

The Extraordinary Meeting of the Kawerau District Council will be held on Wednesday 12 November 2025 commencing at 9.00am

<u>AGENDA</u>

## **GUIDELINES FOR PUBLIC FORUM AT MEETINGS**

- 1. A period of thirty minutes is set aside for a public forum at the start of each Ordinary Council or Standing Committee meeting, which is open to the public. This period may be extended on by a vote by members.
- 2. Speakers may address meetings on any subject. However, issues raised must not include those subject to legal consideration, or be issues, which are confidential, personal, or the subject of a formal hearing.
- 3. Each speaker during the public forum is permitted to speak for a maximum of three minutes. However, the Chairperson has the discretion to extend the speaking time.
- 4. Standing Orders are suspended for the duration of the public forum.
- 5. Council and Committees, at the conclusion of the public forum, may decide to take appropriate action on any of the issues raised.
- 6. With the permission of the Chairperson, members may ask questions of speakers during the period reserved for public forum. Questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

# The Extraordinary Meeting of the Kawerau District Council will be held on Wednesday 12 November 2025 in the Council Chambers commencing at 9.00am

## <u>A G E N D A</u>

- 1 Karakia Timatanga | Opening Prayer
- 2 Apologies
- 3 Leave of Absence
- 4 <u>Declarations of Conflict of Interest</u>

Any member having a "conflict of interest" with an item on the Agenda should declare it, and when that item is being considered, abstain from any discussion or voting. The member may wish to remove themselves from the meeting while the item is being considered.

- **5** Meeting Notices
- 6 Nga Mihimihi | Acknowledgements
- 7 Public Forum
- 8 <u>Declaration by the Councillor Waikite Apiata (Chief Executive Officer) (101285)</u>

Pas. 1

Councillor Waikite Apiata is to complete a Statutory Declaration pursuant to clause 14, Schedule 7 of the Local Government Act 2002.

#### **Declaration by Waikite Apiata**

"I [first name, surname], declare that I will faithfully and impartially, and according to the best of my skill and judgement, execute and perform, in the best interests of District of Kawerau, the powers, authorities, and duties vested in, or imposed upon, me as [Member] of the Kawerau District Council by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act."

## 9 Appointment of Deputy Mayor (Chief Executive Officer) (103000)

Pgs. 2

Attached is a report from the Chief Executive Officer covering the Appointment of Deputy Mayor.

#### Recommendations

- 1. That the report "Appointment of Deputy Mayor" be received.
- 2. That Council notes that Cr Kingi is appointed to the position of Deputy Mayor in accordance with the provisions of section 41A (3) of Local Government Act 2002.

# 10 <u>Explanation of Legislation affecting Elected Members (Chief Executive Officer)</u> (103000)

Pgs. 3 - 13

Attached is a report from the Chief Executive Officer covering the Explanation of Legislation affecting Elected Members.

#### Recommendations

That the report "Explanation of Legislation affecting Elected Members" be received.

# 11 Council Structure and Meeting Schedule (Chief Executive Officer) (103000) Pgs. 14 - 74

Attached is a report from the Chief Executive Officer covering the Council Structure and Meeting Schedule.

#### Recommendations

- 1. That the report "Council Structure and Meeting Schedule" be received.
- 2. That Council notes:
  - 2.1 That a Regulatory and Services Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.2 That all Elected Members sit as members of the Regulatory and Services Committee.
  - 2.3 That the subordinate committees to the Regulatory and Services Committee are established according to the Terms of Reference specified in Appendix 1.
  - 2.4 That Deputy Mayor Kingi is appointed Regulatory and Services Committee chairperson.
  - 2.5 That an Iwi Liaison / Cultural Advisor Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.6 That Her Worship Mayor Tunui is appointed lwi Liaison / Cultural Advisor Committee chairperson.
  - 2.7 That a Risk and Assurance Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.8 That the Independent Member is appointed Risk and Assurance Committee chairperson.
  - 2.9 That a He Hapori Ora / Thriving Community Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.10 That the subordinate committees to He Hapori Ora / Thriving Community Committee are established according to the Terms of Reference as specified in Appendix 1.

- 2.11 That Cr Ross is appointed He Hapori Ora / Thriving Community Committee chairperson.
- 2.12 That a Hearings Committee is established according to the Terms of Reference in Appendix 1.
- 2.13 That Cr Julian is appointed Hearings Committee chairperson.
- 2.14 That Her Worship the Mayor exercise her powers under the Local Government Act 2002 to appoint all other Committee members as specified in the Terms of Reference in Appendix 1, as well as members of regional committees.
- 2.15 That Terms of Reference and appointments to Committees will be reviewed after 12 months.
- 3. That the meeting schedule for Ordinary Meetings of Council and meetings of the specified Committees in Appendix 2 be adopted.

# 12 <u>Elected Members' Remuneration – Following Elections to 30/06/2026 (Group Manager, Finance and Corporate Services) (101310)</u>

Pgs. 75 - 98

Attached is a report from the Group Manager, Finance and Corporate Services covering the Elected Members' Remuneration – Following Elections to 30/06/2026.

#### Recommendations

- 1. That the report "Elected Members' Remuneration Following Elections to 30/06/2026" be received.
- 2. That elected members confirm:
  - a) the three positions of additional responsibility of the Deputy Mayor & Chair Regulatory and Services Committee (combined), Chair of Thriving Community Committee and Chair Hearings Committee and recommend the following proposed remuneration to the Remuneration Authority:
    - Deputy Mayor & Chair of Regulatory & Services Committee \$55,244
    - Chair of Thriving Community Committee \$39,899
    - Chair of Hearings Committee \$39,899
    - Councillor (with no additional responsibilities) \$30,691

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- b) that the elected members recommend alternative salaries for councillors and the positions of additional responsibility that totals \$288,497.
- 3. That elected members approve the elected members' allowances as listed for approval by the Remuneration Authority.

#### 13 **Water Service Delivery Plan Acceptance (Chief Executive Officer)**

Pgs. 99 - 242

Attached is a report from the Chief Executive Officer covering the Water Service Delivery Plan Acceptance.

#### Recommendations

That the report "Water Service Delivery Plan Acceptance" be received.

#### Karakia Whakamutunga | Closing Prayer 14

M Godfery

<u>Chief Executive Officer</u> Z:\KDC Taxonomy\Governance\Democratic Services\Meetings\Extraordinary Council\Agenda's\Extraordinary 2025.11.12.docx



# **DISTRICT OF KAWERAU**

# DECLARATION PURSUANT TO SCHEDULE 7 SECTION 14 OF THE LOCAL GOVERNMENT ACT 2002

I, **WAIKITE SHANE APIATA** declare that I will faithfully and impartially, and according to the best of my skill and judgement, execute and perform, in the best interests of the District of Kawerau, the powers, authorities and duties vested in or imposed upon me as Member of the Kawerau District Council by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 and any other Act.

2025.

<b>DATED</b> at Kawerau this	12 <sup>th</sup> day of	November
Signature		
In the presence of:		
Faylene Tunui MAYOR		

**Meeting**: Extraordinary Council

Meeting Date: 12 November 2025

**Subject**: Appointment of Deputy Mayor

**File No.**: 103000

#### 1 Background

Under Sch. 17(1) of the Local Government Act 2002 the Mayor must appoint an Elected Member as Deputy Mayor. The recommendation in this report is based on the Mayor's decision to appoint Cr Kingi as Deputy Mayor.

The powers of the Deputy Mayor rely on the approval of the Mayor. For example, the Mayor and Deputy Mayor can agree for the Deputy Mayor to carry out certain duties on the Mayor's behalf. This arrangement can be supported by Council staff.

Where the Mayor takes leave she may delegate to the Deputy Mayor the power to undertake any Mayoral responsibilities and duties. Where this occurs the Deputy Mayor may exercise the Mayor's statutory powers. The statutory responsibilities in this situation could include Chairing Council meetings while the day-to-day responsibilities could include liaising with the Chief Executive and providing community leadership.

If the Office of the Mayor is vacant, e.g. for retirement, the Deputy Mayor must fulfil the Mayoral role and may exercise the Mayor's powers until a by-election or triennial election is held.

#### 2 **RECOMMENDATIONS**

- 1. That the report "Appointment of Deputy Mayor" be received.
- 2. That Council notes that Cr Kingi is appointed to the position of Deputy Mayor in accordance with the provisions of section 41A (3) of the Local Government Act 2002.

Morgan Godfery

**Chief Executive Officer** 

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**Meeting:** Extraordinary Council

Meeting Date: 12 November 2025

**Subject:** Explanation of Legislation affecting Elected Members

File No.: 103000

#### 1 Purpose

The purpose of this report is to provide elected members with a high-level general explanation on the laws affecting Elected Members.

The Local Government Act 2002, Schedule 7 Clause 21(5) requires that the first meeting of a local authority following a triennial general election must include a general explanation of:

- i) the Local Government Official Information and Meetings Act 1987; and
- ii) other laws affecting members, including:
  - a) the appropriate provisions of the Local Authorities (Members' Interests) Act 1968; and
  - b) sections 99, 105, and 105A of the Crimes Act 1961; and
  - c) the Secret Commissions Act 1910; and
  - d) the Financial Markets Conduct Act 2013; and

This legislation is key given it relates to the personal conduct of Elected Members while holding office. This report only serves as an overview, and copies of all the legislation are available on the Government website at <a href="https://legislation.govt.nz/">https://legislation.govt.nz/</a>.

#### 2 <u>Local Government Act 2002</u>

The Local Government Act 2002 (LGA) defines local government's purpose, its general powers, its specific bylaw making powers and the principles and processes that councils must abide by when making decisions.

The LGA is based on the principle of general competency, which enables a Council to do whatever is necessary to fulfil its role within its legislative boundaries. Within this framework, there is a considerable degree of flexibility in deciding how activities are carried out.

"The purpose of local government is:

- a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- b) "to play a broad role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach"

In addition to its general power under the LGA, the Council has many specific statutory powers in more than 30 statutes, which provide councils with regulatory powers. Councils also have specific bylaw making powers, which are separate from their general power, and which may be contained in either the LGA or other legislation.

The LGA sets out high-level principles and requires the Council to act in accordance with these when exercising its powers. These can be summarised as the Council must:

- Act with transparency and openness and be democratically accountable
- Give effect to identified priorities efficiently and effectively
- Have regard to the views of all of its communities
- When making decisions, consider the diversity of the community and the interests
  of future as well as current communities, and the likely impact of any decision on
  these interests
- Provide opportunities for Māori to contribute to its decision-making processes
- Collaborate and co-operate with other local authorities
- Act in accordance with sound business practices
- Periodically review the returns from investing in or undertaking commercial activities satisfy itself that the expected returns outweigh the
- Ensure prudent stewardship and the efficient and effective use of resources in the interests of the district including planning for the future management of its assets
- In taking a sustainable development approach, take into account the social, economic, and cultural interests of the people and communities, the need to maintain and enhance the quality of the environment and the needs of future generations.

If any of the principles or any aspects of well-being are in conflict, the Council must resolve that conflict in an open, transparent, and democratically accountable manner. These principles are helpful in determining the governance structure, as they are indicative of the spirit and intent of the LGA and govern the way in which the Council undertakes decision-making. A Council that is seen to act in conflict with these principles can be subject to judicial review.

Every decision made by the Council, including a decision not to take any action, must be made in accordance with the decision-making framework in the LGA. A higher standard of compliance with the decision-making process is required when the Council is making a significant decision. The definition of "significance" is defined in the LGA and in Council's Significance and Engagement Policy.

Another requirement of the Act is that Council must publish a document outlining its functions and a general description of the information held by it. This material is published through the Local Governance Statement, which is required to be updated within six months following each triennial election. The Local Governance Statement is publicly available on the Council's website, but it will need to be updated following the Council's decision on its governance structure for 2025-2028.

#### **Personal Liability of Elected Members**

Elected Members are indemnified in respect of their actions as a member of the Council. Section 43 of the LGA provides for this indemnity (by the Council) in relation to:

- a) civil liability (both for costs and damages) brought by a third party if the Member is acting in good faith and in pursuance of the responsibilities or powers of the Council:
- b) costs arising from any successfully defended criminal action relating to acts or omissions in their capacity as an Elected Member.

However, the LGA provides that an Elected Member may have personal exposure in certain circumstances if the Council has incurred an unrecovered loss by its actions or omissions (section 44). The loss must arise out of one of the following situations:

- the Council unlawfully spends money;
- the Council unlawfully sells or disposes of an asset;
- the Council unlawfully incurs a liability;
- the Council intentionally or negligently fails to enforce the collection of money it is lawfully entitled to receive.

If the Auditor-General has reported on a "loss", then that loss is recoverable as a debt due to the Crown from each Elected Member jointly and severally. However, as a Member of the District Council, there is a defence (section 46 LGA) if they can prove that the act or failure which led to the loss occurred:

- without their knowledge; or
- with their knowledge but against your protest made at or before the time when the loss occurred; or
- contrary to the manner in which they voted on the issue at a meeting of the Council; or
- in circumstances where they acted in good faith and relied on information, or professional or expert advice given by a Council officer or professional advisor on matters which you reasonably believed were within that person's professional or expert competency.

#### 3 Local Government Official Information and Meetings Act 1987 (LGOIMA)

LGOIMA provides for all local government activities to take place in an open and transparent environment. It also specifies that, generally, all information held by a local authority in any form should be available to the public. The purpose of LGOIMA is to:

- enable more effective participation by the public in the actions and decisions of local authorities
- to promote the accountability of local authority members and officials with a view to enhancing respect for the law and promote good local government in New Zealand.

At the heart of LGOIMA is the principle of availability, which states that the information should be made available unless there is good reason for withholding it. There are two aspects to this Act:

- Access to local authority information; and
- Local authority meetings

A brief overview of these provisions is provided in the following paragraphs.

#### Access to Local Authority Information

Generally, all information held by a local authority in any form should be available to the public. However, LGOIMA does provide that certain material does not constitute "information" for the purposes of the Act. This includes library or museum material, information acquired solely for reference or exhibition purposes, information held by the Council as agent for the purpose of safe custody, and correspondence with the Ombudsman relating to a matter under investigation by that office.

It also sets out certain reasons that a Council might rely on to withhold particular information, such as the protection of personal privacy, commercial advantage, protection of negotiations, and the like.

LGOIMA provides for anyone to have the right to request information held by the Council. If any such request is refused the applicant has the right to complain to the Ombudsman. The Ombudsman will then consider the request; the nature and content of the information concerned, and the grounds relied on for refusing to provide it. If the Ombudsman believes that some or all of the information should be released, the Ombudsman will recommend a course of action to the Council. It is then up to the Council to decide what to do. The Council's decision is reviewable by the High Court.

LGOIMA specifically provides that there will be no liability on Elected Members for any information released in good faith under the legislation pursuant to a request for official or personal information. It should be noted however that the Privacy Act 2020 places strict limitations on Council in respect of the release of information relating to private individuals and this must be seen as curtailing the general rule. The indemnity does not extend to the release of information in response to a request for a land information memorandum (LIM) under Part 6 of LGOIMA.

Under LGOIMA the authority to make decisions regarding whether information should be released is deemed to be that of the Chief Executive, and the Chief Executive has power to authorise another officer or employee of Council to make those decisions. However, if there is a complaint to the Ombudsman arising from such a decision, the consideration of any recommendation made by the Ombudsman for the release of that information is a matter for Council.

As a general rule, any information contained in the open section of any agenda is already in the public domain. Any information marked "public excluded" or "confidential" should not be released or discussed outside the meeting concerned. If, as an Elected Member, you are asked to provide any such information to a third party you should refer the request to either the Chief Executive or to the Group Manager responsible for the report. If an Elected Member releases confidential information and the Council suffers any loss as a result, the member may become personally liable for that loss if it can be shown that they were not acting in good faith.

#### **Local Authority Meetings**

LGOIMA provides that all meetings of Council and its committees, and the meetings of community boards and their committees, shall be open to the public unless certain specified reasons can be satisfied for excluding them.

These reasons are basically the same as for withholding information (except for the provision that allows information to be withheld to protect the free and frank expression of opinions). It is necessary for the meeting to be satisfied that any one or more of these reasons exist before the public is excluded. Staff will provide guidance and suggestions where it may be considered to be appropriate for the Council or for one of its committees to meet with the public excluded.

LGOIMA also enables the Mayor (or Chairperson in the case of committees) to introduce and deal with an item that is not on the agenda as long as there is a clear reason why the item is not on the agenda and why it cannot wait until the next meeting. A formal resolution, including reasons, must then be passed to receive and consider the item. This relates to major and urgent matters only. The Council is still subject to the requirements of the decision-making processes as set out in the LGA. LGOIMA states that in terms of minor matters that are not on the agenda, no resolution, decision, or recommendation may be made in respect of that item except to refer it to a subsequent meeting of the local authority for further discussion. This requirement is not intended to make the decision-making process any more difficult or protracted than necessary, but rather to ensure transparency.

Agendas for Council and Committee meetings have to be made available to the public two clear working days before the day of the meeting. Council agendas are published on Council's website.

Other provisions of LGOIMA require meetings to be publicly notified and provide that any matter including defamatory matter published in any agenda, or oral statements made at any meeting are privileged unless proven to have been made with malice. This type of privilege is known as qualified privilege. It is a protection afforded by the law on certain occasions to a person acting in good faith and without any improper motive who makes a statement defamatory of another person. It is established in law that meetings of local authorities are privileged occasions. The reason given by the Courts is that those who represent local government electors should be able to speak freely on any matter they believe affects the interests of their residents. The situation regarding statements made outside a formal meeting is not so clear and the statutory protections afforded by sections 52 and 53 do not extend to published matters outside of agendas or minutes, or to statements made outside of a meeting. What is required for qualified privilege to apply is a positive belief in the truth of what is said, and that there is no suggestion of personal spite or ill-will by the maker.

The Chairperson at a meeting can require a member of the public to leave a meeting if the behaviour of the person concerned is likely to prejudice the orderly conduct of the meeting. If an Elected Member's conduct prevents the orderly conduct of the meeting, that member can also be asked to leave by the Chairperson under the Council's Standing Orders.

#### 4 Local Authority (Members' Interests) Act 1968

The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts.

This Act deals with "interest" known as pecuniary interest. Other forms of non-pecuniary interest are dealt with outside of the Act under the common law.

#### Pecuniary interest

The two specific rules in the Act are that members cannot:

- Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
- 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office

A pecuniary interest is one that involves money or a financial benefit or impact. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of Elected Members to make this decision, to declare any interest when appropriate and to ensure that as an Elected Member they comply with the Act's requirements at all times.

The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceed \$25,000 in any one financial year. The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or has control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where a member's family trust has a contract with the Council. The Act does provide that on application to it, the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.

The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. Though not an absolute requirement of the Act, the Council's Standing Orders require that, where a member declares an interest in the issue being debated, the member must withdraw from the Council Chambers. This interest is required to be declared by the member and is noted in the minutes.

The Office of the Auditor-General is the agency which oversees this legislation, and it has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest; however, the Office of the Auditor-General uses the following test:

"Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."

In deciding whether you have a pecuniary interest you should consider the following factors:

- What is the nature of the decision being made?
- Do I have a financial interest in that decision do I have a reasonable expectation of gain or loss of money as a result of making that decision?
- Is my financial interest one that is in common with the public?
- Do any of the exceptions in the Act apply to me?
- Could I apply to the Auditor-General for approval to participate?

Further guidance is provided in the booklet "Local Authorities (Members' Interests) Act 1968: A guide for members of local authorities on managing financial conflicts of interest" which has been provided to Elected Members

#### Non-pecuniary interest

Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is "bias." Rules about bias operate not only to ensure that there is no actual bias, but also so, there is no appearance or likelihood of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where:

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council's debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is:

"Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision-making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?"

If there is, the member should declare their interest and withdraw from the debate. The law about bias does not put an Elected Member at risk of personal liability. Instead, the validity of the Council's decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor.

#### **Pecuniary Interests Register**

A recent amendment to the LGA (contained in the Local Government (Pecuniary Interests Register) Amendment Act 2022) requires Council to keep a register of the pecuniary interests of all members of Council. The purpose of the register is to record members' interests so as to provide transparency and to strengthen public trust and confidence in local government processes and decision-making.

All members must make a pecuniary interest return annually. The pecuniary interest return must contain a range of information relating to the member's business and personal interests. The information provided must be accurate, and there is a duty on a member to correct any errors as they become aware of them. The member must also keep this information up to date. Completion of the register is not a substitution for compliance with the Local Authorities (Members' Interests) Act, and a pecuniary interest declared for the purposes of the register is not necessarily an interest for the purposes of that Act.

#### 5 Crimes Act 1961

Under this Act, it is unlawful for an Elected Member (or officer) to:

- Accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of the Council
- Use information gained in the course of their duties for their, or another person's monetary gain or advantage.

Section 99 of the Crimes Act 1961 defines a member or employee of a local authority as an official. For the purposes of this Act this means that each Elected Member of the Council is considered to be an official of the Council. Section 99 also defines a "bribe" as being "any money, valuable consideration, office, or employment, or any benefit, whether direct or indirect". The words "or indirect" broaden this definition considerably. For example, an offer of employment to a son or a daughter could be construed as amounting to being a bribe, so members need to be aware of their exposure under this Act through other family members.

Section 105 and 105A provide:

105. Corruption and bribery of official—

- Every official is liable to imprisonment for a term not exceeding 7 years who, whether within New Zealand or elsewhere, corruptly accepts or obtains, or agrees or offers to accept or attempts to obtain, any bribe for himself or herself or any other person in respect of any act done or omitted, or to be done or omitted, by him or her in his or her official capacity.
- Everyone is liable to imprisonment for a term not exceeding 7 years who corruptly
  gives or offers or agrees to give any bribe to any person with intent to influence
  any official in respect of any act or omission by him or her in his or her official
  capacity.

#### 105A. Corrupt use of official information—

Every official is liable to imprisonment for a term not exceeding 7 years who, whether within New Zealand or elsewhere, corruptly uses [or discloses] any information, acquired by him or her in his or her official capacity, to obtain, directly or indirectly, an advantage or a pecuniary gain for himself or herself or any other person.

As Elected Members are deemed to be "officials" for the purposes of this Act they are therefore subject to these penalties if found to be in breach of them. Such a conviction would also have the consequence of loss of office in terms of the Local Government Act 2002 (which disqualifies a Member who is convicted of an offence punishable by a term of imprisonment of two years or more).

#### 6 Secret Commissions Act 1910

This Act basically states that you must not use your office for improper gain. It specifically establishes offences relating to the giving, receiving, or soliciting of gifts or other consideration as an inducement or reward for doing or not doing something in relation to the affairs of the Council, or showing or having shown favour or disfavour to any person in relation to the Council's affairs or business. It applies to Elected Members and covers any such gifts given, received, or solicited by "any parent, husband, wife, or child of any agent, or to his partner, clerk, or servant, or (at the agent's request or suggestion) to any other person."

The Act makes it an offence for any "agent" (for the purposes of the Act an Elected Member is deemed to be an "Agent" of the Council):

- to accept gifts without the consent of the principal (the Council)
- not to disclose a pecuniary interest in any contract which the agent makes on behalf of the principal
- who knowingly delivers to their principal a false receipt, invoice, account or other document in relation to the principal's business.

It is an offence to divert, obstruct, or interfere with the proper course of the affairs or business of the Council, or to fail to use due diligence in the prosecution of its affairs or business, with intent to obtain any gift or other consideration from any person interested in the affairs or business of the Council.

It also provides that it is an offence for any person to advise a party to enter into a contract with a third party and to receive gifts or consideration from that third party as reward for procuring the contract, unless the person giving that advice is known by the party to be the agent of that third party. It further provides that the act of aiding or abetting or in any way facilitating an offence against the Act is itself an offence.

In summary, it is an offence for an agent to:

- Receive a secret commission
- Accept a bribe (a gift for doing or not doing something)
- Aid and abet (encourage or refuse to act)

Prosecutions made for offences under this Act require the approval of the Attorney-General and carry a penalty of up to seven years imprisonment. Such a conviction would also have the consequences of loss of office in terms of Clause 1 of Schedule 7 of the Local Government Act 2002.

#### 7 The Financial Markets Conduct Act 2013

The purpose of the Financial Markets Conduct Act 2013 (FMC Act) is to promote and facilitate the development of fair, efficient, and transparent financial markets, and to promote the confident and informed participation of businesses, investors, and consumers. The FMC Act works to regulate the financial conduct and governs the way financial products are offered, promoted, issued, and sold. This includes the ongoing responsibilities of those who offer, issue, manage, supervise, deal in and trade financial products. The FMC Act also regulates the provision of certain financial services.

The FMC essentially places Elected Members in the same position as company directors whenever the Council offers financial products (such as an issue of debt or equity securities). Elected Members may be personally liable if documents that are registered under the Act, such as a product disclosure statement, contain false or misleading statements. Elected Members may also be liable if the requirements of the Act are not met in relation to offers of financial products.

#### 8 Protected Disclosures (Protection of Whistle-blowers) Act 2022

The Protected Disclosures (Protection of Whistle-blowers) Act 2022 (The Act) promotes the public interest of facilitating the disclosure of serious wrongdoing and protecting employees and Elected Members who make disclosures.

Council is a public sector organisation subject to the provisions of the Act.

Under the Act, an employee or Elected Member who makes a protected disclosure is protected from retaliation or less favourable treatment, victimisation, and any civil, criminal or disciplinary proceedings that might arise from such a disclosure. They are also entitled to identity confidentiality as far as possible, and to be consulted before any identifying information is released where it is necessary to do so. A protected disclosure occurs where the discloser believes on reasonable grounds that there has been serious wrongdoing under the Act and discloses that information in accordance with the Act. Serious wrongdoing includes an act or omission by Council that is an offence, a serious risk to public or individual health or safety, a serious risk to the environment or the maintenance of law, an unlawful, corrupt or irregular use of funds or resources, or oppressive, unlawfully discriminatory, or grossly negligent activity.

#### 9 Health and Safety at Work Act 2015

The Health and Safety at Work Act 2015 (Act) is New Zealand's primary workplace health and safety legislation. Under this Act the "person conducting a business or undertaking" (PCBU) (i.e. the Council) has a duty or obligation to ensure, as far as is reasonably practicable, the health and safety of its workers and others (who may be

impacted by the work) while they are at work. This includes workplace risks to both physical and mental health.

As the Council has a duty or obligation under the Act, and officers of the Council must exercise due diligence to ensure the Council complies with this Act. Elected Members, the Chief Executive and the senior leadership team are deemed officers as they occupy a position of significant influence over the management of the Council.

As an officer, Elected Members cannot delegate the exercise of this duty, and must under due diligence through:

- a) Having relevant and up-to-date knowledge of work health and safety matters
- b) Understanding the Council business and operations and the associated health and safety risks
- c) Ensure Council has and uses, appropriate processes and resources to eliminate or minimise risks to health and safety
- d) Ensure Council has appropriate processes for receiving, considering and responding to information regarding incidents, hazards, and risks in a timely manner
- e) Ensure Council has and implements, processes for complying with any duties or obligation under this Act
- f) Verify the provision and use of the resources and processes through reviews and audits.

Elected members should proactively engage in health and safety matters during the performance of their governance role and/or when they are on the premises managed or controlled by the Council. Staff will support Elected Members to comply with their duty of due diligence through providing a health and safety induction to Council and providing regular health and safety information through the Audit and Risk Committee.

#### 10 <u>RECOMMENDATION</u>

That the report "Explanation of legislation affecting Elected Members" be received.

M Godfery

Chief Executive Officer

E:\EXT\71\R-Explanation of Legislation affecting Elected Members - 2025-11-12 MG edits docx

**Meeting**: Extraordinary Council

Meeting Date: 12 November 2025

**Subject**: Council Structure and Meeting Schedule

**File No.**: 103000

#### 1 Purpose

This report offers Council the opportunity to:

- Confirm a preferred committee structure for the 2025-2028 triennium;
- Appoint Chairs to the preferred committees; and
- Approve a meeting schedule for Council and the preferred committees.

#### 2 Background

Under the Local Government Act 2002 a local authority must adopt a schedule of ordinary meetings. The Act also provides that a local authority:

- May appoint committees, subcommittees and other subordinate decision-making bodies that it considers appropriate; and
- With exceptions, may delegate to a committee or other subordinate decisionmaking body any of its responsibilities, duties or powers.

Within the power to delegate is broad discretion under the Act. Committees can exercise broad supervisory powers, from governing projects to assessing risk, and can make broad recommendations to Council including recommended resolutions.

However, Council cannot delegate the following functions, and any committee that resolves to exercise a power below is acting ultra vires (i.e. unlawfully). Therefore, Council cannot delegate:

- The power to make a rate; or
- The power to make a bylaw; or
- The power to borrow money, purchase or dispose of assets (other than in accordance with the Long term Plan); or
- The power to adopt a Long Term Plan, an Annual Plan or an Annual Report; or
- The power to appoint a Chief Executive; or
- The power to adopt policies required to be adopted in association with the Long Term Plan or developed for the purposes of the Local Governance Statement; or
- The power to adopt a remuneration and employment policy.

Within these legislative parameters Council can constitute and delegate to committees as it sees fit.

#### 3 <u>Committees</u>

Under the Local Government Act 2002 Mayors may establish governing body committees, appoint committee chairs and members, and disestablish committees. Council, in turn, can approve Terms of Reference for those committees.

The following committees were developed under the leadership of Her Worship the Mayor with staff preparing the structure and proposed Terms of Reference (Appendix 1). The resolutions attached to this report recommend a review of the Terms of Reference in 12 months.

Council's decision to constitute its preferred committees is tied to the legislative requirement to adopt an ordinary meeting schedule. Council can only confirm its meeting schedule once its preferred committees are constituted.

#### 3.1 Regulatory and Services Committee

Council's Regulatory and Services Committee operates as a committee of the whole (i.e. all Elected Members are entitled to sit on the committee). Established in 2014, the primary purpose of the committee is to monitor regulatory functions, infrastructure services, and community services to ensure they remain efficient, community-focused, and consistent with policies, bylaws, regulations, and statute. In previous trienniums it was Council policy that these monitoring functions are the responsibility of the Committee rather than Full Council. This helps ensure greater efficiency at Full Council.

The Committee meets monthly (except in January). Meetings take place on the second Wednesday of the month. Under the proposed structure in Appendix 1 the Committee will also supervise a series of subordinate committees including:

- Climate Adaptation and Future Proofing Committee;
- Finance and Infrastructure Committee:
- · Road Safety Committee; and
- Civil Defence Committee

The recommendation for Chair of the Committee is Cr Kingi.

