure to prepare the public notice of day of election and candidate names.

**Option 3: Description**

- 6.9. For this option, the randomisation of candidate names is applied at the time the voting papers are printed, which results in the candidate names being listed in a different order on each voting paper (within the limits of available combinations).
- 6.10. No candidate is given an advantage by being listed first for that election on every voting paper. It is noted that voters may find it more difficult to find their preferred candidate.
- 6.11. Software used by Council contractor's means there is no additional expense for this option.

**Recommended option and rationale**

- 6.12. Option 3 – random order is the preferred option as no candidate is given an advantage by being listed first for that election on every voting paper.
-

**Information only reports****Ngā pūrongo mōhiohio anake**

**DISCLAIMER:** The reports attached to this Open Agenda set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions DO NOT represent Ōtorohanga District Council policy until such time as they might be adopted by formal resolution. This Open Agenda may be subject to amendment either by the addition or withdrawal of items contained therein.



**Item 214** Regulatory and Growth Activity: Six monthly update

**To** Ōtorohanga District Council

**From** Tony Quickfall, Group Manager Regulatory and Growth

**Type** **INFORMATION REPORT**

**Date** 25 February 2025



## 1. Purpose | Te kaupapa

1.1. To provide a six-monthly update on the operations activity under the Regulatory and Growth Group.

## 2. Executive summary | Whakarāpopoto matua

2.1. The Regulatory and Growth Group activity undertakes operations in the following areas:

- a) District Planning (resource consents and district plan)
- b) Building Control
- c) Animal Control
- d) Environmental Health
- e) Regulatory Compliance and Enforcement
- f) Bylaws

2.2. While this group also covers Civil Defence and Emergency Management (CDEM), this is reported on separately.

2.3. This report provides a six month update for the period July 2024 to December 2024.

## 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Ōtorohanga District Council receive the report titled 'Regulatory and Growth Activity: Six monthly update' (document number 805761).

## 4. Shared Services

4.1. Animal Control. The Animal Control Shared Service with Waitomo District Council has proven to be highly effective. Under this agreement, Ōtorohanga District Council (ŌDC) funds a full time role within the Waitomo Animal Control Team.

4.2. In practice, the Waitomo Animal Control Officer (ACO) team operates across both districts effectively as one single team, while retaining individual council branding and identity. The value of a dedicated ACO team is very apparent in terms of after-hours backup and team support for the more challenging

responses. There is also an informal but highly collaborative working arrangement and sharing of information with the Waipā District Council ACO team.

4.3. Regulatory Services. In January 2025, ŌDC, Waipā District Council and Waitomo District Council Chief Executives signed an over-arching regulatory shared services agreement between all 3 councils. Under this agreement:

- a) The service covered by this agreement covers all regulatory services during normal business hours, except for Animal Control which has its own separate shared services agreement. This agreement replaces an existing shared services agreement for Environmental Health between ŌDC and Waipā District Council.
- b) Under this agreement, any one of the three councils can request additional regulatory support from any of the other councils, on a cost recovery basis. Any council can also offer spare capacity to any of the other councils.
- c) Examples of the regulatory services that this agreement could provide across all three councils includes: building consent inspections and processing; environmental health inspections and processing; compliance and enforcement investigations and responses; resource consent processing.
- d) This is a “pay as you go” agreement with no additional overheads or administration costs. The agreed hourly rate for staff is roughly 60% of the equivalent cost of engaging consultants.
- e) The agreement is non-binding and councils will only offer or provide staff if they have capacity.

## 5. National Direction and Legislation

5.1. The current coalition Government has embarked on a number of legislative reforms and changes under its coalition agreement. Broadly speaking, for the regulatory and growth group these reforms are geared around the principles of:

- a) Replacing the red tape (and green tape) with “red carpet”.
- b) Enjoyment of private property rights.
- c) Enabling primary production, including mining.
- d) “Double bottom line” of environmental limits and private property rights.

5.2. Government’s approach is to phase-in easy wins followed by system change / reform, for both resource management (planning) and building control. While much of the detail remains uncertain, the direction of change is becoming clear as the work programme progresses. Advice from officials in different Ministries implementing these changes is that the Government is committed to change. The Prime Minister is also on public record with the same message.

5.3. An updated summary of the key changes is shown in Table 1. Note this is limited to Council’s regulatory functions and excludes other legislative change that may affect Council’s broader operations.

**Table 1: Summary of key regulatory legislation changes**

Area	Change	Timeframe/status	Anticipated Impact
<b>Resource management</b> (confirmed)	Phase 1: Fast Track Act (RMA bill #1)	Now Enacted	Minor
	Phase 2: RMA Amendment Bill #2 (consent processing and strengthened monitoring and enforcement powers)	Expected to be enacted March/April 2025	Minor to moderate
	Phase 2: National directions <ul style="list-style-type: none"> <li>• 7 new national directions</li> <li>• updates to 14 existing national directions</li> </ul>	Expected to be in force mid 2025	Major, new national rules and mandatory plan changes anticipated
	Phase 3: RMA replacement 2 new Acts <ul style="list-style-type: none"> <li>• Enabling property rights</li> <li>• Managing resources including new enforcement powers</li> </ul>	Bill expected to be introduced mid-late 2025	Major (once in generation whole system reset). Reduced resource consents, property rights enabled. Unitary plan for each region to replace district and regional plans.
<b>Building control</b> (confirmed)	1. Promoting accountability <ul style="list-style-type: none"> <li>• Strengthening the registration and licensing regime for builders.</li> <li>• Improving consumer protection measures in the BA.</li> <li>• Ensuring regulators have the power to hold people to account through licensing, complaints and disciplinary procedures.</li> <li>• Introducing new penalties.</li> </ul>	Underway	Moderate
	2. Remote Inspections: <ul style="list-style-type: none"> <li>• <u>Increasing the use of remote inspections to speed up the approval process and reduce delays<sup>1</sup>.</u></li> </ul>	Legislation/regulations 2025?	Moderate
	3. Minor Variations to Building Plans: <ul style="list-style-type: none"> <li>• Allowing minor changes to building plans without needing to apply for a building consent amendment<sup>1</sup>.</li> </ul>	Legislation/regulations 2025?	Moderate

Area	Change	Timeframe/status	Anticipated Impact
	<ul style="list-style-type: none"> <li>Introducing new regulations to define ‘minor customisation’ for plans and specifications<sup>1</sup>.</li> </ul>		
	<p>4. Modern Methods of Construction:</p> <ul style="list-style-type: none"> <li>Supporting the use of modern construction methods (e.g. offsite manufacturing &amp; prefabrication) to enhance innovation and efficiency<sup>2</sup>.</li> </ul>	Legislation/regulations 2025?	Moderate
	<p>5. Product Certification Framework:</p> <ul style="list-style-type: none"> <li>Strengthening the product certification framework (CodeMark) to improve trust and confidence in building products<sup>2</sup>.</li> </ul>	Legislation/regulations 2025?	Minor
	<p>6. Opt-in self-certification and transfer of liability from councils</p>	Legislation/regulations 2025?	Major
	<p>7. Building Consent System Reform:</p> <ul style="list-style-type: none"> <li>Simplifying the building consent process: reduce inefficiencies and inconsistencies across different Building Consent Authorities (BCAs)<sup>1</sup>.</li> <li>Voluntary consolidation: Allowing councils to collaborate on building control functions<sup>1</sup>.</li> <li>Regional BCAs: Proposing the establishment of regional BCAs to replace the current 66 BCAs<sup>1</sup>.</li> <li>Single point of contact: Introducing a single point of contact for builders to submit plans<sup>1</sup>.</li> </ul>	Ministerial paper on preferred option signalled mid-2025	Major (once in generation whole system reset)
<p><b>Self-contained motor vehicles</b> (confirmed)</p>	Proposed extension of phase out for un-certified self-contained motor vehicles	In progress	Minor
<p><b>LIMS</b> (confirmed)</p>	Changes to the Local Government Official Information and Meetings Act requiring hazard information to be provide on LIMS	In progress	Minor
<p><b>Cat micro-chipping</b> (signalled)</p>	Legislation requiring microchipping of domestic cats	Unknown	Unknown

Area	Change	Timeframe/status	Anticipated Impact
Bylaw legislation (signalled)	Review of bylaw legislation	Unknown	Moderate
Alcohol control (signalled)	Private members' bill to remove restrictions on selling alcohol on Good Friday and Easter Sunday	Unknown	Minor

5.4. In terms of certainty and confidence around legislative changes, staff's assessment is indicated in the following table.

**Table 2: Confidence level**

Certainty level	General form of change		
	Known	Mostly known	Unknown
Certain	LIMs		
Almost certain		RMA reform	
Probable			<ul style="list-style-type: none"> <li>• Building reform</li> <li>• Bylaw reform</li> </ul>
Possible			<ul style="list-style-type: none"> <li>• Cat microchipping</li> <li>• Alcohol trading</li> </ul>
Unlikely			

**Impacts**

5.5. ŌDC will be impacted to varying degrees by these changes. RMA and Building Control reform are entire system resets that occur once in a generation. While Government has indicated consultation in some form for most of these processes, “moving at pace” and “shortened timeframes” are two phrases which frequently occur in ministerial updates. Government has also signalled that some changes will be mandated, such as new or updated National Environmental Standards – “national rules” – mandating “just do it” changes to district plans without undertaking consultation. A recent example of a mandatory “just do it” plan change was the removal of minimum carparking requirements from all district plans.

5.6. The Prime Minister is on record as describing these changes as a “bold move” from status quo to a new normal. The key impacts on our regulatory work can be assessed in terms of short, medium and long term impacts.

**Funding Impacts**

5.7. This package of legislative change does not come with any Government financial support for implementation. All transitional and implementation costs are expected to be funded entirely by councils. In practice, implementing these changes will need to be funded from business as usual budgets, changes (reduced) to levels of service, budget reallocations, or increased rates. There will almost certainly be considerable and unbudgeted transitional costs during implementation, and any

savings through streamlining of processes would only occur after the changes have been operationalised and embedded as Business As New.

### **Workforce Impacts**

5.8. Some of the more significant changes (e.g. RMA and building reform) are likely to require a review of staffing and workforce, with potential skill shortages through the transition period. Staff will not be able to assess workforce impacts until the legislation is finalised.

5.9. A summary of impacts is as follows:

#### Short term impacts

- a) Monitoring and keeping abreast of the various changes and workstreams as they progress and are refined.
- b) Prioritising effort in terms of workshops, submissions etc.
- c) Input into sector, cluster groups and professional bodies on collaborative sector feedback/submissions.
- d) Responding to potential public confusion / queries from media coverage of anticipated changes, not yet in force.
- e) Reputational damage for local government in the sense of implementation expectations (financial impacts and capacity to implement).

#### Medium term impacts

- a) Understanding and mapping out the legislative and mandated changes (i.e. “what does it all mean? How will we implement? What do we do first?”)
- b) Assessing our response capability.
- c) Planning and programming our capacity and adjusting or increasing budgets to implement mandated changes.

#### Long term impacts

- a) Whole-of-system reform, RMA and Building.
- b) Workforce capacity, upskilling, training.
- c) Redefining what we know and ensuring regulatory compliance with novel, new and unfamiliar legislation.
- d) Structural review of how we deliver core functions and review of fees (i.e. for RMA, review how we deliver with one single regional unitary plan and reduced resource consent fees; for building control, review how we deliver if Building Consent Authorities are separated from councils and reduced building fees).
- e) Transitioning and implementing whole-of-system change.

**Our approach**

5.10. Given the scale, pace and uncertainty of these changes, it will be important to decide where we best put our limited resources and effort, especially in the short to medium term. The pragmatic approach that staff have adopted is:

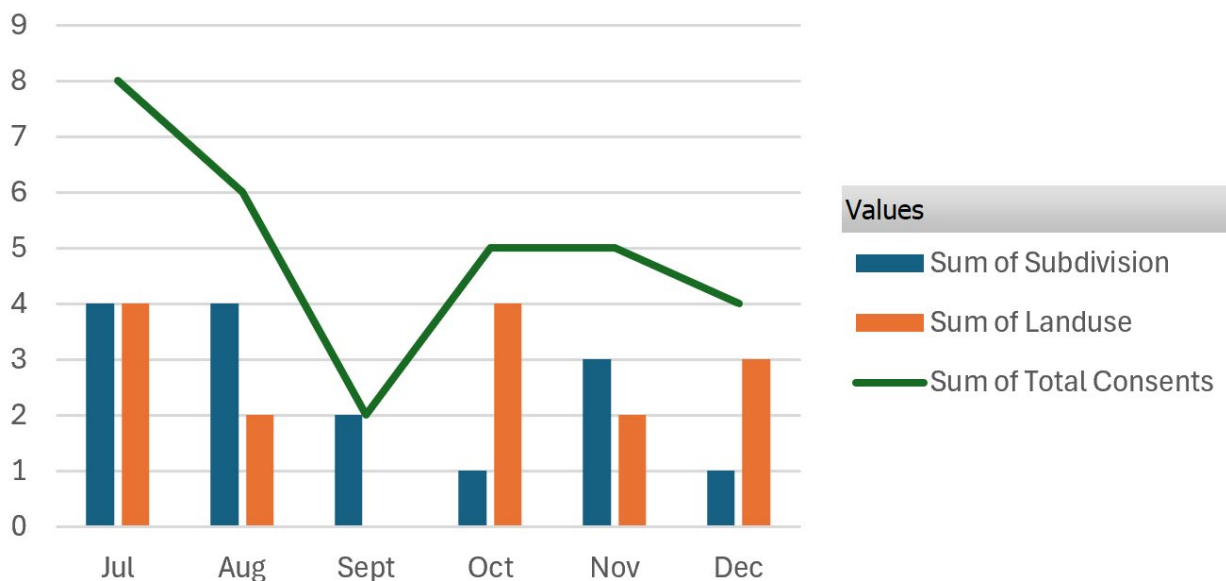
- a) Monitor and review as legislative certainty increases.
- b) Assess updates and opportunities for input/submissions case by case, against our realistic capacity to participate.
- c) Report to and brief Council on significant changes or impacts.
- d) Utilise sector and professional body invitations for consultation opportunities (e.g. LGNZ, Taituarā, and professional bodies like NZ Planning Institute and Building Officials Institute of NZ).
- e) Prioritise effort based on mandatory changes and implementation deadlines.
- f) Budget adjustments to transition and implement.
- g) Undertake business planning in Annual Plans and LTP (time, scope, resourcing/workforce and budgets) around implementing legislative change.

**6. District Planning – Resource Consents**

6.1. A total of 30 consents were received during the reporting period (1 July -31 December 2024). All were processed within the required statutory timeframe. The statistics for resource consents are shown in Tables 3 and 4.

6.2. In general terms, consent numbers have been steady, averaging between 1-2 per week.

*Figure 1: Consent numbers*



6.3. The projections, from the six-months leading up to the start of 2025, forecast a slight increase in the number of consent numbers on the previous year for both land use and subdivision applications.

**Table 3: Resource Consent Statistics – Land use consents**

Period	Applications received	Consents granted	Consents declined	Notified consents	Timeframe compliance	Notes
1 July - 31 December 2024	^15	13*	0	0	100%	*2 await a decision
2024/25 year to date	20	14*	0	0	100%	*6 await a decision
2023/24	28	28	0	0	66%	

^ Applications received for processing \* Does not include applications received, pending a decision.

6.4. The land use consents included four fast-track consents for Deemed Permitted Boundary Activities. Notable land use consents include a redevelopment of the Ōtorohanga Fire Station to add a third appliance bay, a new outdoor education and camping facility in Ngutunui, and a replacement Wharekai at the Rāwhitiora-Ōwairaka Marae in Parawera.

**Table 4: Resource Consent Statistics – Subdivision consents**

Period	Consents received	Consents granted	Consents declined	Notified consents	Rural lots created	Urban lots created	Timeframe compliance
1 July – 31 December 2024	^15	11*	0	0	12	Oto - 0 Kāwhia - 0	100%
2023/24 year	24	24	0	0	30	Oto – 4 Kāwhia - 0	72%

^ Applications received for processing \* Does not include applications received, pending a decision.