#### 3.2 Risk and Assurance Committee

Established in 2014, and formerly known as Audit and Risk, the renamed committee's primary purpose is to monitor risk management, financial systems and reporting, external audit, treasury, and compliance.

The roles and responsibilities of the Committee include:

- Monitoring Council's internal and external audit functions;
- Reviewing audit engagement letters and management reports;
- Monitoring progress toward achieving recommendations in the audit management report:
- Reviewing and monitoring Council's financial and non-financial performance monitoring framework;
- Receiving treasury reports;
- Approving, reviewing, and monitoring the risk management framework and policy.

The recommended chair of the Committee is the Independent Member.

#### 3.3 He Hapori Ora / Thriving Community Committee

He Hapori Ora is responsible for providing direction, consistency, and oversight across its subordinate, community-focused committees. It ensures each subordinate committee contributes effectively to Council's Annual and Long Term Plans, strategic priorities, and community outcomes. The committee offers a defined structure to a formerly ad hoc committee network.

He Hapori Ora's subordinate committees are:

- Community Safety;
- Kawerau Accessibility Group;
- Youth Committee:
- Creative Communities Scheme;
- Glass 4 Gambling Trusts Liaison;
- Community Grants;
- Community Awards.

He Hapori Ora may convene its subordinate committees as and when required, and may make recommendations to Council where appropriate. By its nature, the committee will be community-facing acting as an ambassador and liaison.

The recommended chair of the Committee is Cr Ross.

#### 3.4 Iwi Liaison Committee

The lwi Liaison Committee provides cultural advice and guidance to Council to ensure its decision-making reflects a te ao Māori perspective, upholds the obligations of Te Tiriti o Waitangi, and supports the growing relationship between Council and local iwi and hapū. The committee plays an integral role in a number of Council decisions including appropriate naming of streets, projects, and sites of significance. The committee also provides guidance to operational staff including in the usage of te reo Māori, mihi whakatau, and other matters.

The recommended chair of the Committee is Her Worship Mayor Tunui.

#### 3.5 Hearings Committee

From time-to-time matters arise under legislation that require Council to conduct quasi-judicial hearings. These may include but are not limited to:

- Resource consent applications under the Resource Management Act 1991; and
- Objections under Dog Control Act 1996 or Impounding Act 1955.

Certain matters under the Local Government Act 2002 are also capable of being heard in a Hearing setting.

In 2014 Council established a Hearings Subcommittee subordinate to the Regulatory and Services Committee. The purpose of the Committee was, and remains, to hear any matters that legislatively require a Hearing. Under the proposed structure in this report the Hearings Committee will stand apart from the Regulatory and Services

Committee and retain the power to decide any matters referred to it (so long as those matters and decisions are consistent with legislation).

However, some hearings fall outside of the jurisdiction of the Committee including:

- Any hearing related to the making of a bylaw;
- Any hearing relating to a District Plan change or variation; and
- Any resource consent applications that require independent commissioners.

The making of a bylaw is a non-delegable power, and so the hearings that form part of the making of a bylaw remain the jurisdiction of Full Council. Similarly, in order to meet the specific requirements of the Resource Management Act 1991, hearings of resource consent applications are ordinarily undertaken by independent and accredited commissioners appointed as required with delegated authority to determine any matters heard.

The recommended chair of the Committee is Cr Julian.

#### 3.6 Regional committee appointments

Council also participates in several regional committees including Bay of Plenty Civil Defence, Bay of Plenty Regional Transport, Eastern Bay of Plenty Joint Committee, Eastern Bay of Plenty Road Safety, and Tarawera Awa Restoration Strategy Group.

Civil Defence, Regional Transport, Joint Committee, and Mayoral Forum are constituted (and administered) by Bay of Plenty Regional Council. Eastern Bay of Plenty Road Safety is constituted between the Councils of the Eastern Bay of Plenty while the Tarawera Awa Restoration Strategy Group is enacted in the Deed of Settlement for Ngāti Rangitihi.

It is recommended Her Worship the Mayor appoints members to regional committees consistent with the Terms of Reference contained in Appendix 1 and her powers under the Local Government Act 2002.

#### 4 Options Considered - Meeting Dates/Times

Council meets on a monthly cycle basis on the last Wednesday of the month (excluding January and December). Other small Councils run a 6-weekly meeting cycle, but there are variations across different Councils of different sizes.

Meetings are generally held during normal working hours:

- 9:00 am for Council and the Regulatory and Services Committee; and
- 1:00 pm for the Risk and Assurance Committee.

Council could decide to hold meetings at different times.

The advantages of the monthly cycle include relatively speedy decision-making and simplicity. The disadvantage of a longer cycle is more meeting time is required on the day on the part of both Elected Members and staff.

Council and Regulatory and Services Committee meetings have been held on Wednesdays. It is proposed that Wednesday remains the preferred meeting day. It is also proposed that other Committees, with the exception of Risk and Assurance, meet on Wednesdays in order to ensure predictability for Elected Members who may need to organise time away from employment.

#### 5 Policy and Legal Considerations

The Local Government Act 2002, section 41A empowers the Mayor to determine the Committee structure for Council and appoint the Chairperson(s) to the Committee(s).

Council may also determine the Committee structure and appoint the Chairperson(s) in accordance with the provisions in Clauses 25 and 30 Schedule 7 of the Local Government Act 2002 (which are included in the Standing Orders). As per section 41A of Local Government Act 2002 Council may, under certain circumstances, remove the Deputy Mayor, Committee Chair and discharge a Committee at a future date in accordance with Clauses 18 and 30 of Schedule 7 Local Government Act 2002.

Council can delegate any powers it wishes to a Committee apart from those specified in Clause 32 Schedule 7 of the Local Government Act 2002 (set out in section 2 of this report).

Relatedly, Council is required to fix a date and time for the first Ordinary Meeting of the Council or to adopt a schedule of Ordinary Meetings. Council has consistently adopted a schedule of ordinary meetings for each year.

#### **6** Significance and Engagement

Council is legislatively required to reaffirm or reform its structure and meeting arrangements from triennium to triennium. These decisions can be made internally without an external consultation process.

#### **7** Financial Considerations

There are no significant financial considerations.

#### 8 **Summary**

As per the Local Government Act 2002 the decision to adopt a committee structure and appointment of chairs is part of the Mayor's executive powers. If the Mayor decides not to exercise this power or, as in this case, to present the structure for approval to Council then Council may resolve to determine the committee structure and appoint the relevant chairs.

The renewal and reform of the Council structure, as presented in Appendix 1, and the meeting schedule in Appendix 2, is the option preferred by Her Worship.

#### 9 **RECOMMENDATIONS**

- 1. That the report "Council Structure and Meeting Schedule" be received.
- 2. That Council notes:
  - 2.1 That a Regulatory and Services Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.2 That all Elected Members sit as members of the Regulatory and Services Committee.
  - 2.3 That the subordinate committees to the Regulatory and Services Committee are established according to the Terms of Reference specified in Appendix 1.
  - 2.4 That Deputy Mayor Kingi is appointed Regulatory and Services Committee chairperson.
  - 2.5 That an Iwi Liaison / Cultural Advisor Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.6 That Her Worship Mayor Tunui is appointed Iwi Liaison / Cultural Advisor Committee chairperson.
  - 2.7 That a Risk and Assurance Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.8 That the Independent Member is appointed Risk and Assurance Committee chairperson.
  - 2.9 That a He Hapori Ora / Thriving Community Committee is established according to the Terms of Reference contained in Appendix 1.
  - 2.10 That the subordinate committees to He Hapori Ora / Thriving Community Committee are established according to the Terms of Reference as specified in Appendix 1.
  - 2.11 That Cr Ross is appointed He Hapori Ora / Thriving Community Committee chairperson.
  - 2.12 That a Hearings Committee is established according to the Terms of Reference in Appendix 1.
  - 2.13 That Cr Julian is appointed Hearings Committee chairperson.
  - 2.14 That Her Worship the Mayor exercise her powers under the Local Government Act 2002 to appoint all other Committee members as specified in the Terms of Reference in Appendix 1, as well as members of regional committees.
  - 2.15 That Terms of Reference and appointments to Committees will be reviewed after 12 months.

That the meeting schedule for Ordinary Meetings of Council and meetings of the specified Committees in Appendix 2 be adopted. 3.

M Godfery

Chief Executive Officer

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# Terms of Reference

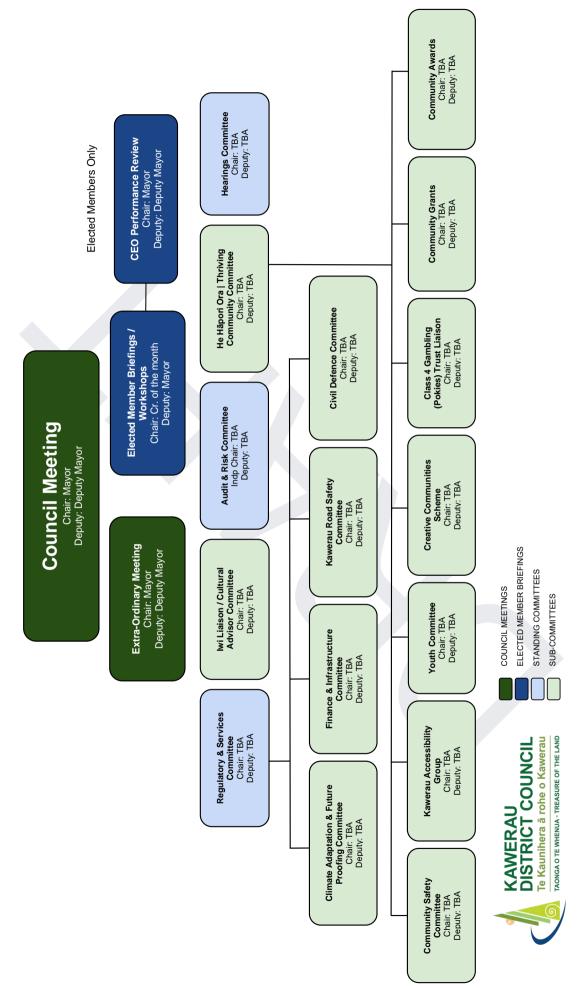
**Kawerau District Council Committees** 



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# **COUNCIL COMMITTEES**



#### Council

Chair:	Mayor
Deputy Chair:	Deputy Mayor
Members	9 members
Quorum:	5 members
Review Date:	Every three (3) years
Meeting Frequency:	Monthly
Legislative Basis:	Schedule 7 s30 (1) (A), Local Government Act 2002 Committee delegated powers by the Council as per Schedule 7, s32, Local Government Act 2002
Sub Committees	Elected Member Briefings / Workshops Risk and Assurance Committee Regulatory and Services Committee Iwi Liaison / Cultural Advisor Committee He Hāpori Ora   Thriving Community Committee Hearings Committee

#### 1. Purpose

The purpose of Council is to:

- enable democratic local decision-making and action by, and on behalf of, communities; and
- promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

## 2. Principles

Council retains decision-making authority over all non-delegable powers and matters of strategic or statutory importance. These include, but are not limited to:

- Setting rates and adopting bylaws;
- Approving the Long-term Plan, Annual Plan, Annual Report, and associated consultation materials
- Appointing and reviewing the performance of the Chief Executive Officer
- Making key financial, asset, and policy decisions that fall outside of delegated authority
- Leading Emergency Management preparedness and exercising functions under the Civil Defence Emergency Management framework
- Overseeing electoral processes and local democratic engagement
- Ensuring decisions reflect the Council's commitment to transparency, accountability, good governance, and alignment with the Long-term Plan

#### 3. Membership

Chair:	Members:  ■ All Elected Members (Councillors)
Mayor of Kawerau	7 th Elected Wellisers (Courtement)
Deputy Chair:	
Deputy Mayor of Kawerau	

#### 4. Powers

- the power to make a rate.
- the power to make a bylaw.
- the power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-term Plan.
- the power to adopt a Long-term Plan, Annual Plan, or Annual Report.
- the power to appoint a Chief Executive Officer.
- the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long-term Plan, or developed for the purpose of the Local Governance Statement.
- the power to adopt a remuneration and employment policy.
- the power to set and support strategies in measures related to emergency matters.
- all the powers, duties and discretions under the Civil Defence Act for the proper operation and administration of the approved Civil Defence Plan; such delegation to be executed solely within the defined policy guidelines as determined from time to time by the Council and subject to the Financial limits imposed by the approved Council estimates.

Additional responsibilities retained by the Council include, but are not necessarily limited to:

- Advise and support the Mayor on the development of the Long Term Plan and Annual Plans.
- Approval of Long Term Plan or Annual Plan consultation documents, and supporting information and consultation process prior to consultation.
- Approval of a draft bylaw prior to consultation.
- Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of the Electoral Officer.
- Adoption of, and amendment to the Committee Terms of Reference, Standing Orders and Code of Conduct.
- Monitor the overall financial management and performance of the Council.
- Make financial decisions required outside of the Annual Plan budgeting processes.
- Write-offs.
- Acquisition of property in accordance with the Long-term Plan.
- Disposals in accordance with the Long-term Plan.
- Review the Chief Executive's performance annually.
- Undertake a performance review at the end of the first term of appointment as required by Schedule 7, clause 35 of the Local Government Act 2002. Undertaken no

less than 6 months before the date on which the Chief Executive's contract of employment for the first term expires.

#### 5. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium or earlier if deemed necessary by the Council.

#### 6. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting and a resolution should be passed by Council.

#### 7. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

#### 8. Limits to Delegations

Powers that cannot be delegated to committees as per the Local Government Act 2002 Schedule 7 S32.

# **Extraordinary Council**

Chair:	Mayor	
Deputy Chair:	Deputy Mayor	
Members	9 members	
Quorum:	5 members	
Review Date:	Annually	
Meeting Frequency:	Upon request from the Mayor or CEO	
Legislative Basis:	Local Government Act 2002, Sections 46 - 47 Council Standing Orders	

#### 1. Purpose

Extraordinary meetings are held to enable the Council to consider matters that require urgent attention or that cannot be delayed until the next ordinary meeting. They provide a formal mechanism for the Council to respond quickly to emerging issues or specific items of business.

#### 2. Scope of Responsibilities

Extraordinary meetings will:

- Consider only the specific item(s) of business for which the meeting has been called.
- Make formal decisions on urgent matters requiring Council resolution.
- Ensure decisions are consistent with Council's statutory responsibilities and delegations.

Extraordinary meetings will not:

- Reconsider matters outside the published agenda.
- Replace or undermine the scheduled programme of ordinary meetings, except where timing requires urgent action.

## 3. Membership

Chair:	Members:  • All Elected Members (Councillors)
Mayor of Kawerau	7 All Elected Welfibers (Oddrielliors)
Deputy Chair:	
Deputy Mayor of Kawerau	

#### 4. Decision Making

Extraordinary meetings have the same decision-making powers as an Ordinary Council meeting, limited to the items on their agenda.

#### 5. Review of Terms of Reference

These Terms of Reference shall be reviewed annually or earlier if deemed necessary by the Council.

#### 6. Meetings

Extraordinary meetings are held as required and do not follow a fixed schedule. Meetings are open to the public unless a matter requires consideration in a public-excluded session under the Local Government Official Information and Meetings Act 1987.

#### 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## 9. Limits to Delegations

Powers that cannot be delegated to committees as per the Local Government Act 2002 Schedule 7 S32.

# **Elected Member Briefings / Workshops**

Chair:	Rotating
Deputy Chair:	Mayor
Members:	9 members
Quorum:	5 members
Review Date:	Every three (3) years
Meeting Frequency:	Monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

#### 1. Purpose

Council Briefings provide an opportunity for Elected Members and the Council's Leadership Team to meet in a workshop setting to discuss and understand key issues, projects and reports before they are formally considered at Council or committee meetings.

Briefings are designed to support good decision-making by allowing elected members to:

- Receive early information and advice.
- Ask questions in an informal setting.
- Provide feedback to staff ahead of public meetings.

#### 2. Principles

The Committee's work is guided by these key principles:

- That discussions are respectful, constructive, and focused on ensuring Elected Members are well-prepared
- To prepare constructive and informed decisions to reflect the betterment of the entire community
- To ensure that the Elected Members are well equipped with council processes, reports, guidelines, bylaws and policies

#### 3. Scope of Responsibilities

These Council Briefings are responsible for:

- Considering information and presentations provided by staff or external experts
- Seeking clarification and asking questions on upcoming items of Council business
- Providing early direction or feedback to staff to help shape advice and reports
- Preparing elected members for public meetings, helping with better decision-making

#### The Committee does not:

- Make formal decisions.
- Adopt policies, plans, or bylaws.
- Commit Council to expenditure.

#### 4. Membership

Chair:	Members:  ● All Elected Members (Councillors)
Rotating among Elected Members	All Elected Members (Councillors)
Deputy Chair:	
Mayor of Kawerau	

#### 5. Decision-Making

Briefings are not decision-making forums. Matters requiring decision-making are referred to full Council for resolution.

#### 6. Meetings

Briefings are held as required, typically when there is no scheduled Council or committee meeting. Meetings may be called by the Mayor, Chief Executive, or at the request of a majority of Elected Members. Briefings are not open to the public and are not recorded in order to support open discussion and information sharing.

#### 7. Reporting Requirements

Any recommendations or key discussion points arising from a Briefing/Workshop may be summarised in internal staff notes or reported verbally by the Chair or Mayor at the next Ordinary Council Meeting, as appropriate.

#### 8. Review of Terms of Reference

These Terms of Reference shall be reviewed in one (1) year.

#### 9. Support and Secretary

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 10. Relevant Statutes

All duties and activities must be conducted in accordance with:

- The Local Government Act 2002
- The Local Government Official Information and Meetings Act 1987 (LGOIMA)
- Relevant Council policies and Standing Orders

# 11. Limits to Delegations

There are no decision-making delegations in a Briefing setting.

# **Chief Executive Performance Review Committee**

Elected Members Only

Chair:	Mayor
Deputy Chair:	Deputy Mayor
Members:	9 members (Elected Members Only)
Quorum:	5 members
Review Date:	Annually
Meeting Frequency:	At least Annually (or as required)
Legislative Basis:	Schedule 7, Clause 33, Local Government Act 2002 Employment Relations Act 2000 Relevant provisions of the CEO's employment agreement

### 1. Purpose

The Chief Executive Performance Review Committee provides a structured and confidential process for the performance review, support, and development of the Chief Executive Officer (CEO), in accordance with the Local Government Act 2002 and the CEO's employment agreement.

The Committee ensures accountability, transparency, and fairness when evaluating the CEO's performance against Council's strategic objectives, contractual obligations, and leadership expectations.

# 2. Scope of Responsibilities

The Committee will:

- Undertake annual performance reviews of the CEO, including setting performance expectations and reviewing progress.
- Provide feedback and guidance to support the CEO's ongoing development and leadership.
- Recommend to Council any adjustments to remuneration in accordance with contractual and legislative requirements.
- Manage the recruitment and appointment process for a new CEO, when required.
- Maintain confidentiality and integrity in all deliberations and reporting.

Chair:	Members:  ■ All Elected Members (Councillors)
Mayor of Kawerau	
Deputy Chair:	
Deputy Mayor of Kawerau	

### 4. Decision-Making

The Committee holds delegated authority to conduct CEO performance review processes and to make recommendations to Council on matters such as performance outcomes, development priorities, and remuneration adjustments. Final decisions relating to appointment, reappointment, or termination of the CEO remain with full Council, as required by the Local Government Act 2002.

### 5. Meetings

The Committee will meet at least once annually for the formal review process. Additional meetings may be convened at the request of the Mayor or a majority of Elected Members.

Meetings are held in public-excluded sessions under the Local Government Official Information and Meetings Act 1987 (LGOIMA) to protect privacy and maintain confidentiality.

### 6. Confidentiality

All discussions, reports, and documents relating to the Committee's work are strictly confidential and must comply with the CEO's employment agreement, LGOIMA, and Council's policies. Information may only be released publicly by formal resolution of Council.

#### 7. Review Process

A Council performance review questionnaire will be provided to the Committee as part of the annual review. Completed questionnaires must be returned to the Senior EA to the Mayor and CEO or Mayoral Aide for filing confidentially.

#### 8. Support & Secretariat

Support to the Mayor and Elected Members can only be provided by staff assigned to the Office of the Mayor.

#### 9. Review of Terms of Reference

These Terms of Reference shall be reviewed annually or earlier if required to ensure ongoing legislative and policy compliance.

# **Delegations from Council to Committees**

The following delegations apply to the:

- Regulatory and Services Committee
- Finance and Infrastructure Committee
- EBOP Road Safety Committee
- Climate Adaptation and Future Proofing Committee
- Civil Defence Committee
- Iwi Liaison / Cultural Advisor Committee
- Risk and Assurance Committee
- He Hāpori Ora | Community Thriving Committee
- Hearings Committee
- Community Safety Committee
- Accessibility Group Committee
- Youth Committee
- Community Grants Committee
- Community Awards Committee

### **General Principles**

Each Committee should operate:

- In alignment with the strategic direction, vision, and priorities set by the Kawerau District Council.
- Within the framework of the Local Government Act 2002, Council Standing Orders, and all relevant Council policies.
- Consistent with the Long-Term Plan (LTP) and Annual Plan, and within the approved budgets delegated to each area of responsibility.

Committees are expected to carry out their functions efficiently and effectively, ensuring good governance, accountability, and transparency.

#### **Consultation and Engagement**

Committees are delegated the authority to:

- Ensure meaningful, transparent, and culturally responsive engagement with the community, tangata whenua, and key stakeholders within their area of responsibility.
- Make recommendations to Council regarding consultation processes, including those requiring special consultative procedures under the Local Government Act 2002 or other relevant legislation.
- Conduct hearings to consider specific submissions from individuals, organisations, or community groups, and make decisions where permitted within delegated authority
- Receive and respond to petitions within the Committee's area of responsibility, and make recommendations to Council or make decisions where permitted within delegated authority.

Where decisions extend beyond the Committee's authority, the matter must be referred to the full Council for final determination.

### **Submissions and Legislative Input**

Committees are delegated authority to:

- Approve submissions to central government, government agencies, or other external bodies on matters relevant to their area of responsibility.
- Provide policy or legislative input on regional or national initiatives aligned to Council's purpose and community outcomes.
- Allow the Chief Executive, in consultation with the relevant Committee Chair, to approve technical or operational submissions on behalf of Council when timing prevents formal Committee approval.

### **Projects and Programmes**

Committees may:

- Monitor progress and performance of key Council projects, programmes, and initiatives within their area of responsibility.
- Provide oversight of Activity Management Plans, strategies, or work programmes relevant to their Committee's purpose.
- Ensure projects and programmes are aligned with Council's strategic priorities, budget limits, and risk management frameworks.

### Other Delegated Responsibilities

- Consider and make decisions on delegable matters referred by the Chief Executive Officer that fall within the Committee's area of responsibility.
- Make decisions on matters within the Committee's purpose that fall outside the delegated authority of the Chief Executive Officer or Council staff.
- Make recommendations to Council or other Committees on matters that exceed the Committee's decision-making authority or fall outside of its area of responsibility.
- Establish subcommittees or working groups to support the Committee's work, and approve their membership and terms of reference.

#### **External Members**

The Committee may include external members who bring relevant skills and experience, local knowledge, and a community voice to the table. These members help ensure the work of the Committee reflects the needs and aspirations of the people of Kawerau.

To support their role, all external members will be given the tools and information they need to participate fully. This includes:

#### Code of Conduct:

External members are expected to follow the same Code of Conduct as Elected Members. This sets out how we work together respectfully and ensures everyone feels safe and heard during discussions.

#### • Understanding the Local Government Act 2002:

External members need not be legal experts, but they must receive an overview of the Local Government Act 2002 and an explanation of how it relates to their role especially in regard to decision-making, transparency, and declaring any conflicts of interest.

#### Induction and Welcome Pack:

Before starting, each member will be given an establishment pack that includes:

- o A copy of the Committee's Terms of Reference
- The Code of Conduct
- Information on meeting dates and meeting processing
- Contact details for support
- A guick guide to relevant laws and responsibilities

# **Regulatory and Services Committee**

Chair:	
Deputy Chair:	
Members:	9 members
Quorum:	5 members
Review Date:	Annually
Meeting Frequency:	Monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
Sub-Committees	Climate Adaptation & Future Proofing Committee Finance & Infrastructure Committee EBOP Road Safety Committee Civil Defence Committee

### 1. Purpose

The Regulatory and Services Committee provides oversight and direction on how Council delivers, regulates, and improves its essential services. This includes areas such as environmental health, animal control, compliance, building and planning, public facilities, youth development, events and local infrastructure.

The Committee ensures that services are efficient, resident-focused, and consistent with Council policies, bylaws, and legislative responsibilities.

### 2. Principles

The Committee's work is guided by the following key principles:

- Deliver services that are safe, fair, and compliant with the law.
- Maintain public trust and confidence in Council's regulatory and service delivery functions.
- Ensure transparency and a community centred approach to all operations.
- Encourage continuous improvement across all Council services.
- Work constructively with the community, tangata whenua, and key stakeholders.

### 3. Scope of Responsibilities

The Committee is responsible for supervising matters relating to:

Regulatory Services	Community & Infrastructure Services
<ul><li>Resource Management</li><li>District Plans</li><li>Submissions on Regional Plans</li></ul>	<ul><li>Swimming Pool</li><li>Parks &amp; Reserves</li><li>Economic Development</li></ul>

- Resource Consents
- Subdivisions
- Health
- Building
- Plumbing
- Drainage
- Sale of Liquor
- Dangerous Goods
- By-Laws
- Dog Control
- Noise Control
- Stock Control
- Civil Defence

- Roading including CBD
- Footpaths
- Library / Museum
- Council Facilities
- Water
- Storm Water
- Waste Water
- Refuse / Zero Waste
- Asset Management
- Investments
- Plant
- Loans
- Accounting
- Cemetery
- Grants
- Retirement Village
- Conveniences (e.g. public toilets etc.)
- Leases & Rentals

### Chair:

To be confirmed by Council

#### **Deputy Chair:**

Mayor of Kawerau

#### Members:

All Elected Members (Councillors)

### 5. Decision-Making

The Committee may make decisions where delegated authority has been provided by Council. Where matters fall outside this authority, recommendations will be made to the full Council for consideration.

### 6. Reporting Requirements

Reports and recommendations from the Committee are presented to the full Council. The Chair may also provide verbal updates at Ordinary Council Meetings as required.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed annually or earlier if requested by the Committee or Council.

## 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions. This support includes agenda preparation, meeting coordination, minute taking, and administrative assistance to Elected Members.

#### 9. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## 10. Limits to Delegations

# **Iwi Liaison / Cultural Advisor Committee**

Chair:	
Deputy Chair:	
Members	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting Frequency:	Monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Iwi Liaison / Cultural Advisor Committee provides cultural advice and guidance to the Kawerau District Council to ensure decision-making reflects Te Ao Māori, upholds the principles of Te Tiriti o Waitangi, and grows the relationship between Council and the local iwi / hapū.

## 2. Principles

The committee recognises the importance of ensuring cultural values are embedded in Council's work and provide guidance on tikanga Māori and mātauranga Māori. The committee will monitor Council functions ensuring Māori perspectives are upheld and that the organisation builds a better working relationship with tangata whenua.

Principles guiding the committee include:

- Support meaningful engagement between Council and local iwi/hapū.
- Provide cultural oversight on policies, projects, and community initiatives.
- Advise on tikanga Māori and include more mātauranga Māori in Council practices.
- Support cultural protocols at council and community events.
- Provide feedback on proposed Council initiatives that may impact tangata whenua.

## 3. Membership

Chair:	Members:  ● Elected Members
To be confirmed by Council	One (1) General Ward Councillor
Deputy Chair:  To be confirmed by the Mayor or committee	<ul> <li>One (1) At Large Councillor</li> <li>Iwi and hapū representatives as determined by the committee</li> <li>Other members may be included by the Committee to support specific kaupapa   initiatives</li> </ul>

### 4. Decision-Making

The Committee operates in an advisory capacity and does not hold delegated decision-making authority. It shall make recommendations to Council by consensus or majority vote when necessary.

## 5. Reporting Requirements

Meeting notes, recommendations, and cultural guidance could be reported to the full Council by the Mayor or Deputy Chair at the next scheduled Council meeting.

### 6. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

## 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 9. Limits to Delegations

## **Risk and Assurance Committee**

Independent Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Annually
Meeting Frequency:	Two-Monthly
Legislative Basis:	Schedule 7 s30 (1) (A), Local Government Act 2002 Committee delegated powers by the Council as per Schedule 7, s32, Local Government Act 2002

### 1. Purpose

The Risk and Assurance Committee provides independent oversight of Council's audit, risk, and compliance functions. It ensures legal obligations are met, monitors audits, supports effective risk management, reviews key policies, and regularly assesses Council performance to ensure efficient service delivery within budget.

## 2. Principles

The committee operates under a set of core principles that guide its oversight and decision-making responsibilities. These principles ensure the committee maintains a high standard of governance and accountability on behalf of Council and the community.

Principle guiding the committee are:

- Ensure transparency throughout the audit and risk processes.
- Accountability in financial and operational decision-making.
- Support effective risk management across the organisation.
- Support continuous improvement in internal functions and performance.
- Use public money and assets responsibly.

## 3. Delegations

The Risk and Assurance Committee has delegated authority to oversee the following key areas on behalf of the Kawerau District Council:

#### **External Audit**

- Engage with Council's external auditors on the scope and timing of the external audit programme.
- Review audit engagement letters and external audit management reports.
- Recommend the terms and arrangements for the external audit to Council.

 Monitor management's response to external audit findings and ensure audit recommendations, particularly those relating to internal controls and accounting practices are implemented.

#### **Internal Audit**

- Work with the Chief Executive Officer to agree on the scope of the internal audit work programme.
- Monitor the delivery and progress of the internal audit programme.
- Assess the implementation of significant internal audit recommendations by management.
- Discuss any reservations raised by the Internal Auditor regarding risks, accounting practices, or internal controls.
- Review and endorse the Annual Internal Audit Plan and assess whether internal audit resourcing is sufficient to carry out the work.