6.5. The Operative Ōtorohanga District Plan provides a range of opportunities for subdivision of both rural and urban land. Rural subdivision has been steady over the last few years, with small-scale development spread across the district.

6.6. In September 2023, North King Country Developments completed the first stage of their subdivision consent (RM180097), known as the Westridge subdivision. Westridge lies between Harper and Thomson Avenue. The completion of stage 1 has provided 67 vacant lots within the Ōtorohanga urban area lots. This ‘green-fields’ subdivision development accounts for much of the new housing in the Ōtorohanga urban area.

6.7. While there is some redevelopment of housing within the township, subdivision remains stagnant in Kāwhia and the surrounding Countryside Living Zone.

**Table 5: Major Consents – Lodged / Granted & In Progress**

Ref. No.	Applicant / Agent	Address	Proposal	Status / Key points
RM240026	Department of Corrections (DoC)	Waikeria Road	Waikeria Prison Expansion -Enabling Earthworks	Consent granted – 12/8/24 Commenced earthworks – Jan 2025



- 6.8. The DoC obtained consent from both the Ōtorohanga District Council and Waikato Regional Council to undertake preparatory earthworks ahead of the second stage of the prison expansion. The earthworks lie within the existing prison designation. The commencement of earthworks, in January 2025, marks a major milestone for the DoC in the delivery of the Government's plans to create up to 1300 prison beds. We expect to receive an outline plan for stage 2 of the prison build in the next 6-12 months.

## 7. District Planning – Ōtorohanga District Plan (ŌDP)

### District Plan issues/fixes

- 7.1. The ŌDP provisions continue to support and enable sustainable development, whilst managing environmental effects. Staff maintain a register for minor changes and corrections to keep abreast of legislative changes, the introduction of new National Environmental Standards and Policy Statements. To avoid costly plan changes, larger changes are recorded in readiness for a statutory district plan review.

### Statutory District Plan Review

- 7.2. Staff were in the process of scoping and project planning for our 10 yearly (statutory) review of the ŌDP, due to commence 2025. This has now been put on hold awaiting the outcome for the RMA "phase 3" (RMA replacement legislation), and we will report back on options for our statutory review once the legislation is clearer.

### Building Control

- 7.3. Building activity has been down from the same period in previous years as we have been experiencing ongoing downturn in the construction sector. This is historically a common occurrence with a boom-and-bust cyclic industry that experiences growth for four to five years and then a downward trend in the following four to five years. We note there are positive signs of a recovering economy which will drive interest rates downwards and should lead to an upturn in consent numbers and subsequent growth during 2025. We continue to receive building consents for a cross section of new buildings, additions and alterations with the bulk of the consents associated with the farming sector. The new residential subdivision has seen slow growth, but we expect to see this rise in 2025.
- 7.4. The Corrections development (Waikeria Prison new build) has kept staff extremely busy through the period as it progresses closer to completion, originally timed for the end of November 2024. Given the build programme is behind time, completion is now anticipated to be early 2025. Up to the end of September 2024, for this project staff carried out over 2,000 inspections and processed 183 building consents, including major amendments, over the five years it has been under construction. We anticipate building consents for the stage 2 expansions to be lodged during 2026.
- 7.5. We continue to work closely with our fellow Building Consent Authorities (BCAs) across the region. We regularly meet with other BCA Managers to discuss BCA issues, new legislation that affects our roles, training, cross BCA projects, quality control and a number of other initiatives that keep us on the same page in relation to our building control roles. ŌDC has committed to implement a new on-line building

control programme called Objective Build which went live on 12 February 2025. This will align five of the seven BCAs across the region who will be on the same programme and making it much easier to help each other out in terms of resources from time to time. We also have a good relationship with CoLab who work closely with us in the quality management and training area.

**Statistics** (refer to Tables below)

**Table 6: Type/Number building consents - Building work 1 July to 30 December**

Description of building	2023		2024	
	No	Value \$	No	Value \$
New dwellings	68	26,307,150	24	13,166,617
Relocated dwellings Residential additions, Garages, Carports, Fires	102	3,056,733	5	1,259,687
Milking sheds Farm buildings	38	2,170,950	3	399,500
Commercial and Industrial buildings, educational and marae including additions and alterations	21	3,572,000	3	777,000
Waikeria Expansion Project	43	8,506,350	22	223,575
<b>Total</b>	<b>230</b>	<b>43,613,183</b>	<b>55</b>	<b>15,826,379</b>

**Table 7: Inspections undertaken**

	2023	2024
Residential 1	219	238
Residential 2	41	11
Residential 3	14	30
<b>Total Residential</b>	<b>274</b>	<b>279</b>
Commercial 1 & 2	133	69
Commercial 3	<b>182</b>	<b>56</b>
<b>Total Commercial</b>	<b>316</b>	<b>125</b>
<b>Total</b>	<b>590</b>	<b>404</b>

Figure 2: Building Consent Applications

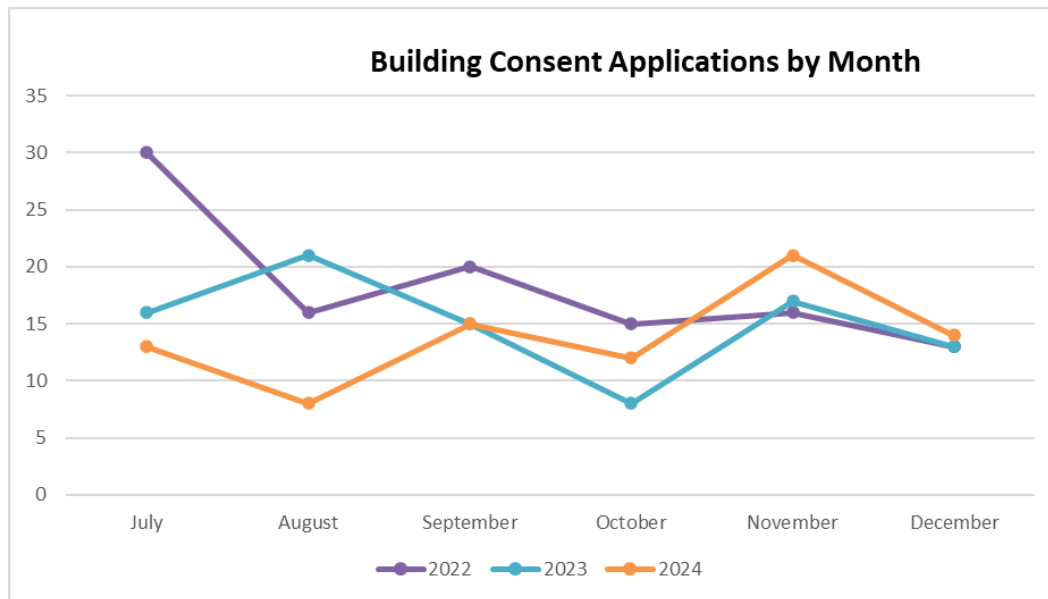


Table 8: Swimming Pool Inspections

<b>Total number of Active Swimming Pools</b>	212		
Swimming Pool and Fence Inspections	2022	2023	2024
Swimming Pools listed as Active to be inspected each year	70	70	72
Total number of Inspections Carried out following 3 <sup>rd</sup> year Swimming Pool Licence expiry	23	136	28
All inspections have been carried out, however, some pools (16) do not require inspections as they are spa pools.			

- 7.6. **Swimming Pools.** Every private swimming pool fence has to be inspected once every three years in accordance with the requirements of the Building Act 2004. Property owners with swimming pools have a duty of care in terms of the legislation to safeguard young children in and around their swimming pool. The NZ Government legislated to make it the responsibility of local government to ensure that compliance is met and maintained on the basis of the risk to the lives of young children. The Building Control Unit carry out an inspection of every swimming pool fence once every three years with the recurring inspection based on a date approximately three years from the last inspection. The last three-year period is shown in the table above with the number of inspections shown for each of the three years.
- 7.7. **Audits.** In August 2024 IANZ conducted a special assessment audit of the Ōtorohanga District Council BCA against the Building (Accreditation of Building Consent Authorities) Regulations 2006. This audit followed a routine bi-annual audit assessment in 2023 where IANZ found a significant number of general (GNCs) and serious non-compliances (SNCs). A report outlining the findings was provided to the Risk and Assurance Committee on 20 March 2024. The focus for IANZ in the August 2024 assessment was on the areas of non-compliance from the 2023 assessment to ensure the BCA had resolved any issues and concerns in the 12 months post 2023 audit.

- 7.8. The outcome was very favourable in that IANZ found much-improved processes and awarded only three minor GNCs and a number of improvement recommendations. Two other GNCs were resolved on site during the audit assessment. As a result, the BCA went from High-Risk Status to Low-Risk Status and retained full accreditation. The IANZ audit of August 2023 revealed that IANZ has raised expectations in terms of BCA compliance with the regulations. What was acceptable in 2021 is no longer what IANZ expects to find. This has prompted a lot of discussion amongst the regional BCA forum and has led to significant improvements in the quality management area for most BCAs including our own.
- 7.9. Online building platform. A strong recommendation from IANZ was for the BCA to consider introducing an online building platform which we have taken on board, and we are implementing a programme called Objective Build. Objective Build is used by most of the BCAs across the Waikato Region and is an online programme designed for applicants to submit their plans through a portal, desktop to desktop, allows the BCA to accept or reject applications, process applications online and carry out inspections using a handheld device. This provides for easy recovery of information at time and place and all outcomes are delivered in real-time to all parties to the building consent process. There are major benefits in comparison to a manual system, including easy access to advice of outcomes, all users process or inspect using the same technology, outcomes are recorded and saved in the Cloud and are easily recoverable, the system links with Council’s document management system (MagiQ) so information required for Council records are saved in our system and of course the system allows ease of use from a user point of view. Objective Build went live with a “soft launch” on 12 February 2025.

**Animal Control**

- 7.10. Animal control continues to operate very successfully under our shared service agreement with Waitomo District Council, and strong collaboration also with Waipā District Council. Highlights in this area in the last six months include boundary fencing on Aotea estuary for Aotea horse treks (courtesy of Waikato Regional Council and Waikato Tainui), with one abatement notice served (under the RMA) for excessive dogs in insanitary conditions and one warning letter for similar circumstances.
- 7.11. Council’s Otewa Road dog pound continues to be functional with ongoing minor improvements. With the success of the shared services agreement, ŌDC has relinquished the part time pound-maintenance contract which is no longer needed.
- 7.12. Dog registrations are as follows:

**Table 9: Dog registrations at 23 Jan 2025**

No. of dogs registered	2034
No. of dogs unregistered	223
No. of dangerous dogs	5
No. of menacing dogs	40
No. of owners with unregistered dogs	158
No. of disqualified owners	0

No. of probationary owners	0
Total no. of current dog owners	1304

## 8. Environmental Health

- 8.1. This activity covers legal requirements under the Health Act 1956, Food Act 2014 and Sale and Supply of Alcohol Act 2012 and related Regulations under those Acts.
- 8.2. Background of the Environmental Health Team: An Environmental Health Shared Service Agreement with Waipā District Council was in place since 2014. This agreement will be replaced with the new Western Waikato Regulatory Shared Services Agreement which covers most of our regulatory services under two-way operation (offering and receiving services).
- 8.3. In general the last six months have been pacing similarly as the same previous period of time. Environmental Health is seeing and expecting to implement some legislation changes in the near future regarding alcohol hearings proceedings, health hairdressing regulations and food administration levy.

### Food licensing Statistics

*Table 10: Food Licensing*

Period	Registrations received (New and Renewal)	Registrations issued	Timeframe compliance	Note
July 2024 to December 2024	Total 23; 15 4 4	Total 23; 15 4 4	100%	Ōtorohanga Kāwhia Rural
1 July 2023 to 30 June 2024	Total 45; 26 9 10	Total 45; 26 9 10	100%	Ōtorohanga Kāwhia Rural

*Table 11: Current, new and closed or suspended food businesses*

Current operators	Total food business 1 July 2023	New business	Business suspended or surrendered	Notes
50	51	Total 7: 3 (all rural) 4 (2 Ōtorohanga, 2 rural)	Total 8 5 (2 Ōtorohanga; 3 rural area) 3 (1 Ōtorohanga, 1 Kāwhia, 1 rural)	2023 2024

### Alcohol Licensing

- 8.4. The requirements for licences and manager’s certificates, and the criteria to be considered for granting them, are set out in the Sale and Supply of Alcohol Act and Regulations. The Council appointed a joint

District Licensing Committee (DLC) in 2016, which covers Waitomo, Ōtorohanga and Waipā districts. The DLC has the Council’s authority to receive, process, investigate and determine all applications for licences and managers’ certificates within these districts.

- 8.5. Currently 22 licenced premises operate within Ōtorohanga district, and 65 manager’s certificates are registered with Ōtorohanga District Council as at 4 December 2024.

**Statistics**

*Table 12: Alcohol licensing applications*

Period	Application received	Licence issued	Licence in processing	Notes
<b>1 July 2024 to 31 Dec 2024</b>	Total 35; 25 8 2	30	5	Ōtorohanga Kāwhia Rural
<b>1 July 2023 to 30 June 2024</b>	Total 64 40 16 8	64	0	Ōtorohanga Kāwhia Rural

**Hairdressers, Offensive Trades, Funeral Directors and Camping Grounds - Statistics**

*Table 13: Hairdressers (HD), Offensive Trades (OT), Funeral Directors (FD) and Camping Grounds (CG)*

Period	Licence in operation	Licence application	Licenses issued	Notes
<b>June 2024 – December 2024</b>	Total 18; 6 1 7 4	Total 18; 6 1 7 4	Total 18; 6 1 7 4	CG FD HD OT
<b>2023</b>	Total 19; 7 1 7 4	Total 18; 6 1 7 4	Total 18; 6 1 7 4	CG FD HD OT

**Compliance and Enforcement**

- 8.6. This activity covers compliance and enforcement in respect of noise, litter, camping and planning breaches (resource consents and district plan). A summary of our compliance activity is included in Appendix 1.

8.7. Staff continue to monitor our approach to compliance and enforcement, with Council’s Compliance and Enforcement Policy (adopted last year) proving useful for guidance to both staff and customers on Council’s approach. Because we do not have a dedicated compliance officer, this activity also falls across various staff who have compliance and enforcement powers as part of their BAU role. In some cases investigation and response requires a multi-staff approach across different technical areas.

**Bylaws and Statutory Policies**

8.8. Council staff are working on the following bylaws and statutory policies.

Bylaw	Review due	Status	Consult
Trade Waste Bylaw 2000	2010	Started	2025
Stock Movement Bylaw 2014	2024	Started	2025
Water Servies Bylaw 2013	2023	Started	2025
Traffic Bylaw 2005	2015	Not started	2025
Structures and Works in Public Places Bylaw 2015	2025	Not started	2025
Development & Financial Contributions Policy 2015	2018	Started	2025
<i>Possible Alcohol Fees and Charges Bylaw</i>	N/a, new bylaw	Not started	2025/26

8.9. As statutory documents, these need to follow a public consultation process. Given the relatively large workload involved (and on top of Government’s legislation changes), these reviews will require good project management and coordination. To achieve this, staff are looking at:

- a) possible consultant resource to assist with the process;
- b) “bundling” the bylaw consultations together for efficiency of process;
- c) as far as possible, ensuring consultation processes are aligned to avoid over-lapping with any other major Council consultations.