#### **Risk Management**

- Review the effectiveness of Council's internal control environment, including information systems security and controls.
- Monitor the development and effectiveness of Council's risk management policies and frameworks.
- Engage with internal and external auditors on one-off or special audit assignments as needed.
- Consider matters referred by the Chief Executive Officer, Council, or other committees.
- Review the appropriateness of Council's accounting policies and practices.
- Oversee Council's policies and preparedness relating to Civil Defence and Emergency Management.

### 4. Membership

Chair: Independent Chair  To be confirmed by Council  Deputy Chair:  Mayor of Kawerau	<ul> <li>Members:</li> <li>One (1) At Large Councillor</li> <li>One (1) Māori Ward Councillor</li> <li>One (1) General Ward Councillor</li> <li>Independent members by committees choice</li> </ul>
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External (independent) member(s) will be appointed for an initial term of up to three years, aligning with the Council's triennial election cycle. At the end of each term, external members may be considered for reappointment or extension.

All external membership contracts must be reviewed and assessed no later than two months following each triennial election to support smooth transition and maintain continuity of oversight.

### 5. Decision-Making

The Committee operates in an advisory capacity and does not hold delegated decision-making authority. It shall make recommendations to the full Council by consensus or majority vote when necessary.

### 6. Reporting Requirements

Meeting notes, recommendations, and guidance may be reported to the full Council by the Mayor at the next scheduled Ordinary Council meeting.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed annually or earlier if deemed necessary by the Committee or Council.

## 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 9. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 10. Limits to Delegations

# He Hāpori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	As required
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.
Sub-Committees:	Community Safety Committee Kawerau Accessibility Group Committee Youth Committee Creative Communities Committee Class 4 Gambling (Pokies) Trust Liaison Committee Community Grants Community Awards

### 1. Purpose

The He Hāpori Ora | Thriving Community Committee provides direction, consistency, and oversight across all of its subordinate committees. It ensures that each sub-committee's work contributes effectively to Council's strategic priorities, community outcomes, and the goals outlined in the Long-Term Plan (LTP) and Annual Plans.

# 2. Principles

The Committee works under the following principles:

- Support a strong, growing, and inclusive community.
- Ensure Council services are responsive to current and future needs.
- Encourage genuine community participation in Council planning and projects.
- Support initiatives that reflect our culture, values, and environment.
- Promote collaboration, engagement, and respect across all community groups.

## 3. Key Focus Areas

The Committee is responsible for:

- Overseeing the work and performance of its sub-committees.
- Receiving reports and recommendations from sub-committees and referring key matters to Council when needed.
- Ensuring sub-committee work aligns with Council's strategic goals and community outcomes
- Supporting collaboration between sub-committees, iwi, community groups, and partner organisations.

 Monitoring accountability, use of Council resources, and delivery of outcomes across all sub-committees.

### 4. Membership

### Chair:

To be confirmed by Council

#### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- Chairs of the Sub-Committees
- The Mayor is an ex-officio member with full voting rights

## 5. Decision-Making

The Committee can make decisions within the delegations and policies approved by Council. Any matters outside that scope - such as bylaws, budgets, or amendments to the Long-Term Plan - must be referred back to the full Council for a decision.

## 6. Reporting Requirements

After each sub-committee meeting, the Chair provides a short verbal or written update to this Committee summarising discussions, key outcomes, and any recommendations for Council. The Committee may request additional reports or follow-ups as needed.

Once the meeting concludes, minutes are presented at the next Ordinary Council Meeting.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

# 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 9. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 10. Limits to Delegations

# **Hearings Committee**

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	As required
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

## 1. Purpose

The Hearings Committee is responsible for conducting fair and effective hearings on matters where Council has a regulatory or statutory role. The Committee ensures that all hearings follow due process, uphold the principles of natural justice, and enable affected parties to be fairly heard before decisions are made. The Committee may also make recommendations to Council or other committees on issues relating to Council's regulatory functions or hearings processes.

## 2. Scope of Responsibilities

The Committee has delegated authority to:

- Hear and determine statutory and regulatory matters under relevant legislation, unless retained by Council or delegated elsewhere.
- Conduct hearings and make decisions on:
  - Objections under the Dog Control Act 1996
  - Matters under the Impounding Act 1955
  - Issues relating to drainage and works on private land under the Local Government Act 2002
  - Matters concerning residential pools under the Building Act 2004
  - Road closures or road stopping under the Local Government Act 2002
- Hear and determine matters under Council bylaws and policies, including applications for exemptions or dispensations.
- Hear and consider submissions or objections referred to it by Council or another committee.
- Establish and maintain protocols for the conduct of hearings, ensuring compliance with legislation and the principles of administrative law and natural justice.

#### Chair:

To be confirmed by Council

#### **Deputy Chair:**

To confirmed by the Mayor or Committee

#### Members:

- Four (4) Councillors
- Independent commissioners may be appointed for specific hearings, particularly those held under the Resource Management Act 1991 or other specialist legislation.

Membership may change depending on the topic of the hearing or to avoid any conflicts of interest.

## 4. Decision-Making

The Committee may make decisions on hearings where Council has granted it formal delegation or statute requires it. If a matter falls outside its delegation, the Committee will prepare a recommendation for the full Council to consider. The Committee may seek expert or technical advice through the Chief Executive Officer when required and within approved budgets.

## 5. Reporting Requirements

All minutes and decisions will be recorded and made publicly available in accordance with the Local Government Official Information and Meetings Act 1987 (LGOIMA) and any relevant confidentiality requirements.

#### 6. Review of Terms of Reference

These Terms of Reference will be reviewed at the start of each new triennium (every three (3) years) or earlier if requested by the Committee or Council.

# 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 9. Limits to Delegations

# **Climate Adaptation and Future Proofing Committee**

Sub-Committee for Regulatory & Services Committee

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	Quarterly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

This committee provides strategic guidance and oversight on how Kawerau can prepare for and respond to the effects of climate change. It focuses on protecting our environment and ensuring that Council's planning, infrastructure, and operations are sustainable for the future.

## 2. Scope of Responsibilities

The Committee will:

- Identify and assess current and future climate related risks to Kawerau's environment, infrastructure, and community.
- Guide the development of climate adaptation strategies, policies, and projects.
- Oversee initiatives that support emission reduction, energy efficiency, and sustainable resource use.
- Provide advice on future-proofing community infrastructure, housing, and essential services.
- Promote collaboration with iwi, hapū, regional and national agencies, and community partners.
- Ensure climate adaptation and sustainability principles are reflected in key Council planning documents like the Long-term Plan, Annual Plan, Council bylaws and policies.

# 3. Principles

The Committee's work is guided by the following principles:

- Reflect the needs and aspirations of the Kawerau community.
- Uphold Te Tiriti o Waitangi and ensure iwi and hapū perspectives are central to decision making.
- Consider the long term impacts of today's choices on future generations.
- Keep processes transparent and accessible so the community understands the work being done.
- Work collaboratively with community groups, rangatahi, agencies, and local organisations.

- Base recommendations on sound evidence, local knowledge, and expert advice.
- Take a proactive, forward looking approach to prepare Kawerau for both challenges and opportunities.

#### Chair:

To be confirmed by the Mayor or Council

#### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- Mayor
- Deputy Mayor
- One (1) At Wide Councillor
- One (1) General Ward Councillor
- One (1) Māori Ward Councillor

## 5. Decision-Making

The Committee operates in an advisory capacity and does not hold authority to make binding decisions on behalf of Council. All formal policies, funding allocations, or resolutions must be referred to the full Council for approval.

Within its scope, the Committee may:

- Agree on recommendations for Council consideration.
- Endorse project plans, reports, or engagement activities for referral to Council.
- Request additional information or analysis from staff or external experts.
- Provide strategic direction to assist staff in preparing advice, reports, and proposals.

#### 6. Review of Terms of Reference

These Terms of Reference will be reviewed at the start of each new triennium (every three (3) years, or earlier if requested by the Committee or Council.

# 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## 9. Limits to Delegations

## **Civil Defence Committee**

Sub-Committee for Regulatory and Services Committee

Chair:	
Deputy Chair:	
Member:	Up to 9 members
Quorum:	5 members
Review Date:	Every three (3) years
Meeting frequency:	Quarterly (4 times a year)
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Civil Defence Committee ensures that Council is well prepared to respond to and recover from emergencies - whether natural disasters, health events, or other significant disruptions.

The Committee monitors how well Council meets its responsibilities under the *Civil Defence Emergency Management Act 2002* and ensures the right plans, people, and systems are in place to respond quickly and effectively when needed.

It also guides how Council works with others - including the Bay of Plenty Civil Defence Emergency Management Group, government agencies, iwi, and local organisations - to build a safe community and prepare for an emergency.

# 2. Principles

The Committee's work is guided by the following principles:

- Focus on readiness before an emergency, not just response afterwards.
- The safety of Kawerau residents always comes first.
- Value collaboration with iwi, emergency services, neighbouring councils, and local groups.
- Ensure accurate, timely information before, during, and after emergencies.
- Learn from every event to strengthen future responses.
- Help the community understand the functions of Civil Defence.

# 3. Scope of Responsibilities

The Committee's role is to:

- Oversee Council's emergency management responsibilities and ensure compliance with legal obligations.
- Review and support the development of local emergency response and recovery plans.
- Monitor how Council implements national and regional civil defence requirements.

- Receive regular updates from the Bay of Plenty Civil Defence Emergency Management (CDEM) Group.
- Support and promote community awareness and preparedness initiatives.
- Provide advice to Council on risk reduction, readiness, response, and recovery.
- Ensure Council maintains the capability, training, and structure needed to act effectively in an emergency.

#### Chair:

To be confirmed by the Mayor or Council

#### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- All Elected Members (Councillors)
- Advisory (non-voting) Independent Civil
   Defence Advisor or Emergency Management
   Officer (as required).

## 5. Decision-Making

The Committee does not hold formal decision-making powers unless specifically delegated by Council. Its primary role is to provide advice, oversight, and recommendations, which are then referred to an Ordinary Council setting for formal approval.

## 6. Reporting Requirements

Minutes and key recommendations from each meeting will be included in the next available Ordinary Council Meeting agenda. The Committee may also request or receive additional reports or briefings from Council staff, the Bay of Plenty CDEM Group, or other emergency management partners.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

# 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 9. Relevant Statutes

The Committee's work is guided by the following:

- Civil Defence Emergency Management Act 2002
- Local Government Act 2002
- Health and Safety at Work Act 2015
- Bay of Plenty CDEM Group Plan
- National Disaster Resilience Strategy
- Other relevant national, regional or local emergency management policies

# 10. Limits to Delegations



## **Finance & Infrastructure Committee**

Sub-Committee for Regulatory & Services Committee

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	Two-monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Finance & Infrastructure Committee provides oversight of Council's financial performance, infrastructure investment, and long-term asset sustainability. It ensures that Council's financial management and infrastructure planning support community wellbeing, align with the Long-term Plan, and deliver value for Kawerau.

# 2. Scope of Responsibilities

The Committee's responsibilities include:

- Monitoring and reviewing Council's financial planning, budgets, and overall performance of special projects.
- Providing oversight of relevant capital and operational expenditure.
- Recommending rates, fees, and charges to the full Council, were appropriate.
- Reviewing major infrastructure projects, maintenance programmes, and capital works, and special projects.
- Monitoring the delivery of the Long-term Plan and Annual Plan in regard to infrastructure and special projects.
- Ensuring financial and asset strategies support Council priorities and community outcomes.
- Advising on asset management, procurement, and long-term investment planning where appropriate.
- Reviewing key financial and infrastructure risks and recommending actions to mitigate them.

#### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- Three (3) elected members
- Mayor of Kawerau (ex-officio)
- Deputy Mayor of Kawerau (ex-officio)
- Independent financial or infrastructure advisor (optional, non-voting)

## 4. Decision-Making

The Committee has delegated authority to make decisions within the scope of its purpose, as determined by Council. Where matters fall outside its delegation, the Committee will make recommendations to the full Council.

The Committee may:

- Endorse financial and infrastructure reports for referral to Council.
- Request additional information or analysis from staff or external experts.
- Provide strategic direction to guide future budgets, projects, and asset plans.

### 5. Reporting Requirements

Formal minutes, financial updates, and performance reports will be provided to the full Council following each meeting. Where appropriate, progress updates or findings may also be shared through Council workshops or briefings.

#### 6. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three(3) years) or earlier if deemed necessary by the Committee or Council.

# 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 9. Limits to Delegations

# **Community Safety Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 9 members
Quorum:	5 members
Review Date:	Every three (3) years
Meeting frequency:	Monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The committee is focused on ensuring Kawerau stays safe by providing strategic direction to the Council on identifying ways to prevent crime, enhance safety, and build positive connections with local community groups. The committee provides regular updates, offers feedback on specific issues, and guides policy development to better meet the needs of the Kawerau District.

# 2. Principles

The work of the Community Safety Committee is based on shared values and a collective commitment to the wellbeing of all people in Kawerau by:

- Focusing on prevention reducing harm before it happens through practical and forward-thinking initiatives.
- Listening to the community and responding to what matters most to residents.
- Building strong relationships with Police, emergency services, and community groups are the foundation of local safety.
- Communicating clearly, share information openly, and welcome feedback.
- Everyone in Kawerau deserves to feel safe regardless of background, age, or situation.
- Regularly reviewing impact and looking for ways to strengthen a collective response.

# 3. Scope of Responsibilities

The Committee's responsibilities include:

- Identifying community safety priorities and emerging issues.
- Advising Council on policies, programmes, or projects that improve community safety
- Working with NZ Police, Fire and Emergency NZ (FENZ), St John, Māori Wardens, Neighbourhood Support, and other partners to enhance local safety.
- Monitoring the progress and effectiveness of community safety initiatives.
- Supporting community awareness and education around safety and emergency readiness.

- Collaborating with Civil Defence and other agencies to strengthen preparedness for natural disasters and emergencies.
- Paying particular attention to the safety of tamariki, rangatahi, kaumātua, people with disabilities, and others who may be more vulnerable.
- Providing a regular forum where key agencies and community organisations can share updates and align efforts recognising the efforts of individuals and groups contributing to a safer Kawerau.

#### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by Mayor or the Committee

#### Members:

- Two Councillors (nominated by the Kawerau District Council).
- Emergency Services Representatives:
  - NZ Police
  - St John
  - FENZ
- Community organisations
  - Neighbourhood Support
  - Community Patrol
  - Māori Wardens
  - Tūwharetoa ki Kawerau Hauora

# 5. Appointment of Chair, Deputy Chair and External Members

The Chair is appointed by the Mayor or Council at an Ordinary Council Meeting. The Deputy Chair is selected by the Mayor or committee in their first meeting.

The Committee may invite additional members or representatives from relevant community groups, with approval from the full Committee, to ensure a broad range of perspectives and expertise.

If inviting a new group or individual, a formal letter must be issued on behalf of the Committee.

# 6. Reporting Requirements

Minutes and key recommendations from each meeting will be included in the next available Ordinary Council Meeting agenda. Reports or updates may also be shared through Council workshops or community forums when appropriate.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

## 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

## 9. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 10. Limits to Delegations



# **Kawerau Accessibility Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 7 members
Quorum:	4 members
Review Date:	Every three (3) years
Meeting frequency:	Quarterly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Kawerau Accessibility Group helps ensure Kawerau a place where everyone - no matter their age or ability - can move around safely, use services easily, and feel part of the community. The focus is on improving access to Council spaces, buildings, and facilities so that they meet the needs of all residents.

## 2. Principles

The Group's work is grounded in the following values:

- Everyone should be able to take part in community life without barriers.
- We aim to identify and fix actual issues that make access harder for people.
- We listen to people with lived experience of disability and reflect that in our decisions.
- Working with others from schools to service providers helps create better outcomes.
- We aim to spot and solve problems early, rather than react after the fact.

# 3. Scope of Responsibilities

This Committee's role is to:

- Identify health and safety issues that limit access to Council-owned spaces like parks, reserves, halls, and footpaths.
- Recommend ways to reduce or remove barriers that affect access and usability.
- Provide feedback on upcoming plans or upgrades to ensure accessibility is considered from the start.

#### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- Two (2) elected members of Council
- One (1) representative from the Kawerau Youth Council
- One (1) representative from Early Childhood Education
- Two (2) community members who identify as having a disability
- Other individuals or groups may be invited to attend meetings to support specific projects or topics

## 5. Appointment of Chair, Deputy Chair and External Members

The Chair is appointed by the Mayor or Council at an Ordinary Council Meeting. The Deputy Chair is selected by the Mayor or committee in their first meeting. The Chair is responsible for leading meetings, supporting engagement, and acting as key links between the Committee and Council.

Community and organisation representatives are appointed by the Committee, ensuring they adhere to all external membership guidelines.

## 6. Reporting Requirements

Minutes and key recommendations from each meeting are included in the next available Ordinary Council Meeting agenda. Updates or progress reports may also be presented at workshops or community meetings when appropriate.

#### 7. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

## 8. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 9. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 10. Limits to Delegations

This is an advisory group with no decision-making powers. Any formal decisions or approvals must go to the full Council. The Group may delegate specific tasks to working groups or individual members, with updates reported back at the next meeting.

## **Youth Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 7 members
Quorum:	4 members
Review Date:	Every three (3) years
Meeting frequency:	Monthly
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Youth Committee is designed to speak for youth voices within Kawerau, provide leadership opportunities for youth, and support Council with youth-focused advice on initiatives, projects, and policies affecting young people.

## 2. Scope of Responsibilities

- Represent the views and aspirations of young people in Kawerau.
- Advise Council on youth development opportunities, needs, and challenges.
- Plan and support youth-led events, campaigns, and community initiatives.
- Strengthen civic engagement among youth through workshops and leadership development.
- Act as a bridge between young people and Council.
- Provide feedback on Council policies, strategies, and programmes impacting rangatahi | youth.

# 3. Membership

Chair:	Members:
To be confirmed by the Mayor or Council  Deputy Chair:	<ul> <li>Two (2) elected members</li> <li>Two (2) Youth representatives from the Kawerau Youth Council</li> <li>Youth Workers in the social sector</li> </ul>
To be confirmed by the Mayor or Committee	Two (2) Local School Representatives

# 4. Decision-Making

The Committee operates in an advisory and advocacy role. It may make recommendations to Council or staff, but does not hold delegated decision-making powers.

### 5. Reporting Requirements

Youth Committee updates and recommendations will be reported through Council briefings, Ordinary Council meetings or He Hapori Ora meetings by the Chair or designated representatives from the committee.

### 6. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years) or earlier if deemed necessary by the Committee or Council.

## 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes will be formally presented at the next Ordinary Council Meeting.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## 9. Limits to Delegations

## **Creative Communities Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 7 members
Quorum:	4 members
Review Date:	Every three (3) Years or directed by contract agreement
Meeting frequency:	Bi-Annual (Two meetings per year)
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Creative Communities Scheme supports and encourages communities throughout New Zealand to create and present diverse opportunities for accessing and participating in local arts activities. The committee has a purpose to increase visibility, participation and presence in the arts within Kawerau.

## 2. Principles

This committee is here to help grow the arts in Kawerau by supporting creative projects that reflect who we are and bring people together. The committee believes that:

- Everyone in our community should have the chance to be part of the arts whether creating, performing, or enjoying it.
- We support projects that tell our stories, celebrate our cultures, and reflect the Mana | spirit of Kawerau.
- We encourage participation. The more people involved, the stronger our creative community becomes.
- We want the arts to be seen and felt in our town in public spaces, schools, events, and everyday life.
- Great things happen when artists, groups, and the wider community team up to make creative things happen.
- We value and support projects that honour tikanga Māori and celebrate the cultural diversity of our community.

# 3. Scope of Responsibilities

- Adhere to the contractual requirements of Creative New Zealand.
- Hold at least two and a maximum of four funding rounds each financial year and inform Creative New Zealand of the dates of these funding rounds.
- Participate in an annual evaluation of the Scheme, conducted through a survey.
- Ensure that each funding recipient provides a written report to the Territorial Authority for the project within two months of completion of their project.

- Ensure that the Scheme is referred to as the Creative Communities Scheme in all administration and promotion of the Scheme.
- Require successful applicants to acknowledge the Scheme, and the roles of Creative New Zealand and the Territorial Authority in supporting the Scheme, in their publicity and use the Scheme logo in all visual materials.
- Publicly announce closing dates for applications for funding from the Territorial Authority under the Scheme.
- Publicly announce through local media, on a regular basis, successful applicants and/or list them on the Territorial Authority's or third party's websites.
- In line with Creative New Zealand's Diversity in the Arts Policy 2015, a Territorial Authority should ensure that:
  - The benefits of the arts supported through the Creative Communities Scheme are available and accessible to all New Zealanders, irrespective of age, gender, ethnic affiliations, physical or other disability, sexual orientation or religion.
  - the Creative Communities Scheme encourages, promotes and supports a diverse range of arts and cultural expressions.
  - the Creative Communities Scheme assessment committee is reflective of the diversity of the local communities the Territorial Authority represents and serves.
  - It will collect data and report on the diverse range of arts supported through the Creative Communities Scheme.
- Ensure that the assessment committee includes a minimum of one person of Mãori descent, with knowledge of local Mãori arts activity and knowledge of local Mãori communities

#### Chair:

To be confirmed by the Mayor or Council

#### **Deputy Chair:**

Elected Member or Youth Representative

#### Members:

- Mayor
- Two (2) Elected Members
- One (1) Iwi Representative
- Two (2) Rangatahi | Youth Representative
- Two (2) Creative Arts Representative

# 5. Decision-Making

The Committee has delegated authority to make decisions within its purpose as determined by Council and contract with Creative Communities New Zealand.

# 6. Reporting Requirements

The committee will provide Creative New Zealand with the Creative Communities Scheme report no later than 8 weeks or by 20 June (whichever date is earlier) following each Creative Communities Scheme funding round closing date.

### 7. Funding

Creative New Zealand will provide Kawerau District Council with an annual allocation of funding for distribution through the Scheme. The annual allocation consists of:

- A base grant of \$15,000.
- A variable component consisting of an allocation of \$0.60 per capita in the relevant area.
- A GST component.

The allocation per capita will be calculated annually on the most recently available Statistics NZ population results.

Funding must not be used to cover operational costs associated with administering or assessing the Scheme, whether by the Territorial Authority or third party.

#### 8. Review of Terms of Reference

These Terms of Reference shall be reviewed at the beginning of each new triennium (every three (3) years or earlier if deemed necessary by the Committee or Council.

The committee may also seek guidance from Creative Communities New Zealand around its contractual obligations and possible changes to the terms of reference.

## 9. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 10. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

The committee is guided from the Arts Council and Arts Council of New Zealand Toi Aotearoa Act 2014. The Territorial Authority will continue as a community arts provider in accordance with Section 14 of the Act.

# 11. Limits to Delegations

# **Class 4 Gambling (Pokies) Trust Liaison Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	Annually, or as required
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

### 1. Purpose

The Class 4 Gambling Trust Liaison Committee supports communication and transparency between Council, local Class 4 gambling (pokies) operators, and community stakeholders. The aim is to ensure that funds generated from gaming machines are returned to the Kawerau community in ways that are fair, visible, and aligned with local priorities.

## 2. Principles

The Committee operates according to the following principles:

- Promote open reporting on local gambling proceeds and grant allocations.
- Ensure that funds generated from gaming machines are returned to support the communities economic and social growth.
- Provide a forum where community concerns and operator perspectives can both be heard.
- Help ensure local Class 4 operators act responsibly and in line with national policies / guidelines and local expectations.

# 3. Scope of Responsibilities

The Committee is responsible for:

- Providing a platform for dialogue between Council, Class 4 Trust representatives, and community groups.
- Review how Class 4 proceeds are being distributed in the district.
- Identify potential funding gaps or community groups who are being underserved.
- Make recommendations to Council or the relevant Trusts about funding priorities or emerging community needs.
- Provide feedback on the effectiveness and impact of local Class 4 contributions.
- Assist in communicating the availability and process for applying for grants to local groups.

#### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by the Mayor or Committee

#### Members:

- One or two Councillors (appointed by Council)
- Representatives from local Class 4 Gambling Trusts operating in Kawerau
- One representative from the Kawerau Youth Council
- Community services representative (e.g. education, sports, arts, or health sector)

## 5. Decision-Making

This is a liaison and advisory committee. It does not hold decision-making authority but may make recommendations or provide guidance to Council and Trusts.

### 6. Review of Terms of Reference

These Terms of Reference will be reviewed every three (3) years or earlier if requested by the Committee or Council.

## 7. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

#### 8. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

# 9. Limits to Delegations

## **Community Grants Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:	
Deputy Chair:	
Members:	Up to 5 members
Quorum:	3 members
Review Date:	Every three (3) years
Meeting frequency:	Annually, or as required
Legislative Basis:	Schedule 7, clause 30 (1) (a), Local Government Act 2002.

## 1. Purpose

The Community Grants Committee has been established to assess, allocate, and monitor Council's community funding. Its role is to ensure that public funds are distributed fairly and effectively to groups and projects that grow Kawerau's social, cultural, environmental, and economic growth.

## 2. Principles

The Committee is guided by the following principles:

- All eligible applications are considered equally and assessed on merit.
- Funding decisions are made openly and based on clear criteria.
- Funding supports initiatives that make a real difference for the people of Kawerau.
- Council funding is used responsibly and for its intended purpose.
- Community groups are supported to access and apply for funding confidently.

## 3. Scope of Responsibilities

The Committee is responsible for:

- Promotes Council's community grants and encourages applications.
- Receives and reviews all applications submitted during each funding round.
- Assesses each application based on the Community Grants criteria.
- Decides how the funding should be distributed within the approved budget.
- May suggest changes to the grants process if needed.
- Reviews accountability reports from past recipients to ensure the funding was used properly.
- Provides updates to Council on funding outcomes, trends, and community needs.

## 4. Membership

### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by the Mayor or Committee

### Members:

- Three (3) elected members
- One optional community representative with experience in funding or community work (if agreed by Council)

## 5. Decision-Making

The Committee has delegated authority to approve funding, as long as it aligns with the Community Grants Criteria and fits within Council's annual budget and is reviewed by the Chief Executive Officer.

## 6. Delegations

The Community Grants Committee has delegated authority from Kawerau District Council to:

- Approve funding allocations in line with the Community Grants Criteria and within the limits of Council's annual grants budget.
- Request additional information or clarification from applicants if needed.
- Decline applications that do not meet the criteria or fall outside of Council priorities.
- Recommend updates to the Community Grants criteria or funding process if improvements are identified.
- Decline applications that don't fit the grants criteria.
- Ensure applicants provide the post accountability report.

Any decisions or actions outside of these delegations must be referred to the full Council or Chief Executive Officer for consideration.

## 7. Meetings

Meetings are held Annually, or as needed depending on the number of applications or the timing of funding rounds.

### 8. Review of Terms of Reference

These Terms of Reference will be reviewed every three (3) years, or earlier if needed, and updated in line with changes to the Community Awards criteria or Council direction.

## 9. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes and results will be formally presented at the next Ordinary Council Meeting.

## 10. Other Documentation

## **Community Grants Scheme Criteria:**

https://www.kaweraudc.govt.nz/sites/www.kaweraudc.govt.nz/files/documents/ccsinfo\_sheet\_2024-25\_0.pdf





## **Community Awards Committee**

Sub-Committee for He Hapori Ora | Thriving Community Committee

Chair:		
Deputy Chair:		
Members:	Up to 5 members	
Quorum: 3 members		
Review Date: Every three (3) years		
Meeting frequency:	g frequency: Bi-Annual (Two (2) per year with additional if needed)	
Legislative Basis: Schedule 7, clause 30 (1) (a), Local Government Act 2002.		

## 1. Purpose

The Committee has been established to celebrate and recognise individuals or groups who have made outstanding contributions to the Kawerau community. The Committee is responsible for receiving, reviewing, and assessing nominations, and selecting the recipients of the Community Awards. This committee has also been established under the council's Community Awards Policy.

## 2. Principles

This policy is based on the following principles:

- People should be recognised for making a significant contribution to Kawerau.
- Council should be the body to give recognition on behalf of the community.
- Community Awards should be given regularly, systematically and according to a clear set of criteria.
- Community Awards and the functions at which they are given should be in keeping with the character of the Kawerau community.

## 3. Scope of Responsibilities

The Committee is responsible for:

- Calling for nominations and encouraging community participation in the awards process.
- Reviewing and assessing nominations in line with Council's Community Awards Policy.
- Selecting award recipients across all categories, including:
  - Contribution by a Young Person
  - Voluntary Work
  - Community Impact
  - Group Contribution
- Overseeing the planning and delivery of the Awards ceremony in conjunction with Council.
- Participating in a post-event debrief to identify improvements for future awards.

 Ensuring decisions align with the definition of a "significant contribution" as outlined in the policy.

## 4. Membership

### Chair:

To be confirmed by the Mayor or Council

### **Deputy Chair:**

To be confirmed by the Mayor or Committee

### Members:

- Two (2) elected members
- One (1) Community Representative

## 5. Decision-Making

All decisions regarding award recipients will be made by majority vote. Final decisions are not subject to appeal. The Committee may choose to not issue an award in a category if no suitable nominee is identified.

## 6. Delegations

The Committee operates within the scope of Council's Community Awards Policy. Any matters outside this scope must be referred to the full Council for approval. The Committee may delegate tasks (e.g. communications, logistics) to Council staff, with outcomes reported back at the next meeting.

## 7. Meetings

The Committee must meet at least twice a year:

- Once to receive and assess nominations.
- Once for debriefing and planning.

Additional meetings may be held as needed to finalise event details or respond to unforeseen circumstances (e.g. scheduling conflicts, nominee availability).

### 8. Review of Terms of Reference

These Terms of Reference will be reviewed every three (3) years, or earlier if needed, and updated in line with changes to the Community Awards Policy or Council direction.

## 9. Support and Secretariat

The Chief Executive is responsible for providing staffing support and secretariat functions.

Once the meeting concludes the minutes and results will be formally presented at the next Ordinary Council Meeting.

### 10. Relevant Statutes

All the duties and responsibilities listed above must be carried out in accordance with the relevant legislation.

## 11. Limits to Delegations

Powers that cannot be delegated to committees as per the Local Government Act 2002 Schedule 7 S32.

These Terms of Reference provide guidance on how the Kawerau Community Awards Committee operates - including its structure, responsibilities, and process. However, the Community Awards Policy is the primary document that holds the formal authority for how decisions are made, who is eligible, and how awards are given. This Terms of Reference is intended to support and add clarity to that policy, not replace it.