**9. Appendices | Ngā apitihanga**

Number	Title	Document number
1	Compliance and Enforcement Statistics	

## Appendix 1: Compliance and Enforcement Stats Summary

Period	Noise complaints		Litter complaints		Camping complaints		Planning Complaints		Warnings		Abatement notices		Enforcement Order/Prosecution	
<b>1 July 2024 to 1 January 2025</b>	Ōtorohanga	40	Ōtorohanga	5	Ōtorohanga	1	Ōtorohanga	0	Noise	0	Noise	0	Noise	0
	Kāwhia	1	Kāwhia	1	Kāwhia	0	Kāwhia	0	Camping	0	Camping	0	Camping	0
	Rural	1	Rural	12	Rural	0	Rural	0	Litter	1	Litter	0	Litter	0
									Planning	0	Planning	1	Planning	0
										Animal Control	2	Animal Control	0	
													Building	1
<b>1 July 2023 to 30 June 2024</b>	Ōtorohanga	63	Ōtorohanga	2	Ōtorohanga	4	Ōtorohanga	0	Noise	3	Noise	2	Noise	0
	Kāwhia	0	Kāwhia	3	Kāwhia	0	Kāwhia	0	Camping	1	Camping	0	Camping	0
	Rural	5	Rural	20	Rural	0	Rural	0	Litter	0	Litter	0	Litter	0
									Planning	0	Planning	0	Planning	0
													Animal Control	0
													Building	2



## **Enforcement 1 July 2025 - 31 December 2025**

### **Planning**

Abatement notice November 2024 – Phillips Ave – non-complying residential activity associated with the construction of prefabricated units, and a second dwelling to the rear of the site. RESOLVED.

### **Animal Control**

Abatement Notices – October 2024 and December 2024 – Tauraroa Valley Road – Large number of dogs kept at address in dilapidated conditions. ONGOING.

### **Building**

Dangerous and insanitary building notice – November 2024 – Phillips Ave – non-complying residential activity associated with the construction of prefabricated units, and a second dwelling to the rear of the site – ONGOING.

Dangerous and insanitary building notice – December 2024 – Phillips Ave – non-complying residential activity associated with the construction of prefabricated units, and a second dwelling to the rear of the site – ONGOING.

Dangerous and insanitary building notice – January 2025 – Omimiti Street – State of disrepair to water supply, sewerage system and electrical services – ONGOING.

Notice to Fix – November 2024 – Phillips Ave - non-complying residential activity associated with the construction of prefabricated units, and a second dwelling to the rear of the site – ONGOING.

**Item 215** Water Services Report to 25 February 2025

**To** Ōtorohanga District Council

**From** Kumar Sevaratnam, Manager Waters

**Type** **INFORMATION REPORT**

**Date** 25 February 2025



## 1. Purpose | Te kaupapa

1.1. The purpose of this report is to provide information on the activities pertaining to the Water Services activity for the period from October 2024 to end of January 2025.

## 2. Executive summary | Whakarāpopoto matua

- 2.1. Ongoing drinking water compliance is good. The compliance rules for Tihiroa and Kāwhia Water Treatment Plants (WTPs) need adjustment to become fully compliant.
- 2.2. Number of renewals and maintenance works are being undertaken to improve wastewater discharge compliance.
- 2.3. Data quality for service request response is improving to maintain Council’s level of service. However, more clarity around inputs is required to capture the responses and resolutions effectively. Work is underway to improve data quality, and this will be presented in the next report.
- 2.4. Three waters operations and maintenance remain good with continued focus on the renewal of aging assets.
- 2.5. Communication and control systems which control the operations of our treatment plants and pump stations require staged upgrades due to their age and diminishing ongoing support. This staged upgrade can be managed within allocated budgets for each site. This is a key infrastructure for the compliance reporting.
- 2.6. Recruitment for the new Team Leader Waters is ongoing; this role will be vital in providing connectivity between operational staff and management.

## 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Ōtorohanga District Council receive the report titled ‘Water Services Report to 25 February 2025’ (document number 806502) from Kumar Sevaratnam, Manager Waters.

## 4. Discussion | He Kōrerorero

### Compliance and demand management

- 4.1. Ōtorohanga town drinking water (including Waipā Rural Water Scheme) is fully compliant with drinking water quality assurance rules.
- 4.2. Drinking water compliance for bacteriological, protozoal and network compliance zones remain at a high level this quarter, and year to date.
- 4.3. Kāwhia (S2-T2-D2) and Tihiroa (S2-T2-D2) treatment rules need to be changed to reach compliance with a higher treatment rule (T3). We are currently trialling the process which is progressing well.
- 4.4. Permanent Boil water notice remains in place for Arohena Rural Water Scheme water supplies.

### Arohena water supply closure

- 4.5. The proposal to close the drinking water component of the three Arohena Supplies (Kahorekau, Huirimu and Taupaki) is progressing well. Letters and information packs have been sent to the water users and a public meeting was held at the Arohena Hall on 19 February, a verbal update can be provided to council on the meeting, as it took place after the agenda closed.
- 4.6. The Water Services Authority (Taumata Arowai) has requested that we carry out the onsite assessments and report back. This is part of the process outlined within the Local Government Act. Staff will start this work in March – April.

### Resource consent compliance

**Table 1: Resource consent compliance tracking and audit outcomes/actions**

Consent Number	Consent Name	Expiry	Annual Reporting	Compliance Report Outcome	Audit comments and actions
RC130076.0 1	Ōtorohanga WTP - Water Take	30/10/28	31/07/25	Not yet received	
RC144930	Ōtorohanga Stormwater (interim)	1/07/23	30/06/25	<u>Moderate Non-Compliance:</u>	SUMMARY OF REQUIRED ACTIONS Maintain and report records of inspections, maintenance, flooding, and erosion control works in annual reports. Include the escalation procedure in the Stormwater Management Plan Submit the register of stormwater assets, wetland inventory, and wetland design for catchments 8 and 14 by 31 March 2025. Provide maintenance and visual inspection records, trade waste inspection records, and storm flow inspection records for unusually high rainfall events with the 2024-25 annual report by 30 June 2025.

RC105631	Kāwhia Stormwater Discharge	1/07/23	30/06/25	<u>Moderate Non-Compliance:</u>	SUMMARY OF REQUIRED ACTIONS Condition assessments and maintenance inspection records must be included in the 2024-25 Annual Report, and consent limits must always be complied. The SWMP and monitoring plan must be updated
RC120393	Kāwhia Water Supply - Water Use	30/11/30	1/09/25	Not yet received	
RC120401	Kāwhia Water Supply - Water Take	30/11/30	1/09/25	Not yet received	
RC123567	WWTP Discharge to air	30/10/37	30/09/25	<u>Full Compliance:</u> RC123567	SUMMARY OF REQUIRED ACTIONS Provide most recent flow meter calibration certification no later than 28 February 2025.
RC123568	WWTP Discharge to land	30/10/37		RC123568 RC143381.01.01 RC143381.02.01	Ensure the updated OMP is provided to Waikato Regional Council no later than 28 February 2025.
RC123569.0 1.01	WWTP Discharge to water	30/10/37		<u>Moderate Non-Compliance:</u> RC123569.01.01	Ensure details of existing and planned inflow and infiltration reduction programs or works for the wastewater network to Council is provided to Waikato Regional Council no later than 28 February 2025.
RC143381.0 1.01	Discharge to land (sludge)	30/10/37		(audit comments at right)	Ensure an investigation to identify all water users downstream of the discharge pipe into the Mangaorongo Stream.
RC143381.0 2.01	Discharge to air (sludge)				Ensure the updated register is provided to Waikato Regional Council no later than 28 February 2025.

**Demand management – water production**

4.7. No water restrictions are in place for any of the water supply zones during this summer so far. This was due to continual improvement works including water plant upgrades and leak remediation initiatives. Significant capital investment in Kāwhia resulted in no water restrictions having to be put in place in Kāwhia this Christmas season.

**Demand management – water activities and initiatives**

4.8. Water production remained high in the past two months. However, all the treatment plants were able to cope with high demand.

- 4.9. The capital works on treatment improvement at Kāwhia and Tihiroa have increased treatment performance. However, the leak remediation works in Kāwhia significantly reduced water demand and due to this we do not anticipate any water restriction in Kāwhia or Tihiroa.
- 4.10. Investment continues on the renewals and minor capital projects to improve equipment redundancies and resilience in water supplies.
- 4.11. Intake restrictions at Kahorekau may continue to put pressure on production capacity. However, the recent maintenance works at the water intake maximised production efficiency and reduced water losses by frequent back washes.
- 4.12. Huirimu reservoir top liner repair works significantly reduced water loss and minimized chlorine usage on disinfection.