### 12. Documentation

### **Community Awards Policy:**

https://www.kaweraudc.govt.nz/sites/www.kaweraudc.govt.nz/files/documents/community\_awards\_policy.pdf



### **Community Awards application:**

https://www.kaweraudc.govt.nz/sites/www.kaweraudc.govt.nz/files/documents/community\_awards\_2024\_nomination\_form\_1.pdf





APPENDIX 2

Kawerau District Council - Meeting Dates 2025/2026

	Regulatory & Services Committee	Thriving Community Committee	Ordinary Council	Risk & Assurance Committee
	Meetings	Meetings	Meetings	Meetings
	Wednesday 9.00 am	Wednesday	Wednesday 9.00 am	Monday 1.00 pm
November 2025	12		26	
December 2025	10		17	1
January 2026		No Meetings for the month of January	month of January	
February 2026	11	18	25	6
March 2026	11	18	25	×
April 2026	15	22	29	13
May 2026	13	20	27	×
June 2026	10	11	24	8
July 2026	15	22	22*	×
August 2026	12	19	26	က
September 2026	16	23	30	×
October 2026	14	21	28	5
November 2026	11	18	25	×
December 2026	6	16	16	7

\* A week earlier due to the LGNZ SuperLocal Conference and AGM from 24 to 31 July 2026

**Meeting**: Extraordinary Meeting

Meeting Date: 12 November 2025

<u>Subject</u>: Elected Members' Remuneration – Following Elections to

30/6/2026

**File No.**: 101310

## 1 Purpose

The purpose of this report is to inform elected members of the remuneration pool available (as determined by the Remuneration Authority) and recommend the proposed remuneration for elected members for the period following the elections to 30 June 2026.

## 2 Background

The features of elected member remuneration as determined by the Remuneration Authority are:

- The Remuneration Authority sets the base salaries for elected members.
- These base salaries including the Mayor's salary have been determined by a "size index" which is based on the size and complexity for each council.
- The Remuneration Authority has also determined a remuneration "pool" for the deputy mayor and councillors' salaries and all this pool is to be used (in total) for elected members remuneration
- Meeting fees are not an option for remunerating members.

The following remuneration (annual) was paid to elected members for the period 1 July 2025 up to the elections (official declaration):

Office	Salary (annualised)
Mayor	\$115,440 (before deduction for vehicle)
Deputy Mayor	\$45,515
Committee Chair	\$40,639
Councillors	\$32,512

The remuneration for the new council commences the day following the official results. The official results were announced on Friday 17 October 2025.

Therefore, members of the previous Council will be paid the above salaries up to this date.

## 3 <u>Interim Remuneration for Mayor and Councillors – 18/10/2025</u>

Elected members will be paid the following interim salary until the Remuneration Authority has agreed a new determination following recommendations by Council. Once the remuneration is determined, members will then be back paid to 18 October 2025.

The Remuneration Authority has determined the following interim salaries for the Mayor and Councillors:

Office Salary (annualised)

Mayor \$121,954 (before deduction for vehicle)

Councillors \$26,227\*

\*This will be the salary paid to elected members until Council has determined the new salaries (after determining positions of additional responsibility) from the remuneration pool and those salaries have been approved by the Remuneration Authority.

## 4 Remuneration Options for Councillors Including Positions of Additional Responsibility

The Remuneration Authority has determined the remuneration pool for Kawerau Council following the elections:

Office Salary (annualised)

Mayor \$121,954 (before deduction for vehicle)

Remuneration Pool \$288,497 for councillors including positions of

additional responsibility

The Remuneration Authority has stated that councils <u>must</u> use all the funds in the pool to remunerate elected members. Also, the minimum allowable remuneration per the Local Government Determination is \$26,227.

Council in the past has recognised two positions of additional responsibility, which were:

- Deputy Mayor (1.4 times councillors' salary) and
- Chair of Regulatory and Services Committee (1.25 times councillors' salary)

With Council's recommended new structure, it recognises three positions of additional responsibility which are:

- Deputy Mayor and Chair of Regulatory and Services Committee (1.8 times Councillors' salary)
- Chair of Thriving Community Committee (1.3 times Councillors' salary)
- Chair of Hearings Committee (1.3 times Councillors' salary)

As follows the ratio recognition for the additional responsibilities, for the annual salaries would be:

Colony (opposaliced)

Office	Salary (annualised)
Mayor (& Chair Iwi Liaison)	\$121,954 (before deduction for vehicle)
Deputy Mayor (1.8 times) Committee Chair (1.3 times)	\$55,244 \$39,899
Councillors	\$30,691

Alternatively, Council could determine different relativities for the positions of additional responsibility.

The remuneration proposals must be submitted to the Remuneration Authority by Friday the 14<sup>th</sup> of November 2025, to meet the deadline for the first amending determination, with the legislation planned to be passed by 18 December 2025. Should Council not submit a remuneration proposal to the Authority by the first date of 14 November 2025, the final date for submitting is 31 January 2026 and the determinations will be passed in March 2026 (all dependent on the passing of the legislation).

Council needs to get Remuneration Authority approval prior to introducing the new pay structure.

## 5 <u>Elected Members Allowances</u>

Ott: - -

The Remuneration Authority also determines allowances for elected members, which are currently (2025/26):

- Vehicle mileage allowance is
  - a) For a petrol vehicle:
    - \$1.17 per kilometre for eligible travel for the first 14,000 km of eligible travel and
    - ii. 37 cents per kilometre after 14,000 kms of eligible travel
  - b) For a diesel vehicle:
    - \$1.26 per kilometre for eligible travel for the first 14,000 km of eligible travel and
    - ii. 35 cents per kilometre after 14,000 kms of eligible travel
  - c) For a petrol hybrid vehicle:
    - i. 86 cents for eligible travel for the first 14,000 km of eligible travel and
    - ii. 21 cents per kilometre after 14,000 kms of eligible travel
  - d) For an electric vehicle:
    - \$1.08 per kilometre for eligible travel for the first 14,000 km of eligible travel and
    - ii. 19 cents per kilometre after the first 14,000 kms of eligible travel.

- Travel time allowance of \$41.30 per hour (after the first hour) is payable for time spent travelling on council business (as long as it is the quickest and most direct route). The Mayor is not eligible for this payment. There is a maximum of 8 hours that can be claimed in a 24 hour period.
- Hearing fees are payable when: conducting a hearing, formally deliberating, participating in a site inspection and preparing for a hearing (NB KDC appoints commissioners for resource consent hearings).
- A communications allowance (if Council decides not to provide the required communication devices and reimburses elected members) is as follows:
  - \$400 pa for PC, Laptop or tablet
  - \$250 pa for printer and consumables
  - \$700 pa for mobile phone and service
  - \$800 pa for internet service

(To be eligible for these allowances, elected members must have these devices/services and Council has determined they are necessary for elected members to perform their functions).

- Childcare allowance up to \$7,500 may be paid to a member for costs incurred while member is engaged in council business. The child must be under 14 years and the carer is not the partner of the member. Satisfactory evidence of any childcare cost must be provided.
- Home Security Allowance may be payable following a security threat and risk assessment undertaken by Council. The Council may reimburse an elected member for actual costs incurred up to a maximum of:
  - (a) \$4,500 for installation of the system
  - (b) \$1,000 annually for monitoring, call outs and repairs

It is expected that the Remuneration Authority will issue a further determination for elected member allowances in June 2026.

### **Reimbursement of Expenses**

Council will reimburse elected members all reasonable expenses incurred when on council business as long as a receipt is provided, and the expenditure is in accordance with Council's Sensitive Expenditure Policy.

## 7 Appendices

- Policy, Procedures and Timeline for setting Elected Members' Remuneration
- Local Government Elected Members Determination (2025/26)

### 8 **RECOMMENDATIONS**

1. That the report "Elected Members' Remuneration – Following Elections to 30/6/2026" be received.

- 2. That elected members confirm:
  - a) the three positions of additional responsibility of the Deputy Mayor & Chair of Regulatory & Services Committee (combined), Chair of Thriving Community Committee and Chair of Hearings Committee and recommend the following proposed remuneration to the Remuneration Authority:
  - Deputy Mayor & Chair of Regulatory & Services Committee \$55,244
  - Chair of Thriving Community Committee \$39,899
  - Chair of Hearings Committee \$39,899
  - Councillor (with no additional responsibilities) \$30,691

OR

- b) That elected members recommend alternative salaries for councillors and the positions of additional responsibility that totals \$288,497
- 3. That elected members approve the elected members' allowances (as listed) for approval by the Remuneration Authority.

Lee-Anne Butler, CA, BMS

**Group Manager, Finance & Corporate Services** 

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### **APPENDICES**



# Policy, Procedures and Timeline for Setting Elected Members' Remuneration following the October 2025 Local Elections

- 1. Please familiarise yourself with the Local Government Elected Members (2025/26) Determination 2025 (the Principal Determination) specifically:
  - Clause 8(2) entitlement to remuneration on and from the day after the date on which the official result of the 2025 election was declared under section 86 of the Local Electoral Act 2001 in relation to your council;
  - **Schedule 3** elected members remuneration from the 2025 local elections and the governance remuneration pool which is included in the guidance note for your council.

## Mayors, Regional Council Chairpersons, Auckland Local Board Members and Community Board Members' Remuneration

- 2. **Mayors, Auckland local board members and community board members** must be paid according to the provisions set out in the Principal Determination on and from the day after the date on which the official result for your council or board was declared.
- 3. Regional council chairpersons, Auckland local boards chairpersons and deputy chairpersons, and community boards chairpersons must be paid according to the provisions set out in the Principal Determination on and from the day after the date on which the chairpersons and deputy chairpersons were elected to their respective roles.
- 4. Note the governance remuneration pools do not apply to mayors, regional council chairpersons, Auckland local board members (including chairpersons and deputy chairpersons) and community board members (including chairpersons).
- 5. Likewise, the pools do not apply to people who are appointed by the council to be members or chairpersons of council committees or to act as expert advisors to the council. The Remuneration Authority (the Authority) does not determine the remuneration of non-elected people or people who are not appointed to the council under section 117 of the Local Electoral Act 2001.
- 6. If your council delegates significant additional responsibilities to its community board(s) and therefore proposes an increase to the remuneration of its community board(s) members, the additional funds will come out of the governance remuneration pool for your council. If this is the case for your council, please contact the Authority for further advice.

### **Councillors' Remuneration**

- 7. Councillors must be paid the councillor minimum allowable remuneration according to the provisions set out in the Principal Determination on and from the day after the date on which the official result was declared for your council.
- 8. If a councillor is also elected or appointed to a local board or a community board, the councillor is only entitled to receive the remuneration that is payable to the councillor as an elected or appointed<sup>1</sup> member of the governing body of the council (*see clause 8(3) of the Principal Determination*).

### Governance Remuneration Pools

- 9. The Authority sets a governance remuneration pool for your council. The pool that applies to your council following the 2025 local elections is shown in the guidance note for your council listed in schedule 3 of the Principal Determination. The pool enables your council to differentially remunerate positions with additional responsibilities.
- 10. As soon as practicable after the date on which the official result of the 2025 election for your council was declared, your council must submit a proposal to the Authority on how it wishes to distribute its pool, amongst its councillors, according to its governance structure. Your council must ensure that its pool is fully allocated.

### Setting Councillors' Remuneration

- 11. Schedule 3 includes the minimum allowable remuneration that your councillors must be paid. A councillor cannot be paid below the minimum allowable remuneration.
- 12. The difference between the total councillor minimum allowable remuneration payable and the total of the governance remuneration pool is then available to your council for remunerating its councillors who are assigned additional responsibilities <a href="mailto:and/or">and/or</a> to increase the base payment for all councillors with no additional responsibilities.
- 13. Roles to which additional remuneration can be paid may include internal council roles (such as deputy mayor, committee chair or member of a committee) but also other positions representing the council on outside groups where significant work arises from being involved on community and cross-council groups.
- 14. Any fees paid to councillors for serving as directors on council-controlled organisations (CCOs) are not covered by the governance remuneration pool.

### Calculating the Distribution of the Governance Remuneration Pool

- 15. Attached to this policy are the following Excel worksheets which will assist your council in fully distributing its pool amongst its councillors:
  - Worksheet 1 either use this worksheet to enter the dollar amounts to calculate councillors' remuneration; or alternately use
  - Worksheet 2 to enter the ratios to calculate the remuneration of councillors.

Both worksheets contain detailed instructions for proposing the distribution of your council's pool.

<sup>&</sup>lt;sup>1</sup> Appointed under section 117 of the Local Electoral Act 2001.

### Your Council's Proposal

- 16. Your council's proposal must include:
  - a. one of the completed worksheets (**NOT** a PDF or MS Word copy);
  - b. a description of each position with additional responsibilities;
  - c. a copy of the minute confirming the council's resolution(s) and/or evidence of your mayor's appointments (under section 41A(3) of the Local Government Act 2002) to the deputy mayor and committee chairperson positions;
  - d. a copy of the council's declaration, made under section 86 of the Local Electoral Act 2001, of the official result of the 2025 local election.
- 17. Your council must forward its proposal to the Authority who will consider it and make a determination that will amend the Principal Determination. The proposal must be emailed to <a href="mailto:info@remauthority.govt.nz">info@remauthority.govt.nz</a> by either of the dates shown in the timeline below (shaded boxes).

### Amending Determination

- 18. Amending determinations will be backdated so that:
  - a. for a councillor with no additional responsibilities, remuneration determined by the Authority will take effect on and from the day after the date on which the official result of the 2025 election of members for your council was declared; and
  - b. for positions with additional responsibility, remuneration determined by the Authority will take effect:
    - in the case of the mayor using their powers under section 41A (3) of the Local Government Act 2002, on and from the day after the date the mayor appointed the deputy mayor and/or chair of each council committee; and/or
    - on and from the day after the date of your council's resolution of its proposal.

### **Payroll Considerations**

- 19. Your council cannot pay the proposed new remuneration rates until the Authority has gazetted its amending determination which contains the new remuneration rates. However, it is important to note that councillors' remuneration will be backdated in the amending determination.
- 20. The minimum allowable remuneration rate for councillors as shown in schedule 3 is paid until the new rates have been gazetted.
- 21. Gazetted remuneration rates for positions with additional responsibility will then be backdated to the day after the mayor made appointments to the deputy mayor and chairperson of council committee positions and/or to the day after your council formally voted to confirm its proposal.
- 22. The gazetted remuneration rates for councillors with no additional responsibilities are backdated to the day after the date on which the official result for your council was declared.

### Timeline

Action	By Whom	Date
Familiarisation by elected members and staff with the process	Councils	Until remuneration proposals submitted
Incoming councils formally propose remuneration for positions within the allocated pool and forward proposals to the Authority (round 1)	Councils	Proposals must be submitted by Friday 14 November 2025 to meet deadline for the first amending determination
The Authority considers councils' proposals	Remuneration Authority	From 13 October to 19 November 2025
First amending determination drafted	Parliamentary Counsel Office	From 24 November to 12 December 2025
First amending determination gazetted	Remuneration Authority	Thursday 18 December 2025
Incoming councils which miss the 14 November 2025 deadline formally propose remuneration for positions within the allocated pool and forward proposals to the Authority (round 2)	Councils	Proposals submitted by Friday 30 January 2026 to meet deadline for second amending determination
Remuneration Authority considers councils' proposals	Remuneration Authority	From 12 January to 4 February 2026
Second amending determination drafted	Parliamentary Counsel Office	From 9 February to 23 February 2026
Second amending determination gazetted	Remuneration Authority	Early March 2026

# Local Government Elected Members (2025/26) Determination 2025

This determination is made by the Remuneration Authority under the Remuneration Authority Act 1977 and clauses 6 and 7A of Schedule 7 of the Local Government Act 2002, after having regard to the matters specified in clause 7 of that schedule.

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	Schedule 2 13 Remuneration before 2025 election of members
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	Determination
1	Title
	This determination is the Local Government Elected Members (2025/26) Determination 2025.
2	Commencement
	This determination comes into force on 1 July 2025.
3	Expiry This determination expires at the close of 30 June 2026.
	Interpretation
4	Interpretation
7	In this determination, unless the context otherwise requires,—
	board means—
	(a) a community board of a territorial authority other than the Auckland Council; or
	(b) a local board of the Auckland Council
	determination term means the period from the coming into force of this determination to its expiry
	hearing has the meaning given to it by clause 5
	hearing time has the meaning given to it by clause 6
	local authority means a regional council or a territorial authority
	member means, in relation to a local authority or a board, a person who is declared to be elected to that local authority or board under the Local Electoral Act 2001 or who, as the result of further election or appointment under that Act or the Local Government Act 2002, is an office holder in relation to the local authority or board (for example, a chairperson)
	on local authority business includes on the business of any board of the local

authority

regional council means a regional council named in Part 1 of Schedule 2 of the Local Government Act 2002

RMA means the Resource Management Act 1991

territorial authority means a territorial authority named in Part 2 of Schedule 2 of the Local Government Act 2002.

### 5 Meaning of hearing

In this determination, hearing means-

- (a) a hearing arising from a resource consent application made under section 88 of the RMA; or
- (b) a meeting for determining a resource consent application without a formal hearing; or
- a hearing arising from a notice of requirement (including one initiated by the local authority); or
- (d) a pre-hearing meeting held under section 99 of the RMA in relation to a hearing referred to in paragraph (a) or (c); or
- (e) a hearing as part of the process of the preparation, change, variation, or review of a district or regional plan or regional policy statement; or
- a mediation hearing in the Environment Court as part of an appeal from a decision of a local authority; or
- (g) a hearing on an objection against a charge fixed by a local authority under section 36 of the RMA.

### 6 Meaning of hearing time

In this determination, hearing time means the time spent on any of the following:

- (a) conducting a hearing:
- (b) formal deliberations to decide the outcome of a hearing:
- (c) participating in an official group site inspection related to a hearing:
- (d) determining a resource consent application where a formal hearing does not take place:
- (e) preparing for a hearing and participating in any inspection of a site for the purposes of a hearing (other than an official group site inspection under paragraph (c)):
- (f) writing a decision arising from a hearing or communicating for the purpose of the written decision.

### Transitional, savings, and related provisions

### 7 Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule I have effect according to their terms.

Entitlement to remuneration, allowances, and hearing fees

### 8 Remuneration, allowances, and hearing fees payable

Remuneration

- (1) For the period beginning on 1 July 2025 and ending on the close of the day on which the official result of the 2025 local election is declared under section 86 of the Local Electoral Act 2001 in relation to a local authority, a member of that local authority or a member of a board of that local authority is entitled to the applicable remuneration set out in Schedule 2 (adjusted under clause 10 if applicable).
- (2) On and from the day after the date on which the official result of the 2025 election is declared under section 86 of the Local Electoral Act 2001 in relation to a local authority, a member of that local authority or a board of that local authority is entitled to the applicable remuneration set out in Schedule 3 (adjusted in accordance with clause 10 if applicable).
- (3) If a member of a territorial authority is also elected or appointed to a board, the member is entitled only to the remuneration that is payable to the member as a member of the territorial authority.

Allowances and hearing fees

- (4) A member of a local authority or a board may also be entitled to—
  - (a) the applicable allowances payable under clauses 11 to 15:
  - (b) the applicable hearing fees payable under clause 16.

### 9 Acting mayor or chairperson

- (1) This clause applies to a member who acts as a mayor or chairperson during a period when, because of a vacancy or temporary absence, the local authority is not paying the remuneration or allowances that it would usually pay to the mayor or chairperson.
- (2) While the member is acting as mayor or chairperson, the local authority must pay the member the remuneration and allowances usually payable to the mayor or chairperson, instead of the member's usual remuneration, allowances, and hearing fees.

### 10 Motor vehicles for mayors and regional council chairpersons

 A local authority may provide to the mayor or regional council chairperson of the local authority—

### Local Government Elected Members (2025/26) Determination 2025

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- a motor vehicle (which may be provided for restricted private use, partial private use, or full private use); or
- (b) a vehicle-kilometre allowance under clause 11.
- (2) If a local authority provides a motor vehicle to a mayor or regional council chairperson during the determination term, the maximum purchase price that the local authority may pay for the motor vehicle is,—
  - (a) in the case of a petrol or diesel vehicle, \$60,000; and
  - (b) in the case of an electric or a petrol hybrid vehicle, \$70,500.
- (3) If a local authority provides a motor vehicle to a mayor or regional council chairperson for restricted private use, the local authority must not make a deduction from the annual remuneration payable to the mayor or regional council chairperson under Schedule 2 or 3 (as applicable) for the provision of that motor vehicle.
- (4) If a local authority provides a motor vehicle to a mayor or regional council chairperson for partial private use or full private use,—
  - (a) the local authority must adjust the annual remuneration payable to the mayor or regional council chairperson under Schedule 2 or 3 (as applicable) in accordance with subclause (5) or (6) (as applicable); and
  - (b) the adjustment must take effect on and from—
    - the date of commencement of this determination (in the case of a motor vehicle provided to the person before that date); or
    - (ii) the date of provision of the motor vehicle to the person (in the case of a motor vehicle provided during the determination term).
- (5) If a local authority provides a motor vehicle to a mayor or regional council chairperson for partial private use, the local authority must deduct the amount calculated in accordance with the following formula from the remuneration payable to that person:

where v means the purchase price of the vehicle.

(6) If a local authority provides a motor vehicle to a mayor or regional council chairperson for full private use, the local authority must deduct the amount calculated in accordance with the following formula from the remuneration payable to that person:

where v means the purchase price of the vehicle.

In this clause,—

### full private use means that-

 (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and

- the vehicle is available for the mayor's or regional council chairperson's unrestricted private use; and
- (c) the vehicle is used by the mayor or regional council chairperson for both local authority business and private use; and
- (d) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson

### partial private use means that-

- the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is used by the mayor or regional council chairperson for both local authority business and private purposes; and
- (c) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson; and
- (d) all travel in the vehicle is recorded in a logbook; and
- (e) the use of the vehicle for private purposes accounts for no more than 10% of the distance travelled in the vehicle in a year

### purchase price means the amount paid for the vehicle,-

- (a) including goods and services tax and any on-road costs; and
- (b) after deducting the amount of any rebate that applied under the former clean car discount scheme, which ended on 31 December 2023, in respect of the purchase of the vehicle

### restricted private use means that-

- the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- (c) the vehicle is used solely for local authority business; and
- (d) all travel in the vehicle is recorded in a logbook.

### Allowances

### 11 Vehicle-kilometre allowance

- A local authority may pay to a member a vehicle-kilometre allowance to reimburse that member for costs incurred in relation to eligible travel.
- (2) A member's travel is eligible for the allowance if—
  - it occurs at a time when the member is not provided with a motor vehicle by the local authority; and

#### Local Government Elected Members (2025/26) Determination 2025

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- (b) the member is travelling
  - in a private vehicle; and
  - (ii) on local authority business; and
  - (iii) by the most direct route that is reasonable in the circumstances.
- (3) The allowance payable to a member for eligible travel is,—
  - (a) for a petrol or diesel vehicle,—
    - \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 35 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (b) for a petrol hybrid vehicle,—
    - \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 21 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (c) for an electric vehicle,—
    - \$1.04 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - 12 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.
- (4) However, if a member of a local authority travels from a place where the member permanently or temporarily resides that is outside the local authority area to the local authority area on local authority business, the member is only eligible for a vehicle-kilometre allowance for eligible travel after the member crosses the boundary of the local authority area.
- (5) Subclause (4) does not apply to the payment of a vehicle-kilometre allowance by a local authority to a member who permanently or temporarily resides outside the local authority area if—
  - (a) the member's primary place of residence was outside the local authority area at the time of the local election, or an exceptional circumstance beyond the member's control requires them to move outside the local authority area; and
  - (b) the Remuneration Authority determines, on an application from the member and having considered the recommendation of the mayor or regional council chairperson, that subclause (4) does not apply.

### 12 Travel-time allowance

 A local authority may pay a member (other than a mayor, a regional council chairperson, a member of the governing body of the Auckland Council, the

### 5 Clause 11 amended (Vehicle-kilometre allowance)

Replace clause 11(3) with:

- (3) The allowance payable to a member for eligible travel is,-
  - (a) for a petrol vehicle,-
    - \$1.17 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 37 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (b) for a diesel vehicle,-
    - \$1.26 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 35 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (c) for a petrol hybrid vehicle,-
    - 86 cents per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 21 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term:
  - (d) for an electric vehicle,-
    - (i) \$1.08 per kilometre for the first 14,000 kilometres of eligible travel in the determination term; and
    - (ii) 19 cents per kilometre after the first 14,000 kilometres of eligible travel in the determination term.

- Christchurch City Council, or the Wellington City Council, or a chairperson of a local board of the Auckland Council) an allowance for eligible travel time.
- (2) A member's travel time is eligible for the allowance if it is time spent travelling within New Zealand—
  - (a) on local authority business; and
  - (b) by the quickest form of transport that is reasonable in the circumstances;
     and
  - (c) by the most direct route that is reasonable in the circumstances.
- (3) The travel-time allowance is \$41.30 for each hour (pro-rated in the case of a part of an hour) of eligible travel time after the first hour of eligible travel time travelled in a day.
- (4) However, if a member of a local authority permanently or temporarily resides outside the local authority area and travels to the local authority area on local authority business, the member is only eligible for a travel-time allowance for eligible travel time—
  - (a) after the member crosses the boundary of the local authority area; and
  - (b) after the first hour of eligible travel time within the local authority area.
- (5) Subclause (4) does not apply to the payment of a travel-time allowance by a local authority to a member who permanently or temporarily resides outside the local authority area if—
  - (a) the member's primary place of residence was outside the local authority area at the time of the local election, or an exceptional circumstance beyond the member's control requires them to move outside the local authority area; and
  - (b) the Remuneration Authority determines, on an application from the member and having considered the recommendation of the mayor or regional council chairperson, that subclause (4) does not apply.
- (6) The maximum total amount of travel-time allowance that a member may be paid for eligible travel in a 24-hour period is 8 hours.
- (7) Despite subclause (1), the Chatham Islands Council may pay the Mayor of the Chatham Islands Council an allowance for eligible travel time.

### 13 ICT allowances

Member uses local authority's ICT

(1) If a local authority supplies ICT to a member for use on local authority business and allows for its personal use, the local authority may decide what portion, if any, of the local authority's costs reasonably attributable to such personal use must be paid by the member.

Member uses own equipment and consumables

- (2) If a local authority determines that a member requires particular ICT equipment to perform their functions and requests that the member use their own equipment for those purposes, the local authority may pay an allowance.
- (3) The matters for which the local authority may pay an allowance, and the amounts that the local authority may pay for the determination term, are as follows:
  - for the use of a personal computer, tablet, or laptop, including any related docking station, \$400:
  - (b) for the use of a multi-functional or other printer, \$50:
  - (c) for the use of a mobile telephone, \$200:
  - (d) for the use of ICT consumables, up to \$200.

Member uses own services

- (4) If a local authority requests a member to use the member's own internet service for the purpose of the member's work on local authority business, the member is entitled to an allowance for that use of up to \$800 for the determination term.
- (5) If a local authority requests a member to use the member's own mobile telephone service for the purpose of the member's work on local authority business, the member is entitled, at the member's option, to—
  - (a) an allowance for that use of up to \$500 for the determination term; or
  - (b) reimbursement of actual costs of telephone calls made on local authority business on production of the relevant telephone records and receipts.

Pro-rating

(6) If the member is not a member for the whole of the determination term, subclauses (3) to (5) apply as if each reference to an amount were replaced by a reference to an amount calculated in accordance with the following formula:

$$(a + b) \times c$$

where-

- a is the number of days that the member held office in the determination term
- b is the number of days in the determination term
- c is the relevant amount specified in subclauses (3) to (5).
- (7) The Remuneration Authority may approve rules proposed by a local authority to meet the costs of installing and running special ICT where, because of distance or restricted access, normal communications connections are not available.
- (8) In this clause, ICT means information or communication technology, including—

- (a) ICT equipment (for example, a mobile telephone and a laptop computer);
- (b) ICT services (for example, a mobile telephone service and an internet service); and
- (c) ICT consumables (for example, printer or photocopy paper and ink cartridges).

### 14 Childcare allowance

- A local authority may pay a childcare allowance to an eligible member as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business.
- (2) A member is eligible to be paid a childcare allowance for childcare provided for a child only if—
  - the member is a parent or guardian of the child or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
  - (b) the child is under 14 years of age; and
  - (c) the childcare is provided by a person who—
    - is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and
    - (ii) does not ordinarily reside with the member; and
  - (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare.
- (3) A local authority must not pay childcare allowances to a member that total more than \$7,500 per child during the determination term.

### 15 Home security system allowance

- (1) Based on a security threat and risk assessment authorised by the local authority, a local authority may reimburse the expenses of having a security system installed and monitored at a member's primary place of residence within the local authority area up to a maximum of—
  - (a) \$4,500 for installing the system; and
  - (b) \$1,000 in any year for monitoring, call-outs, and repairs.
- (2) A member may also be reimbursed for additional expenses for the provision of supplementary security measures at their primary place of residence within the local authority area if—
  - the security threat and risk assessment recommends that those supplementary security measures be provided to the member; and

### 6 Clause 15 amended (Home security system allowance)

Replace clause 15(1)(a) with:

(a) \$4,500 for purchasing and installing the system; and

- (a) ICT equipment (for example, a mobile telephone and a laptop computer); and
- ICT services (for example, a mobile telephone service and an internet service); and
- (c) ICT consumables (for example, printer or photocopy paper and ink cartridges).

### 14 Childcare allowance

- A local authority may pay a childcare allowance to an eligible member as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business.
- (2) A member is eligible to be paid a childcare allowance for childcare provided for a child only if—
  - the member is a parent or guardian of the child or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
  - (b) the child is under 14 years of age; and
  - (c) the childcare is provided by a person who—
    - is not a parent of the child or a spouse, civil union partner, or de facto partner of the member; and
    - (ii) does not ordinarily reside with the member; and
  - (d) the member provides evidence satisfactory to the local authority of the amount paid for childcare.
- (3) A local authority must not pay childcare allowances to a member that total more than \$7,500 per child during the determination term.

### 15 Home security system allowance

- (1) Based on a security threat and risk assessment authorised by the local authority, a local authority may reimburse the expenses of having a security system installed and monitored at a member's primary place of residence within the local authority area up to a maximum of—
  - (a) \$4,500 for installing the system; and
  - (b) \$1,000 in any year for monitoring, call-outs, and repairs.
- (2) A member may also be reimbursed for additional expenses for the provision of supplementary security measures at their primary place of residence within the local authority area if—
  - the security threat and risk assessment recommends that those supplementary security measures be provided to the member; and

### Local Government Elected Members (2025/26) Determination 2025

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(b) the Remuneration Authority, on application from the local authority, approves reimbursement of the additional expenses arising from the provision of those supplementary security measures.

### Hearing fees

### 16 Fees related to hearings

- A member of a local authority or member of a board who acts as the chairperson of a hearing is entitled to be paid a fee of up to S130 per hour of hearing time related to the hearing.
- (2) A member of a local authority or member of a board who is not the chairperson of a hearing is entitled to be paid a fee of up to \$104 per hour of hearing time related to the hearing.
- (3) For any period of hearing time that is less than 1 hour, the fee must be apportioned accordingly.
- (4) This clause does not apply to-
  - a mayor or a member who acts as mayor and is paid the mayor's remuneration and allowances under clause 9(2); or
  - (b) a chairperson of a regional council or a member who acts as chairperson of a regional council and is paid the chairperson's remuneration and allowances under clause 9(2); or
  - (c) a member of the governing body of the Auckland Council, the Christchurch City Council, or the Wellington City Council; or
  - (d) a chairperson of a local board of the Auckland Council.

### Revocation

### 17 Revocation

The Local Government Members (2024/25) Determination 2024 (SL 2024/124) is revoked.

Schedule 2	Local Government Elected Members (2025/20 Determination 2025	»)
	Paekākāriki Community Board	
Office		Annual remuneration (\$)
Chairperson		8,872
Member		4,435
	Paraparaumu Community Board	
Office		Annual remuneration (\$)
Chairperson		21,382
Member		10,690
	Raumati Community Board	
Office		Annual remuneration (\$)
Chairperson		16,292
Member		8,146
	Waikanae Community Board	
Office		Annual remuneration (\$)
Chairperson		19,449
Member		9,724
	Kawerau District Council	
Office		Annual remuneration (\$)
Mayor		115,440
Deputy Mayor		45,515
Chair—Regulatory ar	nd Services Committee	40,639
Councillor with no ad	lditional responsibilities	32,512
Councillor (minimum	allowable remuneration)	22,567

he	governance	remuneration	nool	for the	Kawera

The governance remuneration pool for the Kawerau District Council is \$281,224. See the explanatory note to this determination for further information about the Remuneration Authority's methodology when fixing members' remuneration.

Schedule 3	Local Government Elected Members (2025/26) Determination 2025	Version as at 1 September 2025
	Waikanae Community Board	
Office		Annual remuneration (S)
Chairperson		20,227
Member		10,113
	Kawerau District Council	
Office		Annual remuneration (S)
Mayor		121,954
Councillor (minimum	allowance remuneration)	26,227

### **Guidance note**

The governance remuneration pool for the Kawerau District Council is \$288,497. See the explanatory note to this determination for further information about the Remuneration Authority's methodology when fixing members' remuneration.

## Explanatory memorandum

This memorandum is not part of the determination but is intended to indicate its general effect.

This determination comes into force on 1 July 2025 and expires at the close of 30 June 2026.

### Methodology review

Because the triennial local elections are scheduled for later this year, the Remuneration Authority (the Authority) recently completed a full review of the framework for determining local government remuneration. All councils were regularly consulted throughout the review process. The Authority found that the current approach is working well and no changes have been made to the framework.

As part of the review process, the Authority was interested in the time allocated by elected members to their local government roles. The Authority asked councils to complete a return giving an indication of time spent by councillors undertaking council-related duties. Although the response rate was disappointing, the Authority did note that workload had increased across some councils and this, together with updated size indices data and legislated criteria, has resulted in variable increases in councils' governance remuneration pools, which will take effect following the October 2025 local elections.

### Remuneration

### Councils and local boards

Since 2019, when setting remuneration for mayors, regional council chairpersons, councillors, and local board members, the Authority has used a group of size indices covering territorial, regional, and unitary authorities and Auckland Council local boards. The relevant workload and responsibilities of each council are assessed using several criteria, and each council is placed within the relevant index.

Those size indices were updated with the most recent publicly available demographic, statistical, and economic data, and the updated size indices will apply for the triennium following the local elections in October 2025.

The size index is also used to assign a governance remuneration pool to each council. It provides a total amount to be allocated and paid in remuneration to the councillors. Each council submits proposals to the Authority on how its individual pool should be allocated according to that council's intended governance structure. Roles to which differential remuneration can be attached include internal roles such as deputy mayor, committee chair, etc, as well as roles representing the council on outside groups. Councils submit their proposals to the Authority and the Authority may request further information or make changes to the proposals it receives before making its determination.

The governance remuneration pools are included in the guidance notes in the schedules for each council.

Schedule 2 sets out the remuneration for each position to apply from 1 July 2025 until the close of the day on which the official result of the 2025 election is declared, and Schedule 3 sets out the remuneration for each position that will apply on and after the day on which the official result of the 2025 local election of members for an individual council is declared.

**Meeting**: Extraordinary Council

Meeting Date: 12 November 2025

**Subject:** Water Service Delivery Plan acceptance

**File No.**: 404000

### 1 Purpose

This paper explains the requirements of the Government's Local Water Done Well reform programme, and confirms the Secretary of Internal Affair's acceptance of Council's Water Service Delivery Plan.

## 2 Background

Local Water Done Well is the government's plan to address longstanding gaps in New Zealand's water infrastructure. The majority of New Zealand's water infrastructure was laid in the post-war period, and that infrastructure is coming to the end of its useful life. One analysis of Long Term Plans found collectively Councils plan to invest up to \$50b to upgrade and replace "Three Waters" infrastructure: that is, drinking water, wastewater, and stormwater.

Kawerau District Council plans to invest approximately \$12m (plus inflation) to replace the community's drinking water reticulation network and a further \$12m (plus inflation) to replace priority wastewater lines. In addition, in the past year significant work was undertaken to upgrade Council's pumphouse (which pumps drinking water to the reservoirs on Monika Lanham Reserve) and the wastewater treatment plant. The stormwater network remains in good condition with maintenance plans in place rather than significant new investment.

On 3 September 2025 Council submitted its Water Service Delivery Plan to the Department of Internal Affairs, as per the requirements enacting the Local Water Done Well reforms. The Plan describes the condition of Council's three waters infrastructure, outlines its asset management methodology, and forecasts investment intentions and finance capacity.

On 29 October 2025, the Secretary for Internal Affairs, Paul James, confirmed he had formally accepted Council's Water Service Delivery Plan (Appendix 1). This acceptance means Council can continue to provide water services in-house including governance decision-making and operational delivery.

## 3 Statutory requirements of Local Water Done Well

In 2024 and 2025 the government introduced a series of statutes to implement Local Water Done Well's three elements. Those elements are:

- 1. Fit-for-purpose service delivery models and financing tools
- 2. Ensuring water services are financially sustainable

3. Introducing greater central government oversight, economic and quality regulation.

As per the statutes, Council undertook its own series of actions under each element.

### Fit-for-purpose service delivery models

Under this element territorial authorities must select a "delivery model" for water services. The legislation specified several models including an internal business unit, a Council Controlled Organisation (CCO), a Multi-Council Controlled Organisation, and a consumer trust. Councils were required to select a "preferred" delivery model and an "alternative" delivery model before consulting on that model. Kawerau District Council's preferred model was an internal business unit while its alternative model was a Multi-Council CCO in partnership with Rotorua Lakes, Whakatāne, and Ōpōtiki District Councils respectively.

From 11 April to 23 May Council consulted with the Kawerau community with over 90% of respondents supporting the preference for an internal business unit.

Under this model Council would retain governance and operational responsibility for delivering water services. Under the Multi-Council CCO model, governance responsibility would fall to a professional board (appointed by shareholding Councils). After holding a hearing for submitters Council resolved to adopt an internal business unit as part of its preparation of a Water Service Delivery Plan.

### Ensuring water services are financially sustainable

The second element of the reforms was the requirement to develop and submit a "Water Service Delivery Plan". Under the legislation the Plan must demonstrate Council can sustainably deliver water services according to its preferred model across a ten-year period.

On 3 September 2025 Council adopted and submitted its Plan to the Department of Internal Affairs (DIA). The Plan described Council's investment intentions, the state of the network including new Asset Management Plans, risks to delivery, and ongoing collaboration efforts. As part of the Local Water Done Well programme Councils must demonstrate collaboration, including Councils pursuing internal business units.

Council's Water Service Delivery Plan was accepted on 29 October 2025. This acceptance means Council can proceed with its plans to implement an enhanced internal business unit retaining governance and operational decision-making inhouse. The acceptance also confirms Council met all statutory requirements including financial sustainability. (Appendix 2) contains DIA's analysis of Council's Plan and its compliance with statutory requirements.

Introducing greater central government oversight, economic and quality regulation.

The final element of the reforms is establishing thorough regulatory oversight. Under the legislation the Commerce Commission becomes the new "economic regulator" for water services with powers to demand certain information from Councils as well as setting ringfencing requirements, revenue thresholds, and investment levels. The theory underpinning economic regulation is that Councils are a monopoly provider of water utilities meaning consumers can (for the most part) only secure water services from their local Council.

Taumata Arowai, the water quality regulator, also receives additional regulatory powers. As part of the reforms Council must pay a levy to both the Commerce Commission and Taumata Arowai to help meet their regulatory expenses. These levies are estimated at approximately \$40,000 per year for each regulator with levy increases likely from year to year.

Alongside ongoing economic and water quality regulation are new reporting requirements including a separate Annual and Long Term Plan for water services and a separate annual report for water services.

The cost of the new regulatory regime will also impact the staffing budget. The Chief Executive expects at least an additional 1 Full-Time Equivalent (FTE) is required in Finance to help implement new planning and reporting requirements, targeted rate arrangements and transition, ringfencing requirements, appropriate overhead allocation, and intra-Council service level agreements between the internal business unit and IT (Information Technology), HR (Human Resources), payroll, procurement, engineering and projects, and elsewhere. These new arrangements also require ongoing supervision and continuous disclosure to the Commerce Commission. The operations and services department may also require an additional FTE to help implement the new Taumata Arowai requirements.

### 4 Council's ongoing collaboration

Council's focus is establishing its internal business unit. This is Council's preference and forms the basis of its Water Service Delivery Plan.

However, Council is also continuing its collaboration efforts with Rotorua Lakes, Whakatane, and Opotiki District Councils respectively.

The collaboration effort recognises that, although Council is continuing with an internal business unit, ongoing collaboration between regional partners may still lead to new information or efficiencies. The purpose of the collaboration effort, then, is to develop and present up to date information from across the participating Councils.

The concrete form this collaboration effort is taking is a "Joint Waters Working Group". On or before 3 September 2025 each respective Council resolved to establish the working group and appoint the Mayor and two Elected Members to represent their Councils. This means Her Worship the Mayor sits on the Joint Working Group exofficio. The Mayor of each respective Council will then agree to chairing arrangements. The plan is to establish this working group in December 2025.

The purpose of the Joint Working Group is to prepare a "model" or models of how each Council might collaborate in water services. This model is most likely to include a Multi-Council CCO, but it may also include models that fall below a Multi-Council CCO including shared services. The Joint Working Group will draw information from each Council's Water Service Delivery Plan. The Chief Executives are the Joint Working Group's primary advisors.

Decision-making regarding which models to develop and propose is the prerogative of the Joint Working Group. However, whether to participate or pursue the model or models the Joint Working Group proposes is then the prerogative of each Council's governing body.

In short, Full Council remains the decision-maker on whether Kawerau District Council joins a collaborative body up to and including a Multi-Council CCO. Before any final decision is taken consultation with the community is also required.

Protecting decision-making at Full Council is an acknowledgement that democratic decision-making should sit with the Elected Members who represent their communities.

### 5 Risks

The Chief Executive and staff continue to monitor several risks as part of Local Water Done Well. These risks include:

- Increasing operational costs as a result of increased regulatory requirements and scrutiny
- Shifting political and community expectations

The Minister for Local Government is clear that his political expectation is Councils will collaborate, even those Councils pursuing internal business units.

## **6** RECOMMENDATION

That the report "Water Service Delivery Plan acceptance" be received.

Morgan Godfery

**Chief Executive Officer** 

Z:\KDC Taxonomy\Governance\Democratic Services\Meetings\Extraordinary Council\Reports\R-WSDP acceptance - Extraordinary Council 2025-11-12.docx



**KAWERAU DISTRICT COUNCIL Water Services Delivery Plan** 

September 2025



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# **Glossary of Terms**

The separation of a service's finances from the other Council functions and activities. This means separate projected financial statements are consistent and reconcilable, revenue (including rates and charges) are separately identifiable and are only spent on that service, and cash surpluses that are retained for future expenditure for that service.

# **Water Supply Network**

The infrastructure and processes used to provide a drinking water supply.

#### Wastewater Network

The infrastructure and processes used to collect, store, transmit through reticulation, treat, and discharge wastewater.

#### **Stormwater Network**

The infrastructure and processes used to collect, treat, drain, reuse, and discharge stormwater in an urban area and include an overland flow path.

# **Acronyms and Abbreviations**

**AMP** Asset Management Plan

**BOPRC** Bay of Plenty Regional Council

**ECOP** Engineering Code of Practice

KDC Kawerau District Council

**LoS** Level of Service

**LGA** Local Government Act 2002

**LGFA** Local Government Funding Agency

LTP Kawerau District Long Term Plan 2025-2034

NZ New Zealand

RIBs Rapid Infiltration Basins

**WSDP** Water Service Delivery Plan

# References

Title	Date	Author/Review
Water Supply Asset Management Plan 2025	6 March 2025	Riaan Nel
Wastewater Asset Management Plan 2025	26 March 2025	Riaan Nel
Stormwater Asset Management Plan	26 March 2025	Riaan Nel
Water Supply Management Plan	27 March 2024	Hanno van der Merwe

# **Version History**

Version Date		Notes	Author
2025a	30/06/2025	New Document	Hanno van der Merwe
2025b	3/07/2025	Draft submission to DIA	Riaan Nel
2025c	3/09/2025	Submission to DIA	Riaan Nel

# Certification

I certify that this Water Services Delivery Plan:

- Complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- The information contained in the Plan is true and accurate.

Signed:

Name: Morgan Godfery

Designation: Chief Executive Officer
Council: Kawerau District Council

Date: 3 September 2025



# SECTION ONE Overview



#### 1.1. THE WATER SERVICES DELIVERY PLAN

#### 1.1.1. Local Water Done Well

Local Water Done Well embodies the Coalition Government's strategic response to New Zealand's persistent challenges concerning water infrastructure. This initiative emphasises the significance of local decision-making, granting communities and councils the necessary flexibility to determine the future delivery of their water services. The overarching objective is to achieve these aims while maintaining strict adherence to economic, environmental, and water quality standards.

The scope of Local Water Done Well encompasses all three council water services: water supply, wastewater management, and stormwater management. It mandates that territorial authorities (councils) substantiate the appropriateness and effectiveness of their service delivery arrangements by formulating comprehensive plans for water service delivery.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation:

1. Water Services Acts Repeal Act (enacted February 2024):

This Act repealed the previous Government's water services legislation, restored continued council ownership and control of water services, disestablished any Water Services Entities created under the Water Services Entities Act 2022, and amended the Local Government Act 2002 to make transitional arrangements for local authorities' Long Term Plans.

2. Local Government (Water Services Preliminary Arrangements) Act (enacted 2 September 2024):

This Act established the Local Water Done Well framework and the preliminary arrangements for the new water services system.

3. Local Government Water Services Act (enacted 16 July 2025):

This Act establishes the enduring settings for the new water services system.

#### 1.1.2. Water Services Delivery Plans

The Water Services Delivery Plan (WSDP) is a requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024 ("the Act"). The Act mandates that councils must prepare a WSDP by 3 September 2025.

The WSDP must address all three water services: water supply, wastewater, and stormwater, and include the following components:

# **Identify Current State of Water Services**

The plan must identify the current state of the council's water services, including:

- Geographical range and distribution of services;
- Operations and Services provided;
- Levels of Service;
- Infrastructure and Assets;
- Asset Management systems and plans;
- Financial viability and sustainability; and
- Regulatory and Environmental compliance.

# **Outline Future Water Service Delivery Arrangements**

The plan must outline future arrangements by:

- Developing suitable delivery arrangement options;
- · Consulting with local communities and stakeholders; and
- Selecting a preferred delivery option promoting the long-term benefits for water service consumers.

# **Development of the Selected Delivery Option**

The chosen delivery option must be:

- Environmentally sustainable: Compliant with all regulations and consents.
- Safe and healthy: Meeting all quality and health standards.
- Financially viable: Generating sufficient revenue through rates and charges to cover all costs.
- **Financially sustainable**: Supported by independent long-term plans to meet future community needs.
- **Innovative and investment-ready**: Enabling replacements, upgrades, and new assets to improve service delivery.

# **Demonstrate Public Commitment and Implementation**

The Council must publicly demonstrate its commitment to delivering water services that:

- Meet all relevant regulatory, quality and environmental standards.
- Are financially viable and sustainable.
- Support housing growth and urban development, as outlined in the Council's Long Term Plan.
- Are adopted, committed to, and implemented through the WSDP's implementation plan.

#### **Plan Duration**

The WSDP needs to cover at least 10 consecutive financial years, starting with the 2024-25 financial year. This requires the development of a 10-year Water Services Long Term Plan, separate from Council's general Long Term Plan (LTP). This will underpin the financial sustainability of the Water Service arrangement.

# **Consultation and Adoption**

The Water Service Delivery Plan (WSDP) does not require public consultation; however, the Water Service Delivery arrangement does require consultation. Council may choose to engage in consultation regarding the WSDP or specific sections of it.

The WSDP must be formally ratified by the Council through a resolution and submitted to the Secretary for Local Government for approval by September 2, 2025. Once approved, it is essential for the Council to publish the WSDP, as it is also responsible for implementing it through the corresponding implementation plan.

#### 1.2. THE KAWERAU DISTRICT

The Kawerau district is a compact urban community located in the Eastern Bay of Plenty region of New Zealand. It is home to approximately 8,000 residents, 200 businesses, 5 heavy industries, and 12 light industries. The district lies 100 kilometres southeast of Tauranga and 58 kilometres east of Rotorua.

Kawerau is an enclave of 22 square kilometres, entirely surrounded by the Whakatāne district. The land use is predominantly urban, industrial, and commercial, with only a small portion designated as rural.

# **Community and Services**

The Kawerau district comprises four schools, a rest home facility, and two retirement villages. There are also two medical clinics, but no hospitals in the area. The district faces high levels of social deprivation and has a stable yet aging population. Local government heavily relies on contributions from businesses and industries to fund operational expenses, infrastructure development, and maintenance through rates and charges.

#### **Natural Resources and Environment**

Kawerau possesses an abundance of natural resources, prominently featuring the Kawerau Geothermal Field, the Tarawera River, and numerous natural springs that yield a substantial supply of high-quality water. The region's geology has been significantly influenced by the eruption of Mount Tarawera. The soils within the district are predominantly composed of ash and pumice, characteristics that render them highly porous yet poorly compacted. This unique soil composition facilitates the efficient disposal of stormwater and treated wastewater directly into the ground.

#### **Climate and Recreation**

Kawerau experiences warm summers and moderate winters. During the summer months, the average daily maximum temperature reaches 23.7 degrees Celsius, with certain days surpassing 30 degrees Celsius. As a result, Kawerau is recognised as one of the warmer locations in New Zealand. This favourable climate facilitates year-round utilisation of public parks, reserves, and recreational areas, which are actively frequented by both residents and visitors alike.

#### 1.2.1. The Kawerau District Council

The Kawerau District Council serves as the local authority tasked with the provision of all local government services within the district, encompassing drinking water, wastewater, and stormwater management. The Council is composed of nine elected representatives who, in accordance with the Local Government Act, deliver vital services to the community.

Council formulates strategies and enacts policies and bylaws that serve to guide and direct these essential services. The elected representatives appoint a Chief Executive Officer (CEO) to oversee the implementation of services in alignment with the needs of the community. The CEO is responsible for establishing the organisational structure and appointing the Senior Leadership Team.

The Senior Leadership Team bears the responsibility for developing and executing the requisite policies and strategies to ensure effective service delivery. This team is tasked with managing all Council services efficiently through the application of suitable policies and procedures.

Managers and staff are responsible for the execution of bylaws, policies, and systems pertinent to finance, quality management, and asset management, in addition to overseeing all associated operations and services.

# 1.2.2. Future development needs

## Land Use and Development in Kawerau District

The Kawerau district is a landlocked area completely encircled by the Whakatāne district. It is a well-developed region characterised by limited opportunities for the expansion and intensification of housing and industrial activities.

#### **Growth and Demand for Water Services**

The district has experienced, and is anticipated to continue experiencing, low growth in the demand for additional water services.

There remain undeveloped residential areas within the town; however, even with full development of these areas, the current water supply infrastructure is equipped to accommodate the projected increase in demand.

# **Industrial Development**

In 2012, the district purchased more industrial land from the Whakatāne district, known as the Putauaki Block. This area is planned for development over the next decade. It is not expected to require significant upgrades or expansion of existing water services infrastructure.

#### **Residential Development**

Two key areas have been identified for future housing development:

- 1. Stoneham Park Development: The former football fields at Stoneham Park are being converted into residential land as outlined in the 2024 District Plan. The Council is developing this area into a neighbourhood with 104 lots.
- 2. River Road Development: A subdivision consisting of approximately 30 lots is planned for the former school and sports fields located on River Road.

#### **Commercial Development**

The only area identified for potential commercial development is a 5,000 m² site (the former 'Circus Paddock') located adjacent to the Ron Hardie Recreation Centre. This site could potentially be developed into a small shopping area, though no formal plans are currently in place.

# **Future Potential Developments**

There is also the potential to develop small sections of the Tuwharetoa Farm into residential zones. The development of both the Circus Paddock and Tuwharetoa Farm is not currently under formal consideration and is not included in the Council's LTP or in this plan.

#### **New Infrastructure**

For all new developments, be they residential, commercial, or industrial; developers are responsible for the installation of:

- Drinking water infrastructure;
- · Wastewater infrastructure; and
- Stormwater collection and delivery systems.

At completion of any development, the infrastructure is vested to Council for ongoing maintenance and operation.

This plan therefore only considers the needs to connect new reticulation to the existing networks and the capacity of existing supply, treatment and disposal infrastructure.

# 1.2.3. Water Services capacity to provide current and future needs

## **Drinking Water**

The Kawerau district's water supply network is currently well-equipped to meet existing demand and has excess capacity to accommodate reasonable future growth.

#### **Water Sources and Treatment Capacity**

Current resource consents allow the extraction of 12,000 m<sup>3</sup> water per day. All drinking water is extracted from three water sources:

- Umukaraka Spring
- Pumphouse Spring
- Tarawera Park Borefield

It is unlikely future resource consenting will permit higher extraction rates. The UV treatment plant has been scaled accordingly and can treat 12,000 m<sup>3</sup> of drinking water per day with sufficient pump and UV-reactor redundancy.

#### **Water Demand**

The average daily demand is 4,110 m³ per day with peaks of up to 12,000 m³ per day during extreme hot and dry summers. High usage days above 10,000 m³ per day are rare and for more than 95% of all days, usage is below 8,000 m³ per day.

# Storage and Reticulation

The three reservoirs provide 11,250 cubic metres of storage, equating to 2.7 days of supply at the current average demand of 4,110 m3 per day, or one day at current peak demand. The oldest reservoir is planned to be replaced in 2035.

The existing reticulation is able to meet the demands of the community distributing sufficient volumes of water at acceptable pressures during peak usage times.

#### **Recent and Planned Improvements**

Council just completed significant capital works to upgrade the pump station at the treatment plant. The installation of electronic controls and telemetry for the bores, the springs and all pump stations will provide additional resilience around supply volumes. Ongoing reticulation programming is renewing all reticulation older than the Year 2000. Once completed, further renewals will not be required for the duration of this plan.

The drinking water network is able to supply sufficient water for all considered growth scenarios and no further upgrades, enhancements or new infrastructure are planned for the next 10 years.

#### Wastewater

The Kawerau district's wastewater network is currently adequate for existing demands and has spare capacity to accommodate future growth.

#### Treatment and Disposal Capacity

Current resource consents allow the treatment and disposal of 22,000 m³ of treated sewerage per week for a population of less than 8,000 people. The current average weekly disposal is 12,000 m³ with a historic peak of 15,800 m³ per week. The current consents would therefore support a population of at least 10,000 people.

The wastewater treatment plant capacity is constrained by the centrifuge's ability to process the final concentrated effluent. The centrifuge is currently operated 6 hours a day, four days a week and will

be able to process the 22,000 m<sup>3</sup> consent limit by operating 6 days a week and 7.33 hours per day. This volume may be increased by running the centrifuge for longer periods each day.

The treatment plant capacity can be increased to 15,000 people through the installation of additional screens and clarifiers. The Rapid Infiltration Basins (RIBs) are underutilised and approximately 25% of the RIBS are not utilised at all. The RIBs reticulation and disposal points were expanded in 2021 and there is sufficient treatment capacity.

The consented worm farm can process solids generated by a population of 15,000 under existing conditions.

#### **Industrial Wastewater**

In 2012, a boundary adjustment was conducted, which initiated the development of a new industrial park. Consequently, the local Council implemented a service line to connect the new park located on State Highway 34. The Waiū Dairy factory commenced operations and, in June 2019, obtained consent for the disposal of trade waste. This Trade Waste consent permits Waiū Dairy to discharge up to 400 cubic metres per day, with a solid's concentration of 200 grams per cubic metre. This volume corresponds to the wastewater output generated by a population of 1,700, which the treatment plant accommodates. The wastewater network is equipped to efficiently manage the collection, treatment, and disposal of wastewater under all potential growth scenarios evaluated. No additional upgrades, enhancements, or new infrastructure developments are projected for the forthcoming ten years.

#### **Stormwater**

The Kawerau district's stormwater network is generally adequate for current rainfall runoff demands, with spare capacity in most areas.

# **Soil and Drainage Characteristics**

The soil in the Kawerau district is predominantly composed of Tarawera ash and pumice, resulting in exceptional drainage properties. As a consequence, instances of standing water are minimal. This feature enables the stormwater management system to effectively collect rainfall primarily from the roadways. With the exception of a limited number of structures located in the central business district (CBD), all buildings redirect their stormwater into soak hole systems situated within their respective property boundaries.

# Flood Mitigation and Improvements

A small number of small flood prone areas had been identified during significant rainfall events during recent years. These previously flood prone areas were all addressed and are no longer a concern:

- Blundell Avenue: Flooding mitigated by constructing detention basins to manage runoff from Tuwharetoa Farm.
- Valley Road and Hardie Avenue: Detention Basins were constructed in the farmland at the southern end of both roads.
- Fraser Street: The River Road culverts carrying the Pumphouse Spring overflow stream were found to be a significant cause of flooding in the Fraser Street area. Culverts that provided a larger free flowing structure were designed and installed.
- Subsurface water flooding in Hardie Avenue: Subsurface flooding was reduced through installation of groundwater drainage connected to the Hilldale Reserve stormwater system.

#### **Stormwater Management for New Developments**

The planned industrial park on SH34 (Putauaki Block) is required to manage stormwater by soakage into the ground, as there are no nearby streams for discharge to the Tarawera River. The new residential developments will discharge all stormwater by soakage into the ground. New roads in the developments will discharge into the existing roading stormwater system where there is sufficient spare capacity.

# **Future Planning**

After completing all the upgrades and improvements mentioned above, the current stormwater systems are considered adequate, and no additional capacity upgrades to the network are expected during the lifespan of this Plan. Any issues arising from changes in land use will be addressed on a case-by-case basis, and these will typically be funded by the developer.

#### 1.3. WATER SERVICES

All water services are currently managed and executed internally by the Council through its personnel. This approach is efficient because it involves local employees, leading to cost-effective services and the most competitive water rates and charges in the region.

Funding for water services primarily derives from rates, encompassing both general and targeted rates, as delineated in the Council's Revenue and Financing Policy. Historically, general rates were allocated for the maintenance of facilities and equipment, while operational expenses were covered by targeted rates. However, the Council intends to transition to funding water supply and wastewater disposal services exclusively through targeted rates over the next eight years. Furthermore, the Council may seek external funding opportunities for the expansion or enhancement of facilities and plants as they become available.

Council employs in-house Asset Management and Project Management staff to manage and maintain all infrastructure and supply systems. For specialised engineering services, external consultants and contractors are engaged as necessary. Major infrastructure upgrades, replacements, and installations are predominantly contracted out to external firms.

# **Drinking Water**

The primary objective of the drinking water service in the Kawerau district is to deliver a high-quality and reliable water supply while ensuring the sustainable and efficient maintenance of the associated infrastructure and facilities.

To accomplish this objective, several key elements are essential:

- Security of long-term water sources
- Adherence to all legal, cultural, environmental, and water safety standards
- Assurance of the ongoing operation of all facilities and infrastructure in a sustainable manner

In accordance with the Local Government Act of 2002, Council is mandated to provide water supply services to the communities within its jurisdiction. It serves as the exclusive provider of potable drinking water in the region, with no alternative suppliers available.

All properties within the district are connected to the Council's potable water supply, and there are no independent private or onsite potable water treatment systems in the area. Major industries possess separate water source consents for industrial use, independent of Council's supply. Refer to *Figure 1* below for the potable water reticulation layout.

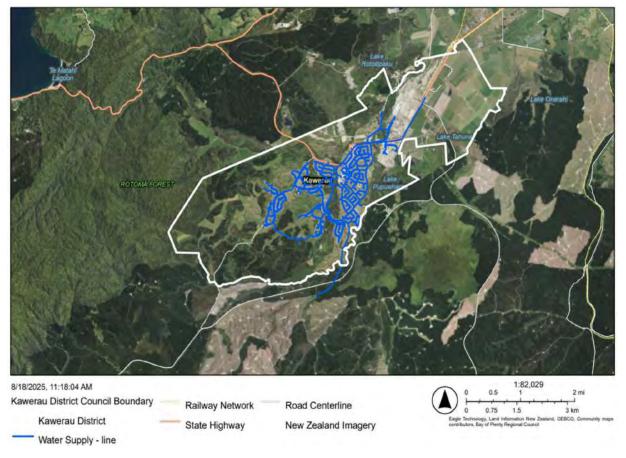


Figure 1: Kawerau District Water Reticulation Layout

The service encompasses a comprehensive system consisting of springs, boreholes, pumps, treatment facilities, reservoirs, and pipelines that collectively produce and distribute potable water to households, industrial establishments, and commercial entities.