**Table 2: Water connection statistics**

Area	Number of connections	% change from last year	Location of new Meters
Ōtorohanga	1592	0.38% 6 New	Main North Road, Ōtorohanga Harpers Avenue, Ōtorohanga x 2 Hinewai Street, Ōtorohanga William Street, Ōtorohanga Turongo Street, Ōtorohanga
Kāwhia	421	0%	
Waipā	136	1.5% 2 New	Otewa Road, Ōtorohanga Mangawhero Road, Ōtorohanga
Tihiroa	54	1.9% 1 New	Ouruwhero Road, Ōtorohanga
Kahorekau	33	0%	
Huirimu	30	0%	
Taupaki	9	11% 1 New	Pukewhau Road, Arohena

**Resource consents**

**Wastewater consent compliance**

- 4.13. The treated wastewater discharge consent compliance was evaluated to be “Moderate Non-Compliance” in the last consent year (from July 2023 to June 2024). This was due to a number of breaches in discharge limits of various parameters.
- 4.14. A number of improvements and preventative maintenance have been undertaken in recent months (i.e dosing control improvement, settling pond upgrade, dredging operation, gravel bed refurbishment) at the wastewater treatment plant to increase treatment performance. The recent sampling and testing indicates good improvements and we expect to see better compliance outcomes in the next consent year.

**Stormwater consent compliance**

4.15. The stormwater consent compliance for both Ōtorohanga and Kāwhia have been individually assessed at Moderate Non-Compliance. We are waiting for the approval of “Comprehensive Stormwater Discharge Consent application” to work on the budget allocations. Until such approval is received, we need to focus on improving reporting and maintenance on stormwater assets.

**Comprehensive Stormwater Discharge Consent (CSDC) - Ōtorohanga and Kāwhia stormwater consent**

4.16. Waikato Regional Council (WRC) acknowledges the good work that ŌDC has undertaken in preparing the CSDC application to date. However, they are trying to ensure that a consistent approach is being taken throughout the renewals process of all councils. This includes the requirement of further supporting information. The request includes Stormwater Management Strategy, Stormwater Network Management Plan, Stormwater Device Operation, Maintenance and Monitoring Plan, Stormwater and Receiving Environment Monitoring Plan, and Stormwater and Receiving Environment Implementation Plan.

4.17. The updated plans and strategy were supplied to WRC on the 20 December 2024 as requested.

**Levels of service and performance measures**

4.18. The compliance of all our three waters operations and response time for the all-service requests are key parameters in our non-financial performance measures.

4.19. Service Requests are attended to based on their priority. However, data quality around service request response time remains an issue. Introduction of new electronic forms to capture data around service requests should improve this process.

**Activity management****Asset management**

4.20. The asset management team has been working on new processes to ensure regular and accurate capitalisation of new and existing assets in the roading activity. This process is working well and will be rolled out in a similar structure to the waters activity.

4.21. Data improvement is ongoing for the water services assets. The first improvement that has been made was a desktop condition assessment. This along with working through the CCTV available means a more targeted programme of potential renewals for water supply, stormwater and wastewater can be produced.

4.22. The renewal programme for 2024/25 and 2025/26 has been finalised and more work will be done to produce a finalised programme for 2026/27.

**Project delivery**

4.23. To improve resilience and reliability in our water and wastewater services, the following capital and operational projects were identified and are in progress or completed.

### Operational projects/renewals

4.24. Ranginui reservoir roof repair and telemetry work - the reservoir roof has been replaced instead of repairing it. A complete roof replacement was identified to be cost effective and reduces the risk of failing again.

Percent Complete 100% / Budget Utilised 100%

4.25. The telemetry works will be undertaken with the wider telemetry upgrade works. A new instrument for monitoring the water level in the reservoir will be installed soon.

Percent Complete 0% / Budget Utilised 0%

4.26. Huirimu reservoir roof - the roof has been repaired, replacement of the entire roof liner was investigated and it was not identified to be the preferred option.

Percent Complete 100% / Budget Utilised 100%

4.27. Kahorekau weir upgrade - a significant volume of silt and sand was removed from the intake. This has significantly improved treatment performance and reduced filter backwashes.

Percent Complete 80% / Budget Utilised 40%

### Capital projects

4.28. Desludging main treatment pond - a sludge survey has been completed. The dredging operation is underway.

Percent Complete 50% Budget Utilised 0%

4.29. Te Kawa rising main renewal - the first phase of the installation is complete (Te Kawa pump station to Te Kawa Street). Second phase of this installation works are yet to commence (Up to Kakamutu Road).

Percent Complete 50% / Budget Utilised 40%

4.30. Wastewater Treatment Plant grit and clarifier investigation - different options are being investigated. The optioneering is carried out internally. Once a suitable system is identified, a preliminary design will be done together with the cost estimate.

Percent Complete 20% / Budget Utilised 5%

4.31. Tihiroa resource consent renewal - environmental impact assessment is underway by a Waikato based consultant.

Percent Complete 80% / Budget Utilised 40%

### Upcoming capital works

4.32. Ōtorohanga water main renewal – this is in the design stage and being managed by our project team.

4.33. Tihiroa high lift pump 2 replacement – renewal will be carried out instead of replacement.

### Operations Update

4.34. All the water treatment plants are operational. However, the risks of plant failures cannot be underestimated. Works are underway to improve redundancy at each site.

4.35. New water connection requests are assessed on a case-by-case basis. Refer the table under “Water connection statistics” for new connections.

- 4.36. Operational expenditure in the sewer pump station was relatively high in the last quarter due to sewer pump failures. A condition assessment is being undertaken on these assets.
- 4.37. The flood pumps at Huiputea and Mair Street have undergone renewal. The conditions of the other pumps remain good.
- 4.38. A sludge survey was carried out at the main treatment pond in December 2024, and it was found that 14,000 m<sup>3</sup> sludge has accumulated in the pond since the last dredging operation in 2021. The dredging operation commenced on 21 January 2025. Disposal of dried biosolids is going to increase the operation costs of the wastewater activity, and we are continuing to stockpile in the Geopad while we investigate a viable option into the future.
- 4.39. The backwash water handling system at Tihiroa has undergone an upgrade to further reduce turbidity of the returning water to the river improvements that are necessary for resource consent compliance.
- 4.40. The communication and control system for the entire treatment and reticulation networks requires an upgrade as the existing system is very old and outdated. The new system will be gradually rolled out in the next two to three years.

#### **Trade Waste**

- 4.41. The Trade Waste Bylaw is currently expired and is being updated by Manager Assets and Technical Support with input from Manager Waters. Trade Waste inspections are undergoing a full review now and are now managed by the Engineering Group, with a new contract to be in place by the 2025/26 financial year.
- 4.42. Ensuring compliance from Trade Waste consent holders will be a focus over the next few months and will ensure the capture of accurate and critical information to improve the quality of wastewater entering the network.



**Item 216** Finance Report to 31 January 2025

**To** Ōtorohanga District Council

**From** Brendan O’Callaghan, Manager Finance

**Type** **INFORMATION REPORT**

**Date** 25 February 2025



**1. Purpose | Te kaupapa**

1.1. To provide a snapshot of progress against the 2024/25 budget.

**2. Executive summary | Whakarāpopoto matua**

- 2.1. The Financial Report for the month ended 31 January 2025 shows the operating surplus being up on budget by \$177k, because of the timing of subsidy income and other expenses.
- 2.2. Capital expenditure and loan repayments were under budget by \$1.8M. This predominately relates to the timing of capital work during the year.

**3. Staff recommendation | Tūtohutanga a ngā kaimahi**

That the Ōtorohanga District Council receive the report titled ‘Financial Report for the month ending 31 January 2025’ (document number 805997) from Brendan O’Callaghan, Finance Manager.

#### 4. Discussion | He kōrerorero

Statement of Comprehensive Revenue and Expenses					
For the Period Ending January 2025					
	Actual	Budget	Variance		Full Year Budget
<b>Revenue</b>					
Rates income	15,202,317	15,213,334	11,017	0%	15,260,320
Contributions	5,280	485	-4,795	-989%	10,001
Water by Volume Rates	923,865	1,053,600	129,735	12%	2,238,000
Subsidies and Grants	4,010,496	3,684,121	-326,375	-9%	8,346,698
Other Income	973,079	722,932	-250,147	-35%	1,793,376
Other gains/(losses)	6,060	0	-6,060	-100%	0
<b>Total Revenue</b>	<b>21,121,097</b>	<b>20,674,472</b>	<b>-446,625</b>		<b>27,648,395</b>
<b>Expenses</b>					
Employee Benefit Expenses	3,706,990	3,859,135	152,145	4%	7,192,546
Depreciation and Amortisation	4,609,113	4,054,512	-554,601	-14%	7,068,676
Other Expenses	7,344,946	7,602,402	257,456	3%	14,158,631
Finance Costs	154,443	29,594	-124,849	-422%	221,123
<b>Total Expenditure</b>	<b>15,815,492</b>	<b>15,545,643</b>	<b>-269,849</b>		<b>28,640,976</b>
<b>Operating Surplus/(Deficit)</b>	<b>5,305,605</b>	<b>5,128,829</b>	<b>-176,776</b>		<b>-992,581</b>

4.1. Overall there is a net surplus to the end of January of \$5,305,605, compared to the budgeted surplus of \$5,128,829. The variance in the surplus against budget is due to:

- a. Operating Revenue is up on budget by \$447k, due to being \$326k up on budget in subsidies and grants and by \$250k up on budget in other income. This is offset by water by volume rates being under budget by \$130k.
  - Subsidies and grants is up on budget by \$326k due to the timing of roading claims compared to the budget. Due to the better weather prior to Christmas and in January, we have been able to complete some operational maintenance work earlier than budgeted, meaning the subsidy has been claimed earlier.
- b. Operating expenses is over budget by \$270k, with other expenses being \$257k under budget and employee benefit expenses being \$152k under budget. This is offset by depreciation being over budget by \$554k and finance costs being over budget by \$125k.
  - Other expenses is down due to the timing of expenditure, as well as the reversing of prior year accruals such as the audit fees.
  - Employee benefit expenses is under budget due to a couple of vacancies held through the beginning of the year that were budgeted for a full year.
  - Depreciation is over budget due in part to the impact of the revaluation of the land and buildings as at 30 June 2024, as well as the timing of some capital projects being capitalised.
  - Finance costs is over budget due to the reversal of the prior year interest accrual.

Statement of Financial Position			
For the period ending January 2025			
	Actual	Full Year Budget	YTD Last Year
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	1,917,073	3,169,964	-2,876,442
Trade and Other Receivables	7,593,514	2,295,270	8,668,809
Inventory	56,861	30,910	59,500
<b>Total Current Assets</b>	<b>9,567,448</b>	<b>5,496,144</b>	<b>5,851,868</b>
<b>Non-current Assets</b>			
Investments	7,774,788	7,847,284	7,799,282
Property, Plant and Equipment	408,813,313	405,131,826	392,391,452
Intangible Assets	101,969	157,214	5,179
Loan Receivable	1,497,937	1,750,000	5,705,644
<b>Total Non-current Assets</b>	<b>418,188,008</b>	<b>414,886,324</b>	<b>405,901,558</b>
<b>Total Assets</b>	<b>427,755,456</b>	<b>420,382,468</b>	<b>411,753,425</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	1,152,216	2,714,958	616,941
Provisions	1,088	829	1,017
Employee Benefit Liabilities	308,136	401,309	0
Income in Advance	412,827	741,189	520,169
Development and Financial Contributions in Advance	564,626	540,623	525,856
<b>Total Current Liabilities</b>	<b>2,438,894</b>	<b>4,398,908</b>	<b>1,663,983</b>
<b>Non-current Liabilities</b>			
Provisions	11,943	15,886	13,030
Employee Benefit Liabilities	34,008	46,305	26,791
Borrowings	12,447,613	6,222,612	9,447,613
<b>Total Non-current Liabilities</b>	<b>12,493,563</b>	<b>6,284,803</b>	<b>9,487,434</b>
<b>Total Liabilities</b>	<b>14,932,457</b>	<b>10,683,711</b>	<b>11,151,417</b>
<b>Net Assets</b>	<b>412,822,999</b>	<b>409,698,757</b>	<b>400,602,008</b>
<b>Equity</b>			
Retained Earnings	172,666,559	164,002,322	164,884,577
Reserve Funds	3,103,513	3,023,221	2,953,952
Revaluation Reserves	237,052,927	242,673,229	232,763,479
<b>Total Equity</b>	<b>412,822,999</b>	<b>409,698,757</b>	<b>400,602,008</b>

- 4.2. Overall, the balance sheet shows a healthy position at the end of January, with total current assets of \$9.57M, against total current liabilities of \$2.44M, giving a working capital of \$7.13M.
- 4.3. Current borrowings sit as \$12.4M, which is up \$2M on the end of October 2024. This increase is due to short term borrowings taken for cashflow purposes because of roading work being bought forward due to favourable weather. Further discussion of the debt profile is later in this report.

Combined Cost of Service Statement				
For the Period Ending January 2025				
	YTD Actual	YTD Budget	YTD Variance	Full Year Budget
<b>Operating Revenue</b>				
Activity Revenue	4,983,314	4,407,053	-576,261	10,140,074
Targeted Rates	7,614,317	7,743,235	128,918	8,927,635
Development Contributions	5,280	485	-4,795	10,001
General Rates	8,355,963	8,523,699	167,736	8,570,685
Other General Sources	5,679,607	7,370,569	1,690,962	12,902,812
	26,638,481	28,045,041	1,406,560	40,551,207
<b>Operating Expenditure</b>				
Trusted Leadership & Relationships	7,944,594	8,610,762	666,168	15,608,368
Strong Communities	1,352,491	1,282,229	-70,262	2,173,230
Vibrant Places and Spaces	1,637,453	2,075,124	437,671	3,523,041
Sustainable Development and Public Safety	983,383	1,328,358	344,975	2,388,361
Resilient Infrastructure: Land Transport	5,775,063	6,417,148	642,085	11,878,280
Resilient Infrastructure: Water Supply	1,455,795	1,780,615	324,820	3,144,137
Resilient Infrastructure: Wastewater	592,727	651,255	58,528	1,424,444
Resilient Infrastructure: Stormwater	195,051	212,479	17,428	341,712
Resilient Infrastructure: Flood Protection	214,163	301,736	87,573	320,744
Responsible Waste Management	311,190	455,390	144,200	813,906
	20,461,910	23,115,096	2,653,186	41,616,223
<b>Funding Required</b>				
Capital Renewals	5,073,288	5,946,859	873,571	11,364,872
Capital Growth	25,897	168,193	142,296	424,997
Capital Level of Service	3,604,130	3,915,838	311,708	4,758,881
Loans Repaid	248,971	671,713	422,742	1,112,822
	8,952,286	10,702,603	1,750,317	17,661,572
<b>Funding Applied</b>				
Funding from Depreciation Reserves	0	35,581	35,581	5,700,479
Loans Raised	0	1,303,337	1,303,337	5,146,292
Capital Income	81,693	5,831	-75,862	59,996
Transfer to and from Balance	2,694,021	4,427,909	1,733,888	7,819,821
	2,775,715	5,772,658	2,996,943	18,726,588

- 4.4. In the Combined Cost of Services statement, overall operating revenue is \$1.4M under budget. This relates to Other General Sources, which relates to staff charging, which is down due to the timing of projects and the vacancies being held at the beginning of the year, as well as other savings throughout the year.
- 4.5. Operating expenditure is \$2.7M under budget, with this being spread across all the budget areas. This is due to the timing of budgets and associated projects, as well as the reduced staff charging costs aligned to the reduced income.
- 4.6. Capital expenditure and loan repayments were under budget by \$1.8M. The bulk of this is related to capital renewals, which is due to the timing of some larger projects, such as in roading.