Current service delivery practices include:

- Securing and maintaining suitable water sources and relevant resource consents
- Extracting, treating, and distributing drinking water
- Managing water supply assets and monitoring water quality
- Repairing or replacing pipes, structures, and equipment as necessary
- Planning for future needs and enhancing operational efficiencies

#### Wastewater

The goal of the wastewater service is to establish an effective, efficient, and sustainable system for collecting, treating, and disposing of wastewater. This service is essential for preventing environmental harm, minimising public nuisance, and protecting the health and safety of the community.

To achieve this goal, the following measures are necessary:

- Effective management and maintenance of infrastructure and operational capabilities
- Compliance with all relevant regulations, including consent, cultural, environmental, and wastewater safety standards
- Assurance of sustainable operation of facilities and infrastructure

Under the Local Government Act of 2002, the Council is required to provide sanitary services and a waste management plan. Additionally, the Council is obligated by the Health Act 1956 and the Building Act 2004 to deliver wastewater services. Specifically, Section 23 of the Health Act 1956 imposes a general duty on councils to improve, promote, and protect public health within their district. Section 23(c) highlights the Council's responsibility to take all necessary steps to eliminate any nuisances or conditions that could threaten public health. It would be nearly impossible for the Council to fulfil this obligation without a reticulated wastewater system in urban areas.

Kawerau District Council is the sole provider of wastewater services in the district, and there are no alternative suppliers.

All properties within the district are integrated into the Council's wastewater network, and there are no independent or onsite wastewater treatment systems present in the area. Major industries manage the treatment of their industrial wastewater onsite, distinctly from the Council's system. Please refer to *Figure 2* below for an illustration of the layout of the wastewater network.

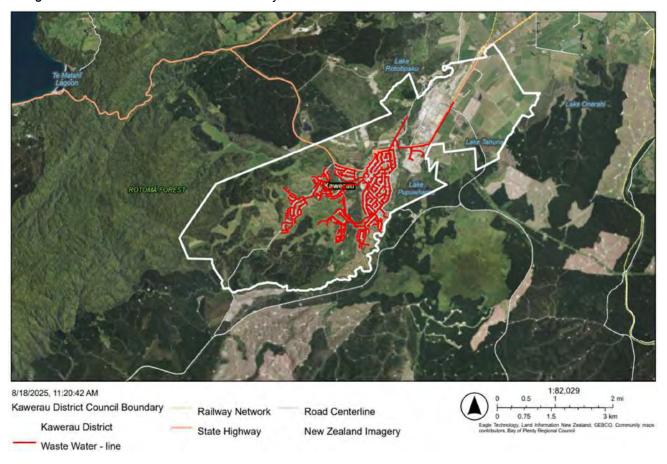


Figure 2: Kawerau District Wastewater Network Layout

The wastewater service includes a network of connection points, pipes, pump stations, and access points that collect wastewater from 2,760 households, four large industries, and approximately 160 businesses, serving a population of nearly 8,000 people. All collected wastewater is treated and disposed of appropriately.

Current services include:

- Providing sewer access points at all necessary locations
- Collecting and transporting sewage to the treatment plant

- Treating and disposing of treated wastewater and solids by operating a wastewater treatment plant
- Managing wastewater assets and monitoring compliance with disposal regulations
- Repairing or replacing pipes, pumps, structures, and treatment plant equipment
- Planning to meet future needs and improve operations.

#### **Stormwater**

The goal of the stormwater service is to manage stormwater from the road network in an environmentally responsible way. This approach aims to minimise negative impacts on the community, the environment, and other infrastructure and services in the district. Achieving this goal requires:

- Management and maintenance of stormwater infrastructure, and
- Adherence to all consent, cultural, environmental and wastewater safety requirements in a sustainable way.

Several legislative requirements regulate the collection and disposal of stormwater. These include the Local Government Act 2002, the Resource Management Act 1991, the Health Act 1956, and the Council's District Plan.

In the Kawerau District, a network of pipes mainly collects stormwater from the roading network and directs it into natural waterways. With the exception of a few buildings in the Central Business District (CBD), most properties are not connected to the stormwater network and instead drain into soak holes on their premises.

The Kawerau District Council is the sole provider of stormwater services in the area, which are closely linked to road services. There are no alternative suppliers for stormwater management within this region.

The current services are delivered:

- Collection and removal of stormwater from the roading network.
- Management and maintenance of stormwater assets and monitoring disposal compliance.
- Repairing or replacing cesspits, pipes, manholes and outlets.
- Planning to meet future requirements and improve operations.

Please refer to *Figure 3* below for an illustration of the layout of the stormwater network.

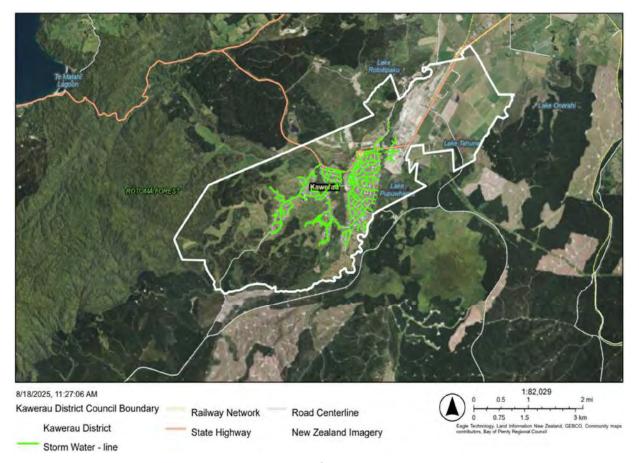


Figure 3: Kawerau District Stormwater Network Layout

#### 1.3.1. Customers and Communities

The Council provides essential water services to the Kawerau community, which comprises 2,700 households, five significant industries, and approximately 160 businesses. Additionally, it offers limited services to residents in the Whakatāne district near its borders, where access to Whakatāne services is unavailable. With the exception of two residences located on a farm block, all households and businesses within the Kawerau district are integrated into the Council's water supply and wastewater networks.

According to the 2023 census, the estimated population of the Kawerau district stands at 7,820, representing a 4.8% increase since the 2018 census, which translates to approximately 1% annual population growth. Statistics NZ projects that the population will remain relatively stable over the next two decades under a medium projection scenario, approaching just under 8,000 by the year 2043. Nevertheless, the growth rate may exceed these projections as Kawerau continues to generate employment opportunities through industrial development and provides affordable housing options.

Table 1: Statistics NZ Population Projections - Kawerau District

Population Change 2006–2043 (NZ Stats)								
Projected Range	2006 Census	2013 Census	2018 Census	2023	2028	2033	2038	2043
High					8,410	8,650	8,830	8,970
Medium	6,921	6,363	7,460	7,820	8,000	8,020	7,970	7,860
Low					7,610	7,410	7,140	6,800

Kawerau currently has a higher proportion of both older and younger people compared to the rest of the country. Population projections indicate that over the next 15 years (until 2038), the number of young people (under 15 years old) is expected to decrease by 12.7 percent, while the number of individuals aged over 65 is projected to increase by 46.2 percent.

Note: For detailed population and serviced connection, projections refer to **Table 32: Projected Serviced Population.** 

#### 1.3.2. Levels of Service

Council monitors and reports its actual performance against measures and targets contained in the LTP. All reporting is presented through quarterly reports to the Council by the Group Manager, Finance and Corporate Services. Council targets include community satisfaction, number of complaints, regulatory compliance, service requests and time taken to respond as well as number of service disruptions.

Levels of Service (LoS) are evaluated and set every three years as part of the Section 17A (Local Government Act 2022) reviews of the water services. There are three Levels of Service categories addressing customer needs, technical requirements and with specific regard to Stormwater; NZ Transport Agency agreed requirements.

Levels of Service are described in more detail within the respective service Asset Management Plans including discussions on specific constraints to the Levels of Service.

The Levels of Service are summarised as follows:

#### **Drinking Water**

The Water Supply Service has the following Levels of Service:

# Community is satisfied with the Water Supply Service.

Customer satisfaction is measured through a Triennial Residents survey and an independent survey conducted by SIL Research.

The 2023 Triennial Residents survey achieved an approval rating of 40% (73% NZ benchmark). The low community satisfaction was caused by dirty water in the supply network. This issue has since been resolved.

# Total number of complaints received.

Complaints are registered in the Request for Service database. Complaints are categorised as follows:

- Clarity, no more than 4 per 1000 connections.
- o Taste, no more than 2 per 1000 connections.

- Odour, no more than 1 per 1000 connections.
- o Pressure, no more than 2 per 1000 connections.
- Continuity, no more than 2 per 1000 connections.
- o Response time, no more than 0 per 1000 connections.

# Safety of drinking water.

Council water supply must comply with the Taumata Arowai Drinking Water Quality Assurance Rules 2022 and Water Services (Drinking Water Standards for New Zealand) Regulations 2022. Water quality is monitored through water treatment plant instrumentation and through water sample testing in the reticulation.

- o T3, bacterial compliance, no instances of non-compliance
- o D3, protozoal compliance, no instances of non-compliance

The extent to which the drinking water supply complies with the following parts of the drinking water quality assurance rules – 100% compliance:

- o 4.10.1 T3 Bacterial Rules
- 4.10.2 T3 Protozoal Rules
- o 4.11.5 D3 29 Microbiological Monitoring Rules

#### • Maintenance of the reticulation network.

The loss of water from the reticulation is calculated using the minimum night flow method.

Loss of water from the reticulation is less than 200 litres per connection per day.

#### Demand management.

The total water production is metered and includes losses and unauthorised use.

• Average consumption is less than 0.6 m<sup>3</sup> per resident per day.

# • Fault response times.

The time it takes to attend a request for service or fault/unplanned interruption is recorded in the Request for Service database.

- Urgent call outs, attendance less than 2 hours
- Urgent call outs, resolution less than 8 hours
- Non-urgent call outs, attendance less than 24 hours
- Non-urgent call outs, resolution less than 48 hours

#### Reliability of water supply.

The number of planned and un-planned supply interruptions are recorded in the Water Team Leader Work Roster.

- o Number of unplanned reticulation shutdowns, no more than 12 per year.
- Number of unplanned pump station shutdowns, no more than 0 per year.
- o Number of water reticulation breaks, no more than 8 per year.

#### Environmental effects.

Water is taken from the sources under consents granted by the Bay of Plenty Regional Council.

o Compliance with all consent conditions.

# **Wastewater**

The Wastewater Service has the following Levels of Service:

#### Community is satisfied with the Wastewater Service.

Customer satisfaction is measured through a Triennial Residents survey.

 The 2023 Triennial Residents survey achieved an approval rating of 82% (74% NZ benchmark).

#### Total number of complaints received.

Complaints are registered in the Request for Service database. Complaints are categorised as follows:

- o Odour, no more than 1 per 1000 connections.
- o Faults, no more than 15 per 1000 connections.
- o Blockages, no more than 15 per 1000 connections.
- o Response time complaints, no more than 0 per 1000 connections.

# System adequacy.

Council wastewater system is able to deal with normal operational requirements. This is measured by the number of non-weather related sewage overflows.

Zero dry weather overflows per year.

# • Fault response times.

The time it takes to attend a request for service or fault/unplanned interruption is recorded in the Request for Service database.

- Call out attendance less than 1 hour.
- Call outs resolution less than 8 hours.

# Reliability of the service.

The number of planned and un-planned service interruptions are recorded in the Water Team Leader Work Roster

o Number of unplanned service interruptions, no more than 15 per year.

#### Environmental effects.

Wastewater is treated and disposed of under resource consents.

- Compliance with all consent conditions
- o No notices, infringements, orders or convictions.

# **Stormwater**

The Stormwater Service has the following Levels of Service:

# Total number of complaints received.

Complaints are registered in the Request for Service database.

No complaints received.

#### System adequacy.

Council stormwater system is able to deal with normal operational requirements. This is measured by the number of flooding events that occur and the impact they have.

No more than 10 flood events that occur in the district.

# Flooding response times.

The time it takes to attend a request for service for flooding is recorded in the Request for Service database.

Call out attendance less than 1 hour.

#### • Environmental effects.

Stormwater is treated and disposed of under resource consents.

- Compliance with all consent conditions.
- No notices, infringements, orders or convictions.

# 1.4. WATER SERVICE INFRASTRUCTURE

Council provides water services through three fully developed infrastructure networks.

# 1.4.1. Drinking Water

The Kawerau district water supply network comprises springs, pumps, reservoirs and pipes. It distributes potable (drinkable) water to around 2,700 households, 5 large industrial plants and approximately 160 businesses. The network serves a resident population of 7,820 people (as recorded in the 2023 Census).

Kawerau's water is sourced from the Tarawera Park Borefield and two springs: Umukaraka/Holland Spring located on the Tarawera Falls Road and the Pumphouse Spring on River Road. From source, the water is treated in an ultraviolet (UV) treatment plant, neutralised, chlorinated and fluorinated (since 1 September 2024), and then pumped to three reservoirs, two on Monika Lanham Reserve and the third above Beattie Road.

The water supply network is split into two pressure zones. Water is then delivered to consumers by gravity. The Beattie Road reservoir supplies properties situated in the upper Valley Road area. The Monika Lanham reservoirs supply the balance of the town. Large users of water have metered supplies.

The table below summarises the key components of the system.

Table 2: Key information of the water supply network

Parameters	Drinking supply
Average age of Network Assets	20
Critical Assets	Section 1.4.1
Above-ground assets     Treatment plant and pumping station Percentage or number of above-ground assets with a condition rating     Percentage of above–ground assets in poor condition	1 100 0
Below-ground assets     Total Km of reticulation     Percentage of network with condition grading     Percentage of the network in poor or deplorable condition	73.311 100 0
Population served	7,820

Parameters	Drinking supply	
Number of properties connected	2,917	
Length of reticulation (km)	73	
Number of pumping stations	2	
Number of treatment plants	1	
Number of water sources	3	

#### **Critical assets**

#### **Borefield**

There are three fully developed bores in the Tarawera Park. They are owned by Council and are on Council owned land, fenced and protected in steel containers. This greatly reduces any risk of contamination from the bores.

#### **Springs**

There are two springs (Umukaraka/Holland and Pumphouse), both of which are natural resources. Umukaraka/Holland Spring is in private ownership and Pumphouse Spring is owned by Council. Headworks consisting of rocks, wooden walls, plastic covers, pipes and coarse filters have been constructed to capture the water. The sites are fenced.

# **Pumps**

Water from the bores and the springs is piped to the Pumphouse water treatment plant by gravity pipes. The water, following treatment, is then pumped to the two reservoirs in Monika Lanham Reserve from the treatment plant. There are four main supply pumps in total, whose use varies according to seasonal demand.

#### **Water Treatment Equipment**

Located in the water treatment plant, the equipment is used for pH correction, UV treatment, chlorination and fluoridation. Correction of pH involving caustic soda dosing to target levels of 7.0 – 8.5 pH, log 3 UV treatment, chlorination to a target level of 0.5 parts per million to safeguard the reticulation and fluorination to 1 parts per million as ordered by the Ministry of Health.

#### Reservoirs

Water is stored in three concrete reservoirs. Two reservoirs are located at the Monika Lanham reserve. The third reservoir is located on a Council owned parcel in private owned land. The two Monika Lanham reservoirs are directly fed from the treatment plant. The third reservoir is fed from reticulation via a pump station located on Beattie Road.

# **Pipes**

Pipes are used to transport water from the sources to the Pumphouse water treatment plant, from the treatment plant to reservoirs and from reservoirs to properties. There are approximately 7 km of pipes from the springs to the reservoirs, ranging in diameter from 250 mm to 450 mm. The reticulation comprises 73 km of pipes with diameters from 50 mm to 250 mm (see *Figure 4* below). From the reservoirs, all water is distributed by gravity.

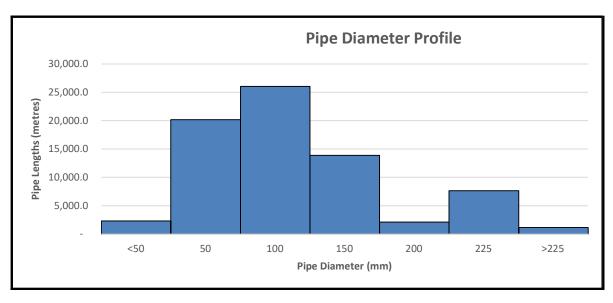


Figure 4: Diameter profile of water supply pipes

# **Other Assets**

Other assets are the Beattie Road pump station (two in-line pumps), telemetry systems, valves, fire hydrants, service connections, meters, backflow preventers and the Pumphouse treatment plant with UV, caustic soda and chlorine/fluorine buildings.

#### **Telemetry**

Water levels, flows, pumps operating, UV levels, chlorine/fluorine, pH and other data are electronically monitored. If monitoring detects levels are outside set parameters, alarms are triggered and any problems rectified. Information can be remotely viewed by computer and is collected continuously and stored for analysis as required.

# **Valves**

Valves are installed throughout the water supply network to facilitate sections of the pipe to be isolated for maintenance. The valves are predominantly gate valves, and the diameter of the valve is the same as the pipe to which the valve is connected.

#### Fire Hydrants

Fire hydrants are provided for firefighting purposes. Hydrant box covers are painted yellow and painted triangles are located at the road centre line. Blue reflective centre line markers have been installed as an additional indicator of hydrant position to assist with location at night.

#### **Service Connections**

Each property is provided with a service connection to the water main outside the property. The connection consists of a length of pipe to the property boundary and a gate valve. Typically, the service connection is 20mm in diameter. The location of the service connection is noted by a white mark on the kerb.

#### Meters

There are approximately 50 properties that have water meters installed because of the potential to use above average quantities of water.

# **Backflow Preventers**

All metered properties are fitted with backflow preventers. Low risk properties are fitted with non-testable devices. Large industries or industries with chemical or biological on-site risks are fitted with testable 25

devices. Unmetered properties are being fitted with non-testable backflow preventers during the reticulation replacement works.

# **Buildings**

Water supply buildings are the Pumphouse pump station structure, and the UV and chlorine/fluorine treatment plant building. These are constructed of concrete blocks and are regularly maintained.

#### **New assets**

Water supply capacity in the existing residential network is anticipated to be static for the duration of the planning period. The reticulation system was extended by approximately 2 kilometres in 2018 to service the new industrial subdivision located to the north/east of town on the Putauaki block. Additional lines and points were installed to service the two new residential subdivisions Porritt Glade and Central Cove.

# **Maintenance activities**

Maintenance activities include daily checks of the springs, pumps, telemetry system, pipes and the pH system at the UV treatment plant. Screens are cleaned and pumps greased on a weekly basis. The tops of the reservoirs are inspected, backflow preventers checked, buildings inspected, and network pipes are flushed annually. Preventative maintenance is carried out on the valves, service connections and water meters. In addition, repairs are undertaken as faults are reported. The NZ Fire Service undertakes regular flow tests of fire hydrants.

# Renewal/Replacement

With the exception of Kawerau's town centre zone, being an area of geothermal activity, pipes are broadly deteriorating approximately 24% faster than National Asset Management Steering Group (NAMS) guidelines.

Council's objective is to maximise asset life without compromising service. Replacement decisions are based on the condition, reliability and maintenance cost and risk profile of an asset as well as its age. The age and material profile of water supply pipes are presented in *Figure 5* below.

Due to observed increased degradation of asbestos cement pipes and some steel pipes, a decision was adopted by Council in 2018 to replace all asbestos cement pipes and valves and steel pipes older than those installed in 1996. Large scale water reticulation replacement is currently underway. The age material profile will be updated at the end of this renewal programme. The water supply reticulation replacement program is running from 2020 to 2029.

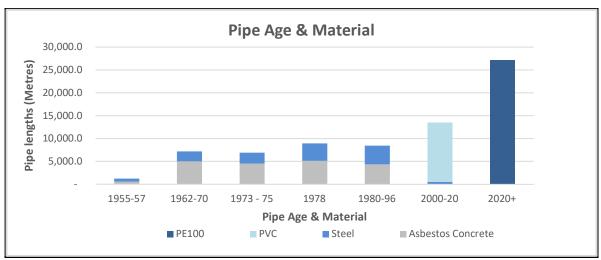


Figure 5: Age/Material profile of water supply pipes @ 30 June 2024

The water treatment plant pump station was rebuilt in 2024 with new modern pumps, valves and pipes.

The spring headworks each have wooden retaining walls around rocks allowing water to flow from the ground and be collected. Failure will be gradual and will not interrupt the ability to use the water. The headworks for Umukaraka Spring was rebuilt in 2024.

The gravity main from Umukaraka Spring to the treatment plant via the Tarawera Park Borefield was installed in 1968. Testing undertaken in 2007 suggested the pipe appeared to be deteriorating at the anticipated rate. The replacement of this critical pipe has been programmed to occur in 2037-39. The approximate cost of replacement projected to be \$4.2 million.

The remaining life of the Tarawera Park bore pumps is currently estimated at 25 years. The bore liners were inspected in 2016 and found to be in excellent condition. The bore headworks were rebuilt in 2019, and their estimated life is 60 years.

The expected life of concrete reservoirs is 80 years. Examination of the reservoirs indicates they are in good condition and can be expected to outlive that expected life. Before altering the life in the asset register, an analysis of the concrete deterioration was required. Replacement of the three reservoirs is currently programmed to occur in 2034/35 (upgrading to 4.5 mil litres), 2058/59 and 2063/64 – at a cost of \$2.0 mil each (in 2023 costs).

#### **Deferred Maintenance and Disposal Plan**

Council policy is to avoid any deferred maintenance and currently there is no known deferred maintenance for the water supply network. Similarly, there are no specific disposals identified in the Plan. Pipes no longer required or are replaced due to failure will not be retrieved as they have no value. Normally old pipes will be replaced by new pipes in the same location. If pipes are not replaced, they will be made safe in situ.

# 1.4.2. Wastewater

The community is served by a wastewater system designed to manage wastewater collection, treatment and disposal. Properties connect to the public reticulation system through small pipes. Larger pipes and manholes are used in the network where changes in gradient and direction occur. There are also five pump stations. All wastewater is brought to the treatment plant via the pipe and pump collection network. Treatment and the discharge of water to ground are carried out in accordance with resource consent requirements and to maintain a healthy environment. Septic tanks are used for the few properties in the district not connected to the network.

The table below summarises the key components of the system.

Table 3: Key information of the wastewater network

Parameters	Wastewater		
Average age of Network Assets	51		
Critical Assets	See Section 1.4.2		
Above-ground assets     Treatment plant/s     Percentage or number of above-ground assets with a condition rating     Percentage of above–ground assets in poor condition	1 100 0		
Below-ground assets Total Km of reticulation Percentage of network with condition grading Percentage of the network in poor or deplorable condition	55.803 100 0		

Parameters	Wastewater
Number of properties connected	2,922
Length of reticulation (km)	62.6
Number of pumping stations	6
Number of treatment plants	1
Manholes	772
Wastewater treated (avg m³/d)	2,200

# **Critical assets**

Most components of the wastewater asset are able to fail for a period of 24 hours before intervention is required. Intervention is simple and relatively inexpensive and therefor only a small number of pipes, one pump station and the treatment plant are considered critical.

#### Service connections

Service connections connect properties and businesses wastewater lines to gravity reticulation pipes. Service connections may be Asbestos Cement (AC), glazed earthenware, Polyvinyl Chloride/Plastic (PVC), Polyethylene (HDPE), concrete lined steel or concrete, depending on when a property was developed.

# **Gravity reticulation pipes**

Gravity lines connect the service connections of properties and businesses to pump stations and eventually to the treatment plant. The network of pipes are typically between 100mm and 450mm in diameter. Most of the reticulation is in the range of 150mm to 200mm that collect effluent and feed them to trunk mains (300mm to 450mm). The wastewater network pipe diameter profile is presented in *Figure 6*.

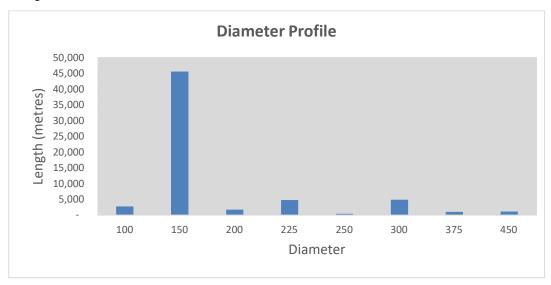


Figure 6: Diameter profile of wastewater pipes

Depending on location, the pipes are asbestos cement, concrete, concrete lined steel, PVC, HDPE or glazed earthenware. A large percentage of the network pipes were installed in the period 1955 to 1975. This is expected to give rise to a significant increase of renewals as the pipes reach the end of their effective lives. The age and material profile of wastewater pipes are presented in *Figure* 7.

Generally, pipes installed pre-1970 are concrete and from 1970 onwards were asbestos concrete. Glazed earthenware, HDPE, PVC and other materials were used only in small quantities, primarily in geothermal or unstable areas. Pipes installed after the Year 2000 were primarily PVC and HDPE.

# Rising pipes.

Rising pipes are pressurised pipes that connect pumping stations (both Council and private) to receiving gravity reticulation pipes.

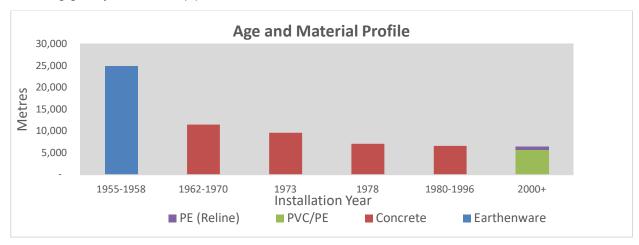


Figure 7: Age and material profile of wastewater pipes

# **Pump stations**

There are six pump stations. Two pump effluent from Council facilities at Tarawera Park and Firmin Field. One pumps trade waste from the industrial block on the site of the Waiū Dairy factory in the newly developed Putauaki industrial land adjacent to SH34. A further two pump wastewater from low-lying housing areas in Blundell Avenue (80 houses) and the new retirement subdivision 'Porritt Glade' at Piripiri Crescent. Finally, one pumps wastewater from an out of district marae and attached dwelling.

The pump stations are of reinforced concrete construction and house twin pumps (duty and standby). The stations can also be emptied using portable pumps or sucker trucks in the event of a significant failure.

# Treatment plant

There is a single modern plant that removes solids from the wastewater. The solids (30 tonnes per week) are disposed of by vermiculture whilst the effluent (1,800 to 2,400 m<sup>3</sup> per day) is discharged to the RIBs.

The treatment plant treats raw sewerage through several processes requiring specific infrastructure and equipment. Sewerage is received in the raw sewerage pit from where it is pumped by three primary pumps, two aerators, two screened wastewater pumps, two large concrete tanks and two 1 mm slot size contra sheer screens to remove rough solids that are disposed to landfill.

The fine solids are removed chemically through alum (AlSO<sub>4</sub>) and anionic and cationic polymers. The process uses four stainless vessels, chemical mixing equipment, four peristaltic pumps, centrifuge, and monitoring equipment. This thickens the solids to facilitate removal with a centrifuge. The solids are then transported to a worm farm where they are digested over 18 months into a usable soil conditioner.

The clear liquid is pumped by two pumps from the drain tank to the RIBs.

#### **Manholes**

Manholes are used at changes in pipeline gradient, direction, and diameter or at multiple service connections. They are also spaced in order to ensure easy access to the full length of the pipe. They are generally constructed of circular reinforced pre-cast concrete. The concrete bases have benching or faring from inlet pipe/s to outlet pipe to improve effluent flow.

Manhole lids, generally pre-cast reinforced concrete, span the manhole and provide support for the cast iron frames and circular cast iron access covers.

# **New assets**

The two resource consents for the wastewater treatment plant extend beyond the length of this Plan so there is no requirement to improve its efficiency during the life of the Plan. The proposed new industrial park and residential developments are not expected to increase flows by more than five percent.

Any new network assets from land developments are to be vested in Council.

# **Maintenance activities**

Following the recent renewal of pipes in the geothermal area of town, the wastewater network is in a good state of repair. The wastewater reticulation in the geothermal area was mostly relined with polyethylene pipes and lined manholes between 2018 and 2023.

Council intends to operate, maintain and renew the network to ensure it continues to provide the level of service required in the future. Regular, ongoing maintenance including further removal of problematic street trees will allow the existing levels of service to continue indefinitely.

Detailed maintenance activities are described in the operational management plans and documents for each component of the wastewater network.

#### Renewal/Replacement

Pipes generally deteriorate in line with the National Asset Management Steering Group (NAMS) guidelines with the exception of an area of geothermal activity that includes Kawerau's town centre.

Council's objective is to maximise asset life without compromising service. Replacement decisions are based on the condition, reliability and maintenance cost and risk profile of an asset as well as its age.

The network has been divided into Nine zones based on location and the estimated average date of development. Pipes and valves have a 70 to 80-year estimated life and each zone is given the same installation date and the same replacement date. Council is proposing to replace all the pipes that were originally installed in 1956 (21.3 kms) over a ten year period (2024 – 34). After this, replacement of pipes will be based on their age as well as sampling pipe lengths to confirm they have reached their end of life.

Renewal/replacement funding for each zone is usually averaged over a period of six to eight years. This allows for the spread of installation dates and different rates of deterioration due to installation methods, material quality, water quality and tree roots.

#### **Deferred Maintenance and Disposal Plan**

Council policy is to avoid any deferred maintenance and currently there is no known deferred maintenance for the wastewater network. Similarly, there are no specific disposals identified in the Plan.

#### 1.4.3. Stormwater

The Kawerau community is served by a Council owned and maintained stormwater system designed to manage rainfall runoff and mitigate surface water flooding. Stormwater is collected almost exclusively from the roading network and channelled through a network of pipes into natural waterways.

It currently consists of approximately 39.6 km of stormwater pipes and together with cesspits, manholes, stormwater outfalls, and other components are managed as part of the stormwater asset.

The table below summarises the key components of the system including additional infrastructure vested to Council following the residential developments of Porritt Glade and Central Cove.

Table 4: Key information of the stormwater network

Parameters	Stormwater		
Average age of Network Assets	56		
Critical Assets	See Section 1.4.3		
Above-ground assets			
Treatment plant/s	0		
Percentage or number of above-ground assets	100		
with a condition rating			
Percentage of above–ground assets in poor			
condition	0		
Below-ground assets			
Total Km of reticulation	42.004		
Percentage of network with condition grading	100		
Percentage of the network in poor or	0		
very poor condition			
Length of reticulation (km)	39.6		
Number of cesspits	783		
Number of outfalls	20		
Number of Manholes	538		

# **Critical Assets**

Of the stormwater assets, only the network in the Town Centre as considered critical. The culverts in River Road are also a critical stormwater asset; however, it is managed with the other structures in the Roading asset management group.

#### **Culverts, Cesspits and Outfalls**

Five major culverts under roads are included under Roading Asset Management and are funded and maintained under the Roading business unit.

The asset register records 783 cesspits. The majority of these are part of the roading network and are maintained under that function. All are constructed of concrete with a cast iron grate, often including an open back entry to minimise blockage from accumulated debris. Cast iron grates, in frames permitting them to be opened for cleaning, are concreted in place over the cesspit. The bottom level of the cesspit is below the outlet pipes to allow silt, stones and other debris to be trapped.

The outlet asset group includes 20 outfalls recorded on the asset register. An outfall is where a stormwater pipe discharges into a natural water course.

# **Pipes**

The asset register records 39.6 km of pipe in 1,376 lengths. The stormwater pipe network is made up of pipe from 225mm to 1,200mm in diameter. A large proportion of the pipes are less than 450mm in diameter. The pipe diameter profile is presented in *Figure 8*.

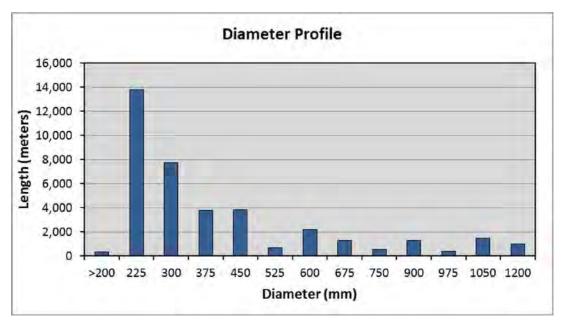
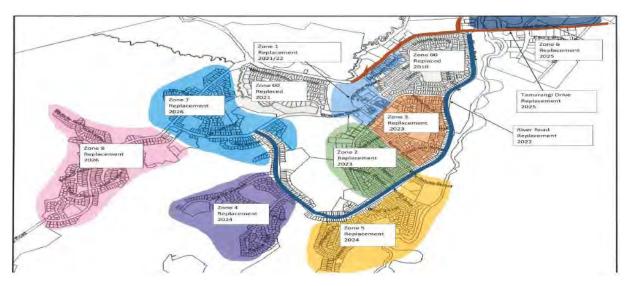


Figure 8: Diameter profile of stormwater pipes

Almost all pipes are rubber-ring jointed centrifugally-moulded steel-reinforced concrete. The pipes in the geothermal area are a mixture of High Density Poly Ethylene (HDPE), glazed earthenware, PVC and reinforced concrete. The subsoil drains in the Beattie and Hardie Avenue area are 100-150mm diameter slotted drain coil.

The network has been divided into the same nine zones as water and wastewater, which are based on location and the estimated average date each zone was developed. Zone one is the geothermal area where concrete pipes have recently been relined with PE pipes.

#### The zones are:



Historically, all assets in a zone are given the same installation date and therefore will have the same replacement date. To allow for the spread of installation dates and due to a range of reasons pipes will deteriorate at different rates, the renewal funding for each zone has been averaged over six to eight years. The objective is to maximise the life of the asset without compromising service. Extending the asset life reduces the overall cost to the Community. The age and material profile of stormwater pipes are presented in *Figure 9*.

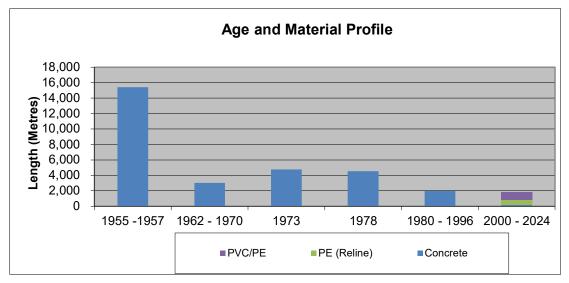


Figure 9: Age and material profile of stormwater pipes

#### **Manholes**

The asset register records 538 manholes in service, generally installed at changes in pipe direction or grade or at junctions of two or more pipes. Most are of standard 1,050mm diameter, made of precast reinforced concrete with cast iron lids. There are galvanised iron rungs in the sides of the manholes for access.

#### **New assets**

Stormwater capacity in the existing residential network is anticipated to be static for the duration of the planning period.

A small number of additional assets are to be constructed as part of the new housing development in Stoneham Park and will be owned by Council.

# **Maintenance activities**

Most stormwater maintenance is currently performed on an "as needed" basis. The low level of public complaints about flooding indicates that the maintenance of these assets is generally successful.

Cesspits are regularly cleared of debris during autumn and continuously prior to forecast rain events, with ongoing clearing during these events as well.

Minimal preventative maintenance is required for stormwater pipes. Faults and blockages are addressed as they are reported, and asset information is updated as part of the operational process. Investigative camera work is conducted occasionally, mainly in areas upstream and downstream of the geothermal zone.

Regular maintenance of manholes is deemed unnecessary. Reactive maintenance involves clearing occasional blockages and replacing broken lids and frames.

#### Renewal/Replacement

Stormwater pipes degraded in geothermal areas have been relined in 2018 to 2024.

There are no other renewals and replacements planned for the duration of this plan.

# **Deferred Maintenance and Disposal Plan**

Council policy is to avoid any deferred maintenance and currently there is no known deferred maintenance for the stormwater network. Similarly, there are no specific disposals identified in the Plan.

## 1.5. REGULATORY COMPLIANCE

# **Drinking Water**

#### **Water Take Consent**

Drinking water is taken from the Tarawera Park Borefield under BOPRC Consent 20329. It allows 12,000 m³ to be taken daily and will expire on 1 October 2026. Council is in the process of applying for a new water take consent.

As part of its District-wide reticulation renewal project, Council is upgrading its tobies to ensure universal water metering can take place affordably and efficiently. Council Officers judged it prudent to create the conditions to allow water metering, but any future decision to install those meters rest on Elected Member resolutions. Bay of Plenty Regional Council indicates KDC's allowable take will reduce to 12,000m3 per day.

#### Legislative Responsibilities

Council has a number of legislative responsibilities relating to the supply of water. One is the duty under the Health Act 1956 to improve, promote, and protect public health within the district. This implies, in the case of the provision of potable water, Council has an obligation to identify where such a service is required and to provide it.

#### **Water Safety Plan**

Water quality is ensured through the Kawerau Water Safety Plan. Drinking water supply is assessed against Taumata Arowai Drinking Water Quality Assurance Rules 2022 and Water Services (Drinking Water Standards for New Zealand) Regulations 2022. Compliance T3 bacterial and protozoal rules are used for bacterial compliance criteria for water leaving the treatment plant and D3 microbiological monitoring rules is used for bacterial compliance in the distribution zone.

Water quality sampling to drinking water standard DRQAR 2022 and DWSNZ 2022 is undertaken by an independent contractor.

A log 3 credit requirement for the Kawerau UV treatment plant fed from the Tarawera Park bores, Umukaraka/Holland Spring source and the Pumphouse Spring source was confirmed in 2017 by the drinking water assessor.

The P2 determinants arsenic and cadmium were removed in 2017 and currently only lead is monitored.

#### Compliance

Council's drinking water service is complying with the consent and all regulatory conditions. Historical non-compliances were technical in nature, primarily communication failures between telemetry components and not actual water quality or consent exceedances.

There are no foreseen consent or regulatory conditions or requirements unable to be met or may restrict or inhibit the drinking water service.

Any future water service arrangement is expected to utilise the current drinking water service's infrastructure, procedures and processes and hence should not have any issues complying with any current or future condition or requirement.

#### Wastewater

#### **Resource Consents**

Treated wastewater is discharged under BOPRC resource consent 6508. It allows the discharge of 22,000 m³ of treated wastewater over a 7 day period to the rapid infiltration basins (RIBs) at the wastewater treatment plant. The consent requires the monitoring and reporting of discharging effluent volumes and levels of contamination in the released effluent and nearby groundwater and surface water.

Extracted biosolids are processed and disposed under BOPRC resource consent 67265. It allows the processing and disposal of all biowaste generated in the district and the wastewater treatment plant. This consent has similar monitoring and reporting condition as BOPRC resource consent 6508.

Both resource consents expire on 31 October 2032. Groundwater monitoring for both consents are reported on a quarterly basis. Surface water monitoring and studies are reported every 5 years.

Council's wastewater service is complying with the consents, standards and all regulatory conditions. Historical non-compliances were due to upstream failures at trade waste consented industrial and commercial businesses. These non-compliances are managed through the respective trade waste consents.

The district operates a wastewater treatment plant that processes raw sewage and wastewater. This system discharges treated wastewater to land through Rapid Infiltration Basins. Currently, the National Wastewater Environmental Performance Standards are under review and consultation, and preliminary indications suggest that the proposed standards will focus on low-rate infiltration arrangements rather than on systems that discharge into Rapid Infiltration Basins.

Future standards will be developed to address the discharge of treated wastewater to land. It is expected that establishing limits on nutrient and pathogen loads for rapid infiltration systems will necessitate detailed, site-specific assessments. Due to the complex nature of land discharge to rapid infiltration basins, further technical work is needed, and rapid infiltration systems will be covered in a future standard.

The new standard, once developed, may pose a risk for the district, as significant changes could lead to the need for expensive upgrades to the treatment plant.

Any future water service arrangement is expected to utilise the current wastewater service's infrastructure, procedures and processes and hence should not have any issues complying with any current or future condition or requirement.

# **Stormwater**

#### **Resource Consents**

Council currently holds resource consents from the BOP Regional Council (BOPRC) for seven stormwater discharges into the Tarawera River and Ruruanga Stream. Conditions relate to the volume and quality of discharge and require Council to maintain cesspits. A further 17 discharges are covered by existing use rights and are the subject of an application for a comprehensive consent.

Council's current resource consents are shown in the table below.

Table 5: Stormwater resource consents

Consent No.	Name	Purpose	Expiry Date
63046	Tarawera River - Manukorihi Drive	Stormwater discharge	31 March 2025
20227	Ruruanga Stream – Valley Road 200m downstream from culvert	Stormwater discharge	1 October 2026
20757	Ruruanga Stream – Valley Road just downstream from culvert	Stormwater discharge	1 October 2026
24138	To land where it may enter water – Kawerau Landfill	Stormwater discharge	31 December 2035
RM19-0181	Tarawera River – Porritt Glade	Stormwater discharge	30 April 2054
67265	To land where it may enter water – Kawerau Wastewater Treatment Plant	Stormwater discharge	31 October 2032
68135	To land and surface water – Transfer Station	Stormwater discharge	1 December 2030

Table 6: Stormwater resource consent conditions

Consent No.	Conditions
63046	Maximum discharge, maximum suspended solids, free of certain substances, maintain structure.
20227	Maximum discharge, substantially free from suspended solids and certain substances, cesspits to be adequately maintained.
20757	Maximum discharge, substantially free from suspended solids and certain substances, cesspits to be adequately maintained.
24138	Substantially free from certain substances, cesspits to be adequately maintained.
RM19-0181	Maximum discharge, substantially free from suspended solids and certain substances, cesspits to be adequately maintained
67265	Maximum discharge, substantially free from certain substances
68135	Maximum discharge, substantially free from suspended solids and certain substances, cesspits to be adequately maintained

Council's stormwater service is complying with the consents and all regulatory conditions. Historical non-compliances are very rare with the high heavy metal contamination at the transfer station being the only notable example. These non-compliances were resolved by restoring and expanding the wetland gardens, replacing old sheds and removing redundant structures.

There are no foreseen consent or regulatory conditions or requirements unable to be met or may restrict or inhibit the stormwater service.

Any future stormwater service arrangement is expected to utilise the current stormwater service's infrastructure, procedures and processes and hence should not have any issues complying with any current or future condition or requirement.

# 1.5.1. Performance to Regulatory Measures

# **Water Supply**

Council has demonstrated strong operational performance and responsiveness across its water supply services over the past three years. While most performance standards were met, some non-compliances were recorded under the drinking water safety rules. The following outlines actual performance and key trends:

### • Performance Measure 1: Safety of Drinking Water

Council is dedicated to providing a safe and reliable drinking water supply that meets the Drinking Water Quality Assurance Rules (DWQAR) and New Zealand drinking water standards. However, full compliance was not achieved during the reporting period due to transitional challenges and new monitoring requirements.

In 2022-23, the newly introduced DWQAR required continuous monitoring of UV transmittance (UVT), prompting the installation of an online UVT analyser, which became operational in October 2023. Council conducted UV sensor checks, updated reporting practices, and reviewed monitoring schedules. Fortunately, no Maximum Acceptable Value (MAV) exceedances were reported in the Kawerau or Upper Valley Zones.

Data from July to December 2024 showed compliance with T3 Bacterial Rules, although there was one instance on October 1, 2024, where UVT fell below the 95% threshold, noted as "Not Met" under T3 Protozoal Rules. Council maintained compliance with Bay of Plenty Regional Council water supply resource consents over the past three years.

Service reliability remained strong, with fewer than 12 reticulation shutdowns per year, despite an increase in unplanned shutdowns in 2024-25 due to contractors accidentally striking water mains during renewal works.

### Performance Measure 2: Maintenance of the Reticulation Network

Real water loss remained below the target of 200 litres per connection per day, with a consistent downward trend. This improvement is attributed to ongoing reticulation renewals across the district, reflecting enhanced network efficiency and proactive asset management.

### Performance Measure 3: Response Times

The Three Waters Team consistently met targets for fault response times. Over the course of three years, the median attendance and resolution times for urgent callouts ranged from 16-31 minutes, and 1.5-5.5 hours respectively. Consequently, the median attendance and resolution times for non-urgent callouts ranged from 1.5-2 hours, and 3.8-8.5 hours respectively. These results reflect strong service coordination and responsiveness.

### Performance Measure 4: Customer Satisfaction

Most complaint categories remained within target thresholds, except for drinking water clarity in 2022-23 and 2023-24. In 2022-23, Council received 38.01 brown water complaints per 1,000 connections, linked to high manganese levels from Pumphouse Spring due to heavy rainfall. This source is now inactive, and a manganese removal plant is being considered.

In 2023-24, brown water complaints dropped significantly to 6.51 per 1,000 connections, though still above the threshold. By 2024-25, complaints further decreased to 3.42 per 1,000 connections, now within the target range. Other complaint types remained well below thresholds throughout the years.

### Performance Measure 5: Demand Management

The average daily water consumption per resident remained below the threshold of 0.6 m3/day and averaged to 0.44 m3/day from 2022-2025. This reflects effective conservation messaging and system planning.

### **Wastewater**

Council has consistently met its wastewater service targets over the past three years, demonstrating strong performance across system adequacy, environmental compliance, fault response, and customer satisfaction. The results as follows:

### Performance Measure 1: System Adequacy

Council has consistently met its target of zero dry weather sewerage overflows across all three reporting years. This reflects a strong network integrity and effective preventative maintenance practices. The absence of dry weather overflows indicates that the system is performing reliably under normal operating conditions, with no adverse impacts on public health or the environment.

### • Performance Measure 2: Discharge Compliance

Council fully complied with its wastewater discharge consents, receiving no notices or convictions. Annual reports to BOPRC confirmed adherence to all conditions, demonstrating effective operational management and proactive environmental risk management.

### • Performance Measure 3: Fault Response Times

Response times for sewerage overflows remained within target thresholds, averaging 17 to 26 minutes, well below the one-hour goal. Resolution times also met the eight-hour target, ranging from 2 to 2.5 hours. These results highlight effective coordination between customer services and the Three Waters Team, contributing to fast responses that minimise service disruptions and environmental risks.

### • Performance Measure 4: Customer Satisfaction

Customer complaints were low across all categories, with only two odour complaints in 2024-25. Blockage-related complaints peaked in 2023-24 but remained below the allowable threshold. There were no complaints about the Council's response or service disruptions, indicating high community satisfaction and effective communication.

### **Stormwater**

Over the past three years, Council has consistently met all applicable DIA performance standards for stormwater services. The results are as follows:

### Performance Measure 1: System Adequacy

No flooding events were recorded in the district during the 2022-23, 2023-24, or 2024-25 period. Consequently, no habitable floors were affected, and the performance target of fewer than 10 flooding events per year was fully met across all three years.

### Performance Measure 2: Discharge Compliance

Council has maintained full compliance with its stormwater discharge resource consents. No abatement notices, infringement notices, enforcement orders, or convictions were received in relation to stormwater discharge during the reporting periods.

### • Performance Measure 3: Response Times

As no flooding events occurred, the median response time to attend a flooding event was not applicable. The absence of events reflects the effectiveness of the stormwater network and emergency response coordination.

### Performance Measure 4: Customer Satisfaction

No complaints were recorded regarding the performance of the stormwater system during the reporting period. This indicates a high level of service delivery and public satisfaction.

### 1.6. FUNDING

Council's Revenue and Financing Policy explains who pays and why and outlines how council activities are funded to meet the requirements of the Local Government Act. The level of funding for each activity is set in the LTP to cover all planned and projected costs and expenses including depreciation costs for that activity to ensure long term sustainability of each activity.

Costs and funding for each activity are kept separate from other activities. In future water services delivery arrangements, including the proposed arrangement in this plan, will be ring-fenced, planned in separate Annual and Long Term Plans and reported in a separate annual report.

Operational expenses are fully funded each year from rates and charges. Depreciation reserves and loan replacements are funded from rates. Capital expenditure is funded from depreciation reserves or external loans where there are not sufficient reserves.

Council currently funds its water services through general rates, targeted rates and fees and charges as determined by the Rating Policy. Council is currently phasing-in the funding of its water and wastewater services totally from targeted rates (fully funded by 2033/34).

Significant drinking water users are metered and pay per cubic meter water consumed. Significant trade waste consent holders who dispose significant quantities of trade waste to the wastewater network, are metered and pay per cubic meter disposed fee.

### 1.6.1. Depreciation

Since 1998/99 Council has funded the annual depreciation expense of strategic assets, apart from depreciation on non-critical assets. Council's infrastructure assets significantly increased in value following the last revaluation in June 2022. From this Council's depreciation expenditure has also risen. Council's balancing of the budget is impacted by any non-funding of depreciation and in recent years has impacted the rates requirement.

In 2023/24 Council resolved to fund 65% of depreciation for all critical and significant assets, due to the need to make rates affordable for the community following the 2022 revaluations. With the revaluation of Council assets increasing depreciation and the inflationary impacts increasing the rates requirement, the deprecation funding levels were key to rates affordability. Council intends to gradually increase the funding of deprecation annually by 3% from 2026/27 (year two of the LTP). The funding of depreciation has been consulted with the community in the LTP Consultation Document.

Council is aware the impact of not fully funding depreciation has on the balanced budget.

### 1.7. FUTURE ARRANGEMENT

### 1.7.1. Considered Arrangements

Under the Local Water Done Well program, councils have the flexibility to determine the optimal structure and delivery method for their water services.

Councils will be able to design their own alternative delivery arrangements, as long as these arrangements meet the following minimum requirements:

1. Comply with economic, environmental and water quality regulations as well as any statutory objectives.

- 2. Produce stand-alone financial statements for water supply, waste water and stormwater.
- 3. Generate appropriate revenue from water services sufficient for maintenance, renewals and growth.
- 4. Ring-fence water services to ensure long-term viability.
- 5. Prohibit losing control, sell or disposing of significant infrastructure. This includes prohibiting the use of water service assets as security.

In addition to the minimum requirements applicable to all water services providers, additional requirements apply to water organisations affecting their ownership, governance, and structural arrangements. These additional requirements are not relevant where councils continue with direct service delivery (in-house delivery).

### **Available Options**

There are five proposed water services delivery arrangements available to Council. Council may also elect to develop its own arrangements.

### 1. Internal business unit or division of Council.

Water services will be provided in-house through an internal business unit. The minimum requirements for water service providers will apply. Borrowing will be limited to 280% of water services revenue.

### 2. Single Council owned organisation.

Requires establishment of new company with independent professional directors. Borrowing will be limited to 500% of water services revenue.

### 3. Multi-Council owned organisation.

Requires establishment of new company with independent professional directors. Council lose independent control of water service delivery and costs.

### 4. Mixed Council/Consumer trust organisation.

Requires creation of a consumer trust with shared ownership with Council.

### 5. Consumer Trust owned organisation.

Requires Council to transfer assets to new organisation. New organisation financially independent from Council.

The Consumer Trust owned organisation is a highly complex model, only suitable for the largest cities. It is not applicable for regional or rural districts and therefore is not considered. It involves transferring Council owned assets to a new local body with elected trustees.

Similarly, the mixed council/consumer trust water organisation model requires a sufficiently large regional population to justify the costs of water company board directors and a management team. It will require Council to join several neighbouring councils and create a regional consumer trust.

The multi-council owned organisation model will require Council to join several neighbouring councils to create a shareholders trust that appoints a water organisation board. Kāhu Manawa presented this model to the Mayoral Forum on 3 May 2024 for the Bay of Plenty region. Considering the large current variations in water services rates between the participating councils, water rates for Kawerau residents may significantly increase.

Council may create a new limited liability company fully owned by Council. It will require additional costs to appoint independent and professional directors who are responsible for all operational and financial decisions. Council staff will also need to be transferred to the new company and a dedicated three waters CEO and team will need to be appointed. This will significantly increase the cost of providing water services. However, the loan to revenue ratio will increase from 280% to 500% allowing the water service to borrow significantly more money if needed.

Due to its small size and integration in the council organisation, the most cost effective option would be to retain the water services as part of Council. In other words, the service is to be delivered inhouse by a separate business unit. All the current and expected future legal and regulatory requirements can be met by creating an internal business unit.

### **Analysis of proposed Options**

**A single council owned organisation** would be the simplest way to increase Council's ability to borrow more funds to develop and expand the water services network.

A multi-council owned organisation would be a way to share the costs of creating and running a council owned organisation. Comprehensive council to council benchmarking exercises during the Three Waters Reform program between 2021 and 2022 showed operating costs and long-term infrastructure investment for Kawerau water services are significantly less than for its neighbouring councils. A multi-council owned organisation will then require a complex funding and service agreement to recognise the differences in operational costs and required infrastructure investment versus the required funding required from each region.

An in-house council business unit may be delivered by current staff responsible for water service delivery. They will manage the business unit while current operational staff operate and maintain the assets and provide the service. The rest of Council will support the business unit, for example, customer service will still be provided by the customer service team, communications by the communications team, contract management, asset management and projects management will still be provided by the contract, asset management and project management offices.

Council will need to separately produce Annual and Long Term Plans for the business unit and report in a separate annual report. The finance team will therefore need to ring fence the water service delivery business unit by creating an additional financial system in parallel with the current system. This additional financial system may be operated inside the current system utilising the same software as long as there is clear separation between the accounts to allow separate bookkeeping and reporting. This is however still significantly less work and less expensive than developing and creating a separate water service delivery organisation.

An in-house business unit will be limited to a loan to revenue ratio of 280%. The projected renewals in the 2025 30-year Infrastructure Plan project required loans below the 280% loan to revenue ceiling, and therefore there is no need to create a new organisation to qualify for more borrowing.

### 1.7.2. Public and Stakeholder Consultation

The following stakeholders have been identified as having interests in water services:

### **Internal stakeholders**

### **Elected members**

The elected members are the governors of the water services. Elected members are consulted through Council agendas and papers presented and discussed during Council Briefings, Regulatory & Services meetings, and monthly Council meetings.

### Council senior leadership team

The Council leadership team has a joint responsibility to ensure all Council policies, procedures, Bylaws and decisions are implemented. The leadership team is involved in the initial development of the water service delivery options.

### Council staff

Staff not directly involved with the provision of water services were engaged during staff meetings. Water services staff were engaged through business improvement meetings and one on one discussions with the three waters/engineering manager.

### **External stakeholders**

### Ratepayers and residents (community) of the District

Consumers are active partners when levels of service are defined and aesthetic properties of water services supplied are considered.

Consumers and the community are continuously engaged through the council newsletter, Council's website, social media and through Council public forums.

Specific questions and options are presented to the community and stakeholders during Annual and Long Term Plan consultation.

Community requests and questions are assigned to service requests with a unique identifier and managed by Council's customer service officers.

Water services issues and information are communicated to the community through Council's communication office. Various communication methods are utilised including the fortnightly community newsletter, electronic media and notices in the local newspaper.

### Industry and commercial users

Industry and commercial entities are significant partners in the district and are engaged formally through e-mail and written communication. Specific questions and options are presented to the community and stakeholders during Annual and Long Term Plan consultation.

### Local lwi and nearby landowners

Kawerau District Council is committed to an open dialogue and relationship with Māori, Tangata Whenua and Iwi and is working to grow these relationships. Four iwi and hapū have been formally recognised in the Kawerau district water supply catchment area and are consulted during all resource consent applications. These groups are:

- Ngāti Tūwharetoa ki Kawerau as Tangata Whenua of Kawerau, recognised as having cultural statutory rights regarding the Tarawera River and its tributaries, the lands inside the Kawerau district, and areas adjacent to the district that may be affected by any activities in the district.
- Te Rūnanga o Ngāti Awa, recognised as having cultural statutory rights regarding the Tarawera River and its tributaries.
- Ngāti Rangitihi, recognised as having cultural statutory rights regarding the Tarawera River and its tributaries.
- Tuhourangi, recognised as having cultural statutory rights regarding the Tarawera River and its tributaries.

A significant proportion of Māori residents in Kawerau are from other lwi. Council enables those people to contribute to decision-making as Māori by engaging with the committee of Rautahi Marae, an urban marae in the district. The Rautahi Marae committee is another of Council's consultation partners.

Council considers Māori Investments Limited (MIL) a significant consultation partner, as the organisation is governed by Ngāti Tūwharetoa ki Kawerau, and also because it is the kaitiakitanga and landowner of the Umukaraka Spring, having long supplied wai | water to the Kawerau community. Council recognises and acknowledges Māori Investments Limited (MIL) for their ongoing support of Council and the community with this valuable resource.

In addition, Council considers Tūwharetoa ki Kawerau Hauora and Putauaki Trust as significant lwi consultation partners within our district.

### Regulatory stakeholders

The District Health Board and the Ministry of Health have overall authority and responsibility for public health in the district and are consulted on the health effects of water supply.

The Water Services Authority / Taumata Arowai is the national drinking water safety regulator and is consulted on water quality requirements and compliance.

The Bay of Plenty Regional Council is responsible for resource consents regarding water supplies, wastewater disposal and stormwater and are the consenting authority for water takes in the district. The Bay of Plenty Regional Council is consulted on all water services resource consent applications, monitoring and reporting.

### Water services delivery arrangements consultation

### Internal stakeholders

Internal stakeholder consultation was conducted in November and December 2024. Senior staff developed delivery options, discussed with affected staff in business improvement meetings and one on one discussions.

Elected members were presented with a workshop on 27 November 2024 on the Local Water Done Well programme. During this workshop the various delivery options were discussed.

The single council owned organisation has limited benefits and significant additional costs when compared to an in-house business unit and was not further considered.

During the 2021-2031 LTP consultation process, Council received 231 submissions regarding participation in the Three Waters Reform program. 228 submissions opposed Council joining the proposed Three Water Entity and three submissions supported. Considering this overwhelming response, Council decided not to consult again on water service arrangements that include joining external non-Council entities. The mixed council and consumer trust organisations were therefore not further considered.

A Bay of Plenty region-wide water services council controlled organisation (CCO) was evaluated by the Department of Internal Affairs as a potential water services provider. The CCO would be developed as a multi-council owned venture where the new organisation is jointly owned by the six district councils in the Bay of Plenty Region.

The CCO is proposed to be 100% owned by councils with the value of water assets invested in by communities reflected in each council's share value. Only councils can hold shares and so privatisation is not possible. Kawerau District Council is expected to hold approximately 2% to 5% of shares depending on the share allocation model.

Councils will continue to own and control water assets but in a new governance framework with a professional Board appointed by councils based on competency and capability. Councils will inform and guide Board decision making and thereby protect local voice and achieve mutually beneficial outcomes.

Council approved the two water services options for community consultation, an in-house business unit and multi-owned council controlled organisation, at a special Council meeting in February 2025. These options were proposed to the community and stakeholders for consultation from 11 April 2025 to 23 May 2025.

### **External stakeholders**

The community were consulted on the water services options in parallel but separately during the 2025-2034 LTP consultation process. Kawerau District Council prides itself on ensuring robust community engagement programmes with feedback informing decision-making for special consultative processes and matters of importance. Council developed consultation documentation that was distributed to every household in the district.

Supplementary information, including the consultation document were available via the website and provided via regular updates on social media, Council Pānui (Newsletter), advertisements in the Beacon newspaper, the Echo and Eastern Bay radio stations. During the formal engagement period, Council continued a high level of communication to residents and stakeholders and staff, via the Council communication channels in conjunction with formal stakeholder meetings.

The industry and commercial users were e-mailed directly to obtain their views on the two delivery options. Council encouraged feedback and formal submissions via a variety of channels to ensure the opportunity to provide feedback was provided to all of the community. These channels included social media, online submission forms, email and hard copy submission forms available from the Council Offices, library and Kawerau isite visitor information centre.

While there is no statutory requirement to separately consult with recognised iwi and hapū on the proposed delivery options, all recognised iwi and hapū were invited to submit their views on the proposals.

Engagement meetings and events comprised a number of internal (staff) briefings, followed by external events with Council's valued stakeholders and community members:

- 1 April, 2 April and 3 April 2025 Council staff engagement meetings with the Three Waters team, Council office staff, and the Operations team;
- 11 April 2025 Grey Power Kawerau and Districts Meeting (attended by approx. 50 people).
- 14 April 2025 Industrial Symbiosis Kawerau (ISK) hosted Hui with industry and business leaders.
- 15 April 2025 Kawerau business forum hosted by Council at the Concert Chamber (attended by approx. 30 people).
- 15 April 2025 5:15pm evening meeting for the public at Concert Chamber (attended by approx. 4 people).
- 17 April 2025 Morning meeting for the public at Rautahi Marae (attended by approx. 6 people).
- 8 May 2025 Drop in session at the Kawerau Market, Circus Paddock.
- 18 June 2025 Hearing for Submitter on Water Service Delivery options. Three submitters indicated they wanted to speak at the hearing, however there was one apology on the day, with two submitters speaking to their submissions.