<b>Statement of Cashflows</b>		
<b>For the Period Ending January 2025</b>		
	Actual	Full Year Budget
<b>Cash flows from operating activities</b>		
Receipts from rates revenue	8,979,962	17,481,000
Receipts from other revenue	8,617,331	10,098,000
Interest received	83,704	15,000
Dividends received	7,370	10,000
Payments to suppliers and employees	(14,981,824)	(21,710,000)
Interest paid	(154,443)	(221,000)
<b>Net cash provided by/(used in) Operating Activities</b>	<b>2,552,100</b>	<b>5,673,000</b>
<b>Cash flows from investing activities</b>		
Proceeds from Sale of Property, Plant and Equipment	81,693	60,000
Purchase of property, plant and equipment	(5,536,836)	(13,155,000)
Purchase of investments	(130,000)	250,000
Purchase of intangible assets	(322,081)	37,000
<b>Net cash provided by/(used in) Investing Activities</b>	<b>(5,907,223)</b>	<b>(12,808,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	3,000,000	5,775,000
Prepayment of borrowings	-	-
<b>Net cash provided by/(used in) Financing Activities</b>	<b>3,000,000</b>	<b>5,775,000</b>
Net (Decrease)/increase in cash, cash equivalents and bank overdrafts	(355,124)	(1,360,000)
Cash, cash equivalents and bank overdrafts at the beginning of the year	2,272,196	4,529,000
Cash and cash equivalents at the end of the period	1,917,073	3,169,000

4.7. This cashflow statement shows the cashflows in and out for the period to 31 January 2025. As can be seen, net cash flow from operating activities has been positive, mostly due to the rates income received. Cash flows used in investing activities shows the amount spent on capital expenditure to the end of January. Cash flows from financing activities shows the borrowings and repayments made to external loans as well as transfers between reserve accounts.

**Current Debt Profile**

4.8. Current LGFA borrowing at the end of January has the following maturity profile.

Amount	Term	Maturity Date	Interest Rate
\$2,000,000	3 months	18 March 2025	4.46%
\$6,000,000	6 months	14 March 2025	4.86%
\$2,000,000	12 months	15 September 2025	4.27%
\$2,000,000	15 April 2026	15 April 2026	4.50%

## Councillor updates on meetings attended on behalf of Ōtorohanga District Council

## Ngā kōrero hou a ngā Kaikaunihera

All councillors will be invited by the Chairperson to provide a verbal update to the meeting.

### Resolution Register

### Rēhita tatūnga

Previous resolutions of Ōtorohanga District Council which are not yet finalised are outlined below.

#	Date	Resolution	Staff update
C287	22/10/24	<p>That Ōtorohanga District Council:</p> <p>a. Approve a phased approach to service delivery change, being:</p> <p>i. Phase 1, approve the changes set out in option 2, adding an additional recycling crate for glass only with the option of adding a food waste collection following further direction from Central Government.</p> <p>ii. Phase 2, changing the services set out in option 3, replace the recycling crate with a 240L mixed recycling bin and replace the refuse bags with a 140L bin. Phase 2 will be determined through the 2027-37 Long-Term Plan process having regard to the Government mandates.</p> <p>b. Approve an extension to the current Refuse and Recycling Contract for one year from 1 July 2025 to 30 June 2026 under the existing terms and conditions. Any increase in cost will be brought to Council for a decision through the 2024-25 Annual Plan process.</p> <p>c. Agree to explore a joint procurement arrangement with the Waitomo District Council for the delivery of kerbside refuse and recycling services in line with recommendation a).</p>	<p>We are currently in negotiations with our contractor for the 1 year contract extension.</p> <p>Staff recommend this resolution remain until the contract extension has been confirmed.</p>
C315	10/12/24	<p>Waikato Water Done Well Receives the following reports:</p> <p>b) Agrees to be a signatory to the Draft Heads of Agreement relating to Waikato Water Done Well (HoA) and authorises the Chief Executive to sign the HoA on behalf of Council. (refer to Minutes)</p>	<p>The HoA has been signed.</p> <p>It is recommended this Resolution be removed from the Register.</p>
C317	10/12/24	<p>That Ōtorohanga District Council:</p> <p>a. Grants the Ōtorohanga Historical Society Incorporated \$29,005 which is pro rata of the \$58,010 from the General District Reserve Fund,</p>	<p>The grant has been provided to the Society as resolved.</p>

- b. Notes this funding will provide for two staff with a total of 35 hours per week for six months from 1 January to 30 June 2025, which aligns to their current capacity and Council's financial year,
- c. Directs the Chief Executive to include any ongoing funding for the Society as an item for consideration as part of the draft Annual Plan 2025/26 development process.
- Workshops are being held on continued funding considerations. A formal decision will be made by ŌDC as part of the AP development. It is recommended this Resolution be removed from the Register.
- C320 10/12/24 That Ōtorohanga District Council adopts Te Ōhanga/The Nest as the sole logo for the organisation.
- The slow rollout of the logo is underway as indicated in the report. It is recommended this Resolution be removed from the Register.
- C321 10/12/24 That Ōtorohanga District Council approve the submission (document number 791794) to the Justice Select Committee on the Principles of the Treaty of Waitangi Bill.
- The submission has been lodged. It is recommended this Resolution be removed from the Register.

**Staff recommendation**

That Ōtorohanga District Council confirm the removal of Resolutions C315 and C321 from the Register.
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**Public excluded****Take matatapu**

**DISCLAIMER:** The reports attached to this Open Agenda set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions DO NOT represent Ōtorohanga District Council policy until such time as they might be adopted by formal resolution. This Open Agenda may be subject to amendment either by the addition or withdrawal of items contained therein.



**Item 217** Resolution to exclude the public for Item PE20 and Item PE21

**To** Ōtorohanga District Council

**From** Kaia King, Governance Manager

**Type** **DECISION REPORT**

**Date** 25 February 2025



### 1. Purpose | Te kaupapa

1.1. To exclude the public from parts of the proceedings of the Ōtorohanga District Council meeting.

### 2. Executive summary | Whakarāpopoto matua

2.1. All formal meetings are open to the public however, there are some parts of the meeting where the public can be excluded. Council must provide a good reason if to exclude the public from a Council or committee meeting - this also includes the media. A resolution must be made at a time when the meeting is open to the public stating the general subject of each matter, the reason for passing that resolution in relation to the matter, and the grounds on which the resolution is based.

### 3. Staff recommendation | Tūtohutanga a ngā kaimahi

That the Ōtorohanga District Council exclude the public from the following parts of the proceedings of this meeting confirming:

- a) This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act where a risk of prejudice is minimised by the holding of the whole or the relevant part of the proceedings of the meeting in public; and
- b) The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter and the specific grounds for the passing of this resolution are as follows:

General subject of each matter to be considered	Ground(s) under section 48(1) for the passing of this resolution	Interest
Item PE20: Appointment of Recovery Manager	Section 9(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons
Item PE21: Chief Executive KPI six month review	Section 9(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons

## 4. Context | Horopaki

- 4.1. Public excluded agendas and minutes are not available to the public. Where possible, Council will release public information which has been considered during the public excluded part of a meeting.

## 5. Considerations | Ngā whai whakaarotanga

### Significance and engagement

- 5.1. No community consultation is required under the Significance and Engagement Policy.

### Impacts on Māori

- 5.2. Staff consider this report does not have a direct impact on Iwi/Māori greater than any other member of the public.

### Risk analysis

- 5.3. This report seeks to reduce the risks associated with commercial information breaches.

### Policy and plans

- 5.4. There are no policies or plans relevant to this report.

### Legal

- 5.5. Resolutions to exclude the public are made under Section 48 of the Local Government Official Information and Meetings Act 1987.

### Financial

- 5.6. There are no financial impacts resulting from the recommendation.

## 6. Discussion | He kōrerorero

### Option 1: To exclude the public from the meeting

- 6.1. This option seeks to reduce the risk of commercial information breaches by the holding of the relevant part of the proceedings of the meeting with the public excluded.

### Option 2: To decline to exclude the public

- 6.2. This option may potentially expose Ōtorohanga District Council to greater risk of commercial information breaches.

### Recommended option and rationale

- 6.3. To exclude the public for the parts of the meeting outlined in the recommendation.
-

**Closing prayer/reflection/words of wisdom**

**Karakia/huritaō/whakataukī**

The Chairperson will invite a Member to provide the closing words and/or prayer/karakia.

**Meeting closure**

**Katinga o te hui**

The Chairperson will declare the meeting closed.

**Workshops**

**Hui awheawhe**

Please refer to page 4 of the agenda for further information.