Council acknowledges the support of Council Iwi Liaison and Cultural Advisor Te Haukakawa Te Rire, and the community for the assistance and feedback provided throughout this process

### Consultation outcome

Council received 107 responses from the community. Council received 4 responses from the industry and commercial businesses. No initial responses were received from iwi, however subsequently Ngati Tuwharetoa (BOP) Settlement Trust have strongly endorsed Councils internal business option.

Of the 107 submissions were received, 103 submissions were in support of the in-house business unit delivery model, two submissions supported the multi-council owned company, and two submissions did not state a preference.

Following this consultation, Council adopted the in-house business unit water service delivery model as the preferred delivery model. Council also resolved to continue to explore collaboration options and opportunities with Rotorua Lakes Council, Whakatāne District Council and Ōpōtiki District Council.

### 1.7.3. Proposed Arrangement

### **Delivery model**

Council resolved that it proposes to deliver water services through an in-house business unit.

### **Services**

The water service business unit will provide all water services in the district as well as limited services to a few customers in the Whakatāne district near the border of the district. Water services will include:

- All drinking water supply services
- All wastewater services
- All road related stormwater services

### **Governance**

The water services will be owned and governed by Council. The Kawerau District Council is the local government for the district and provides all local government services to the district, including all drinking water, wastewater and stormwater services. Council consists of nine Elected Members who under the Local Government Act, provide essential services to the local community.

The Council develops strategies and adopt policies and bylaws that specify and direct the water services in the district.

### **Management responsibilities**

The Elected Members appoint a Chief Executive Officer (CEO) to provide the water services according to legislative and the community's needs. The CEO develops an organisational structure and appoints the Senior Leadership who is responsible to develop and implement the necessary policies and strategies to provide the required services.

The Senior Leadership ensures through policies and actions the effective management of water services. Specifically, the Group Manager Operations and Services (GMOS) is responsible to develop and maintain an in-house business unit tasked to manage and provide the water services.

The in-house business unit manager (supported by the GMOS and other senior leaders) is responsible to develop and maintain the following services:

### **Drinking Water**

- 1. Local Government legislation as well as the Bylaw: Water Supply,
- A drinking water quality management system described in the Water Safety Plan,
- 3. A drinking water supply management system described in the Water Supply Management Plan.
- 4. A system of suitable water sources, providing water to meet the needs of the district,
- 5. A system to treat and distribute drinking water to all residents, businesses, and industries, and
- 6. An asset management system described in an Asset Management Plan.

### Wastewater

- 1. Local Government legislation as well as the General Bylaw Parts 8, 9 and 10.
- 2. A wastewater quality management system described in the Wastewater Management Plan.
- 3. A system to collect wastewater from all residents, businesses, and industries,
- 4. A system to treat and dispose wastewater to consented environments, and
- 5. An asset management system described in an Asset Management Plan.

### **Stormwater**

- 1. Local government legislation as well as requirements included in the District Plan,
- 2. A Stormwater management system described in the Stormwater Strategy,
- 3. A system to collect stormwater from roads and overflow paths,
- 4. A system to treat and dispose stormwater to consented environments, and
- 5. An asset management system described in an Asset Management Plan.

The managers and staff in the in-house business are responsible to implement the legislative requirements, bylaws, policies, quality management and asset management systems, treatment and distribution systems, and all associated operations and services.

The Group Manager Finance and Corporate Services (supported by the business unit manager) is responsible to:

- 1. Develop and maintain a ring-fenced financial system for the water services,
- 2. Develop financial plans for the water services including the 30-year Infrastructure Plan, Long Term Plan and Annual Plan,
- 3. Collect all rates and charges related to the water services, and
- 4. Produce auditable annual reports for water services.

### Financial system

Water services will be planned by a separate 30-year Infrastructure Strategy, Long Term Plan and Annual Plan. Financial performance will be reported in a separate annual report.

Water services revenue will be ring-fenced and only used on water service related operational expenses, depreciation and capital expenses. The water services will pay Council for support services provided through internal transfers.

### **Council support**

The in-house business unit is further supported by other Council departments, functional groups and activities including:

- 1. Health and safety
- 2. Human resources
- 3. Customer services
- 4. Communications
- 5. Payroll and creditors
- 6. Asset management
- 7. Project management
- 8. Contracts management
- 9. Facilities management
- 10. Solid waste processing and disposal

### **Operational management**

The water services business unit will have the following management structure and staff. All staff will be seconded from Council either full time or part time (full time equivalents [FTE]) as follows:

- Group Manager, Operations and Services (0.25 FTE)
  - Responsible for creating and overseeing the water services
- Three Waters/Engineering Manager (0.75 FTE)
  - Responsible for managing the water services and all staff.
- Three Waters Engineer (1 FTE)
  - o Responsible for projects, resource consents, monitoring, and reporting
- Procurement and Contracts Officer (0.5 FTE)
  - o Responsible for asset management plans, tenders, and contract administration
- Team Leader, Three Waters (1 FTE)
  - Responsible for all water services operations.
- Water and Wastewater Operators (3 FTE)
  - Water services team members.

### 1.7.4. Transitional Arrangements

Water services will be delivered in-house in the existing financial and management system until 30 June 2026. The current Council LTP (2025 – 2034) includes water services for the duration of the plan.

Operations of the water services will be transferred to the in-house water services business unit on 1 July 2026 (following DIA approval) with continued support from other staff in the Operations and Services department, the Finance department and other supporting staff such as the Health and Safety Officer, the Communications Manager, Human Resources business partner as well as the project, contract and asset management officers.

The three water services activities: drinking water, wastewater and stormwater including overheads will be funded from water services rates and charges.

The Council LTP for 2027-2037 will exclude the water service and a separate LTP will be developed for it. Concurrently, a separate Infrastructure Strategy for water service infrastructure will be developed for the period 2027-2037. All applicable AMPs, Policies, By-laws and Plans will be updated to reflect the new arrangement.

The in-house water service business unit will operate as a fully independent business unit from 1 July 2028 with its own Annual and Long Term Plans. It will pay other Council departments and officers for support and management services.

### 1.7.5. Financial Sustainability

The financial sustainability of the water services delivery models has been analysed in Section 4.2.

Through all the projected financial years, sufficient rates and charges are collected to meet the costs of water service delivery and is financially able to meet all regulatory standards and requirements for the Council's delivery of those water services.

There is sufficient revenue to cover all costs (including servicing debt) of water service delivery.

The projected level of investment is sufficient to meet regulatory requirements and provide for growth.

Funding and finance arrangements are sufficient to meet investment requirements.

### 1.8. IMPLEMENTATION PLAN

The Implementation Plan is described in section 5.

### Implementation uncertainties

There are still uncertainties regarding the full impacts and requirements the Local Water Done Well legislation, will have on the delivery of three waters. The preferred option being, Council will continue to have overall ownership, decision-making and accountability of the three waters service delivery. Council has prepared the LTP on the basis, the three waters services will continue to be delivered by Council for the nine year period.

The full implementation plan will be developed when the final Local Water Done Well Legislation is enacted and detail within the Act is understood.

### Implementation Period

The full Implementation Plan will be implemented over a 9 year period.

### **Rates**

Funding water services will be moved from General to Targeted rates gradually over a 9 year period. This long transition period will have a gradual impact on lower value properties.

### **Implementation Milestones**

The main implementation milestones are as follows:

- 1 July 2025 Water services delivered in-house in the existing financial and management system until 30 June 2026.
- **1 July 2026** Operations of the water services will be transferred to an in-house water services business unit on 1 July 2026 with continued support from other Council departments and functions.
- **30 June 2027** Separate Water Services Long Term Plan 2027-37 and concurrent separate Infrastructure Strategy will be developed and implemented for year commencing 1 July 2026
- 1 July 2028 Establishment of independent Water Services business unit.
- 1 July 2029 All toby's upgraded and available to install meters.
- 1 July 2033 Transition to fully fund Water Services from Targeted rates completed.

### 1.9. LINKS AND RELATIONSHIPS TO OTHER COUNCIL DOCUMENTS & PLANS

The documentation describing processes and procedures created during the development of the drinking water quality management system is described in the Water Safety Plan.

The Health and Safety aspects of the drinking water supply management system are described in the Kawerau District Council Health and Safety Policy.

The procurement aspects of the drinking water supply management system is described in Kawerau District Council Procurement Policy.

All the assets of the drinking water supply managements\ system are described in the Asset Management Plan for water services.

The asset management of the water services network is planned in the 30-year Infrastructure Strategy and described in the three water services Asset Management Plans.

Other Council documents pertaining to this strategy:

- Significance and Engagement Policy
- Revenue and Financing Policy
- Climate Change Policy
- Procurement Policy
- The Kawerau District Plan
- Climate Change Strategy
- Infrastructure Strategy
- Long Term Plan
- Annual Plan



## SECTION TWO Asset Management



### 2.1. ASSET MANAGEMENT OF THREE WATERS INRASTRUCTURE

Asset Management is Council's strategies for the management of its water services assets and enables Council to meet the present and expected needs of the community over a ten year period (according to the LTP) and into the future (according to the 30 year Infrastructure Strategy).

The asset management system is described in each services' Asset Management Plan (AMP). The plans detail the assets Council owns and describes how the maintenance, renewal and replacement of these assets will be managed and funded to meet required levels of service for Council's water services in the most cost effective way for households and businesses.

The AMPs collate high level management, financial, engineering and technical information from various sources into a single document. It is a tool for communicating complex asset management information and strategies with stakeholders and interested parties.

After considering the complexity, size and risks of Council's water services, Council asset management policy is to manage assets at an intermediate level.

The broad objectives of asset management are:

- · To optimise the life of the assets
- To minimise life cycle costs
- To maintain agreed levels of service

### Responsibility for asset management outcomes

The Engineering Manager is responsible for identifying, budgeting, planning, programming, and executing the necessary work for the maintenance and renewal of the Council's water services assets. This role also involves developing asset management plans and ensuring the accuracy and integrity of the Council's asset information.

The Group Manager of Finance & Corporate Services oversees the development of asset management plans, ensuring that future projects are integrated into the Council's Long-Term Plan (LTP) and that consistency is maintained across these documents.

The Group Manager of Operations and Services is responsible for delivering the outcomes related to the water services activity. This includes ensuring that the assets are properly maintained and operated according to the Council's requirements, with sufficient budget allocation for maintenance, operating expenses, and improvement costs.

### Asset management maturity levels

An independent auditor evaluated the level of provision of asset management for water services assets in 2017. The appropriate level was recommended to be raised from the Council's asset management policy of "Core" to "Intermediate" due to the higher risk to the health and well-being of the community in the event of water services assets failing to deliver an appropriate level of service.

The previous assessment of the asset management level and the level required for "Intermediate" showed a gap of 11 percent overall for water supply. Asset management improvement actions were identified in 2021 and completed by 2024 to close this gap. The remaining and newly identified improvement actions are discussed in the AMPs.

### Accounting and asset management systems

Council uses the Ozone software for its accounting and billing systems. Univerus software is used for asset inventory reports, asset information (location, installation date, materials' construction etc.). Council in-house accounting systems are used to calculate depreciation values, and annual depreciation.

Hard copy plans contain layout details of the structures and all known pipes comprising the water supply network. Over time, these will become obsolete as new information is held on Univerus.

Univerus is the software used to manage and produce asset inventory reports. It is integrated with 'Map Info' data tables to permit input, querying, reporting and financial modelling using the asset register data. The spatial location of the water supply, wastewater and stormwater assets can be laid over aerial maps, and property boundaries.

### Key information flows and processes

Key information flows and process linkages are those relating to the incorporation of Kawerau's Community Outcomes, the preparation and adherence to Council's annual budgets, environmental monitoring and compliance and to ongoing asset management that maintains appropriate levels of service to the community.

Key information flows and process linkages include:

- Translating the Community Outcomes into detailed levels of service, embodied into Asset Management Plans
- Preparation of annual budgets, and ongoing reporting
- Updating asset data as information becomes available through maintenance and service repairs
- Ongoing compliance monitoring and reporting of environmental performance
- Ongoing management of the asset to ensure service levels are maintained

### Improvement actions

The main asset management improvement actions identified are: maintaining and expanding the Univerus database and functionality. All improvement actions, costs and timelines are detailed in the respective AMPs.

### 2.1.1. Assessment of current condition and lifespan of water services assets

The theoretical end of life of all pipes is based on the installation date and life expectancy. However, life expectancy can vary due to the following:

- Different lives for pipes of the same material but different diameters.
- Local ground conditions cause different deterioration rates.
- Quality of the pipe installed (different manufacturers produced different quality pipes.)
- Operating pressures etc.

### **Drinking water**

Condition assessment undertaken in 2007, 2017 and 2018 determined that overall, the deterioration rate was faster than the National Asset Management Steering Group (NAMS) manual guidelines. Low pH weakens AC pipes by leaching cement from them. The pH value of the water was lower than the optimum level until lime dosing was commenced in 1997.

A portion (19%) of the reticulation consist of steel or ductile iron. Sections of pipe installed in 1957 show deterioration levels are fair and in line with National Asset Management Steering Group (NAMS) manual guidelines, while steel connections and fittings are showing significant deterioration.

Pipe replacement commenced in 2009 and it is planned to replace all AC and steel pipes 2021 - 2028. Pipe sizes are reviewed during renewal design. Issues such as any existing flow problems and future demands over the life of the asset are taken into account.

When pipes require replacement, it is most economical to replace the associated assets at the same time. Valves, fire hydrants and service connections are therefore renewed as part of the replacement programme.

### Wastewater

The oldest wastewater pipes in Kawerau, installed in 1957, are nearing 68 years old. There have been no collapses reported, except in geothermal areas like the Town Centre. In 2015, a 225mm concrete sewer pipe was tested and rated Grade 3, indicating moderate condition. Tests on asbestos cement (AC) water mains showed greater external deterioration compared to the concrete sewer pipe, likely due to sewage effects on the AC pipe's interior.

AC sewage lines, introduced around 1973, have also not reported collapses. Council evaluates assets earmarked for renewal based on age and anticipated lifespan, that is determined by conducting visual inspections, sampling, historical failure data and CCTV assessments to determine which segments need replacement or relining. AC pipes are expected to last about 70 years, and all sewer pipes from 1957 are set for replacement in the next decade.

Since 1995, plastic pipes (PVC and PE) have been used, with an expected lifespan of 100 years. Visual inspections of concrete sewer manholes show minimal deterioration, suggesting a lifespan of 100 years as well.

The treatment plant, primarily stainless steel and relatively new, requires no major replacements during the ten-year plan, while pumps are either rebuilt or replaced when they fail, based on economic factors.

### Stormwater

The oldest of the pipes are currently 68 years old (installed in 1957). There have been no collapses of stormwater pipe in Kawerau with the exception of areas impacted by geothermal activity (Town Centre). Regular CCTV inspections are conductive on representative samples of the network that are that contribute to the life span and remaining life conditions of the assets. There has been no sign of deterioration of the internals of the pipes when inspections have been undertaken for blockage reasons.

A stormwater pipe has no water in it for over 90% of its life and when there is water present it is a lot less aggressive than wastewater. It could reasonably be assumed the minimum rate of deterioration occurring on the inside of the wastewater pipe would be occurring in a stormwater pipe. Phenolphthalein testing on 50 mm cores in 2012 showed very little reduction on cement content of pipes.

Council evaluates assets earmarked for renewal based on age and anticipated lifespan, conducting visual inspections, sampling, failure history and CCTV assessments to determine which segments need replacement or relining. Based on the results the assets, considered a conservative life for concrete stormwater pipes would be at least 80 years.

The life expectancies used to calculate depreciated values are listed in Table 7.

Table 7: Asset Life Expectancy Years

Asset	Drinking Water	Wastewater	Stormwater
Buildings and structures	80	80	80
AC pipes	70	70	-
PVC/PE pipes	100	100	100
Pipes in Geothermal Zone	40	40	40
Concrete & lined iron pipes	80	100	80
Manholes	=	70	70

Asset	Drinking Water	Wastewater	Stormwater
Valves	60		-
Telemetry	25	25	-
Meters	40	40	-
Pumps	25	25	-
Bores	60	-	-
Hydrants, sumps and cesspits	60	-	120
Reservoirs and tanks	80	80	-
Treatment plant - pipework	40	40	-
Treatment plant – electronics	25	25	-

### 2.1.2. Replacement Costs

The projected replacement costs and depreciated values shown in the table below have been derived from Council's asset register. Further work identified in the improvement plan, will be carried out to verify the condition of the assets and the potential need for future replacement.

Table 8: Replacement Costs and Depreciated Values - Drinking Water

Asset Type		<b>Gross Replacement</b>	Depreciated Replacement
Supply treatment	8	\$2,174,000	\$1,035,900
Storage		\$13,731,000	\$4,023,950
Distribution		\$19,574,500	\$8,036,080
TOTAL		\$35,479,500	\$13,095,930

Table 9: Replacement Costs and Depreciated Values - Wastewater

Asset Type	<b>Gross Replacement</b>	Depreciated Replacement
Pipelines	\$22,882,400	\$6,188,090
Laterals	\$881,500	\$392,270
Manholes	\$3,410,640	\$785,590
Pumping Station	\$568,000	\$424,720
Screening	\$2,679,630	\$1,914,880
Treatment Plant	\$7,223,100	\$4,108,400
TOTAL	\$37,645,270	\$13,813,950

Table 10: Replacement Costs and Depreciated Values – Stormwater

Asset Type	Gross Replacement	Depreciated Replacement
Pipes Network	\$22,213,690	\$5,970,034
TOTAL	\$22,213,690	\$5,970,034

Council's practice for calculating pipeline replacement costs is:

- All water supply pipe replacements would be carried out using Polyethylene pipe. Stormwater and wastewater pipes will be relined with polyethylene pipes where possible.
- The construction environment is brown field (replacement of existing rather than green field construction.
- Unit rates for replacement are derived from recent tenders and peer review.
- Replacement includes valves, fittings, and house connections. Unusual pipe sizes will be replaced with the next size up.
- No optimisation or efficiencies in pipe size or lengths have been allowed for in replacement costs

### 2.2. INVESTMENT

Council plans to invest in replacing water services infrastructure as the assets reach their end of life. The replacement/renewal projects for water services for the period 2025 to 2034 are as follows:

Additional investment of \$2.3 million is planned for the Stoneham Park Development.

The main investment programs for drinking water is the ongoing reticulation replacement of all steel and AC pipes (\$9.4 million remaining from the \$16 million program) and replacing valves and treatment plant components. A Manganese removal plant is planned to be installed in 2026. A total of \$0.44 million of drinking water reticulation is planned to be installed in the Stoneham Park development. A total of \$13.5 million is planned to be invested in drinking water assets up to 2033/34

Wastewater investment is primarily reticulation replacements estimated at \$12.3 million and treatment plant component replacements of \$2.5 million. A total of \$0,74 million of wastewater reticulation is planned to be installed in the Stoneham Park development. A total of \$15.0 million is planned to be invested in the wastewater network.

Stormwater pipes in the high geothermal degradation areas were relined between 2019 and 2023. The stormwater network is being evaluated by Council staff and investment is delayed due to slower degradation than expected. A total of \$1.05 million of stormwater reticulation is planned to be installed in the Stoneham Park development.

In total Council plans to invest approximately \$30 million in water services assets.

The total planned investment is discussed in detail in section 3.3.1 and in Table 18, Table 19 and Table 20.

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### **SECTION THREE Financial Arrangements**



### 3.1. INCOME ANALYSES

The Revenue and Financing Policy sets out how Council's activities are funded. This policy has been developed to meet the requirements of the Local Government Act (LGA) 2002.

Council has identified a substantial intergenerational component (i.e. benefits arise over time). Water services infrastructure has a long life, so more than the current generation of ratepayers benefit from these assets. Therefore, Council wishes to ensure future ratepayers meet some of the cost. This is achieved by funding of depreciation over the life of the assets. Also, Council has borrowed funds to replace the steel and AC pipes. These loans will be repaid over a 50 year period, ensuring the costs are spread over the different generations that benefit from these assets.

All assets' depreciation is not fully funded and strategic assets are currently only funded to 65%. A timeframe to fully fund the depreciation on Council's strategic assets was proposed during the annual plan consultation process. A plan to increase funding for depreciation by 3% from 2026-27 up to 100% over the next 12 years.

As the Depreciation Reserves grow, increased interest revenue from the investment of these reserves lowers the amount of depreciation funding required from rates. Inflation is recognised through the revaluation of the assets in a three-yearly cycle.

Conversely, if loans are required to fund investment, the interest payable on these loans increases the amount of funding required.

The water supply network infrastructure is valued by a competent valuer on a three-yearly valuation cycle. Assets are valued at fair value determined on a depreciated replacement cost basis. The most recent revaluation is effective as at 30 June 2022. (2025 Revaluation Data Currently being prepared)

### 3.1.1. Rating policy

Council has a rating policy that ensures rates are fair, equitable and affordable.

The objectives of this policy are to enable Council to:

- Generate sufficient revenue to ensure activities are adequately funded
- Operate a rating system that is fair and equitable to the community of Kawerau; and
- Charge rates that are affordable for ratepayers

For water services, the rating policy allows a general rate, a targeted rate and charges for metered water and significant wastewater disposal (trade waste).

Council plans to transition from a general rate to targeted water and wastewater rates to fully fund these activities. This transition is planned over the next nine years.

General rates consist of the uniform annual general charge (UAGC) and a differential rate based on the capital value of the rating unit. The UAGC is charged on every separately used or inhabited part of a rating unit and is the "minimum contribution" towards the cost of those activities funded by the General Rate. The purpose is to spread the cost of general rates more evenly across all ratepayers. The differential general rate is set so as to retain the ratio between commercial/industrial properties and residential properties general rates revenue of 52:48.

Water services targeted rates are a fixed amount levied on each separately used or inhabited part of a rating unit to which Council provides water services.

Council sets charges for metered water and trade waste disposal (only for significant trade waste consents). Metered water users do not pay the fixed targeted rate for water supply and all their service use costs are recovered from the meter charge.

### 3.1.2. Water services revenue requirements and sources

Council has broken its business down to activity level. Each activity needs to be funded to cover all operational costs, depreciation, interest and overheads.

### **Expenses**

Maintenance costs and operating costs are expensed in the year they occur. The capitalisation threshold for water assets has been set at \$1,000 or the actual value of individual components where they are identified by Univerus.

Water services activities are funded from general and targeted rates as well as charges for significant users. Charges are generally by cubic meter of water take or sewerage released. Significant drinking water users are metered and pay for actual volume consumed and do not pay the fixed targeted rate for water supply. Holders of trade waste consents are charged for trade waste released to the sewer reticulation or in some cases at specific receptacles at the treatment plant.

The following assumptions were made in deriving expenses and costs:

- All expenditure is stated in 2025/26 values, with allowance made for the inflation over the planning period.
- All costs are GST exclusive.
- Operational costs generally increase by the rate of inflation.
- Renewal costs are based on anticipated replacement requirements.
- The costs of insurance and risk mitigation are included in the forecasts.
- Climatic and other environmental trends are expected to continue as they have in the recent past.
- The plan provides scope for some growth in industrial/commercial demand.

### Changes in asset valuation

The costs associated with renewing assets and providing new or improved asset infrastructure are capitalised and depreciated in accordance with the assessed economic life of each asset. This applies also, where a developer provides infrastructure to be taken over as public assets by Council.

### **Capitalisation Threshold**

The following definitions are used for asset management purposes and the financial treatment is summarised below:

**Maintenance** is work undertaken of an operational nature contributing to the asset life reaching its maximum potential but neither increases the value nor extends the remaining life of any asset.

**Renewal** is work undertaken to replace an existing asset. The cost of replacement must be recorded as a capital expenditure, be greater than \$1,000 and recorded in the asset register as a new asset with a unique identifier.

If the asset replaced is discarded or sold, it is removed from the asset register and any residual value is written off.

Every new asset is uniquely identified, and recorded in the asset register. The record in the asset register includes an assessment of the asset's remaining life expectancy (based on straight-line depreciation or estimated remaining life).

In the case of water pipelines, the condition is taken as being directly related to its age unless the testing done indicates otherwise. The testing of samples from repairs on pipes provides additional information.

### 3.1.3. Water services revenue sources

The total revenue for the three water services are listed in Table 11, Table 12 and Table 13.

### Rates and charges

Council recovers the majority of its required revenue from rates and charges. Rates and charges are set according to the Rating Policy (section 3.1.1).

Charges for water use is determined by the actual costs to produce and deliver drinking water.

Charges for wastewater disposal under trade waste consents are dependent on the quality and volume of the trade waste and is set under each individual trade waste consent agreement.

### **Development Contributions**

Section 106 of the Local Government Act 2002 requires local authorities to adopt development contributions or financial contributions policies.

Spare capacity in Council's infrastructure means it can cope with some growth. Therefore, Council does not need to extend infrastructure to cope with increasing demand.

Council's policy is to not assess development contributions but to retain the provisions of the District Plan that allow the assessment of financial contributions.

New subdivisions or developments may require the extension of Council infrastructure networks for water supply, wastewater disposal and roading. Council's financial contributions policy provides that the cost of these extensions is the responsibility of those who create the demand. Subdividers and developers would be required to make financial contributions to meet the full cost of additional infrastructure necessary to support their subdivision or development.

### **Grants and external funds**

Council applies for applicable grants and external funds when available. Various grants have been received from NZ Lotteries or obtained from government initiatives and utilised for the water services delivery projects and programmes.

### 3.1.4. Charging and billing arrangements

. For water supply consumers who are not metered pay general and targeted rates. Metered users are charged for actual use and also pay general rates.

The proposed delivery model will utilise a similar charging and billing arrangement. The water services component of the general rate will be allocated to the water services financial system. The full targeted rate and all charges for water services will be allocated to the water services financial system.

### 3.1.5. Existing and projected commercial and industrial users' charges

Commercial and industrial users are billed for water services as part of their local government rates invoices.. Most commercial and industrial users pay charges for their actual water consumption as metered and wastewater disposal as per their trade waste consents.

### 3.1.6. The affordability of projected water services charges for communities

Water service delivery costs to residents in the Kawerau district is the lowest in the region and among the lowest in New Zealand. This is offset by the low median household income in the district.

Currently, the average water services costs are 1.0% of the median household income. It is expected to gradually increase to 2.0% of median household income over the life of this plan. The average water bills for the three water services, projected increases, and water charges as a % of household income is listed in Table 14 below.

Due to the low socio-economic profile of the district, per household the contribution to water services is significant. Council has a long-term goal to contain water services costs to an equivalent of 2% of median household income. This goal is complicated by the recent increases in regulatory compliance, monitoring and treatment requirements for drinking water. Future regulatory requirements for wastewater and stormwater is also expected to increase the cost of providing water services to the district.

This is further amplified by the large contribution of the heavy industries to the water services rates of Council. Five heavy industries contribute over 52% of the total general rates income and closure of any of the large manufacturing plants will have a significant impact on the rates required from the remaining industries and the community.

For example, the closure of the Norske Skog Tasman Mill in 2021 reduced the industrial general rate income by almost 20%. The remaining heavy industries have endured most of the resulting rates increase and are now at the limit of what can be reasonably charged. Council hopes to attract more industries to the region with economic development initiatives, such as the development of a new industrial park and promotion of the natural environment.

Council plans to move gradually from mostly funding water services from the general rate to fully funding water services from targeted rates. This will mean households will contribute 96,5% of water services required funding. This will reduce the overly reliance on industry and business to subsidise the water service and the accompanied risk if an industry closes.

However, this does mean the charges for water services will significantly increase over the next 9 years for the average household.

Table 11: Revenue sources - Drinking Water (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27		FY28/29	FY29/30	FY27/28 FY28/29 FY29/30 FY30/31	FY31/32 FY32/33 FY33/34	FY32/33	FY33/34	Total
General rates	1,569	1,859	1,803	1,822	1,766	1,482	1,217	848	434	0	12,800
Targeted rates	210	322	417	267	783	948	1,214	1,511	1,849	2,312	10,133
Subsidies and grants	0	0	0	0	0	0	0	0	0	0	0
Local authorities receipts/Vested	28	43	162	143	104	237	276	202	289	308	1,792
Water by Meter Charges	65	66	129	176	242	294	376	468	572	716	3,137
Total operating funding	1,872	2,323	2,510	2,708	2,895	2,960	3,082	3,028	3,145	3,335	27,860

Table 12: Revenue sources - Wastewater (\$000)

	FY24/25 FY25/26	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
General rates	1,430	1,665	1,557	1,510	1,353	1,198	696	702	361	0	10,745
Targeted rates	430	522	669	926	1,153	1,464	1,799	2,224	2,647	3,218	15,115
Subsidies and grants	0	0	0	0	0	0	0	0	0	0	0
Local authorities receipts/Vested	0	0	200	80	0	189	196	0	73	0	737
Fees and charges	100	106	111	117	122	127	132	136	139	142	1,231
Total operating funding	1,960	2,326	2,567	2,632	2,628	2,977	3,094	3,061	3,219	3,360	27,826

Table 13: Revenue sources - Stormwater (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28	FY27/28 FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
General rates	128	166	202	264	278	290	323	335	347	382	2,715
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants	62	32	32	24	25	56	26	27	28	28	310
Local authorities receipts/Vested	0	0	275	240	0	221	230	0	85	0	1,051
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Total operating funding	190	198	509	528	303	536	578	361	459	410	4,073

Table 14: Affordability of water services

## Residential Properties

Average charge per connection - Residential	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (GST Incl)	381	463	516	580	653	663	716	757	803	897
Average wastewater bill	432	573	577	658	713	802	881	994	1,082	1,228
Average stormwater bill	24	31	38	49	52	54	59	61	63	70
Average charge per connection	837	1,068	1,130	1,287	1,418	1,518	1,657	1,812	1,948	2,195
Projected increase	25.1%	27.5%	2.8%	13.9%	10.2%	7.0%	9.2%	9.3%	7.5%	12.7%
Projected number of connections (Water)	2,917	2,930	2,942	2,955	2,968	2,981	2,994	3,008	3,021	3,034
Projected median household income	89,841	91,548	93,288	090'56	96,866	98,707	100,582	102,493	104,440	106,425
Water services charges as % of household income	0.9%	1.2%	1.2%	1.4%	1.5%	1.5%	1.7%	1.8%	1.9%	2.1%

# Commercial and Industrial Properties

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Drinking Water Targeted Rate per property	\$84	\$130	\$168	\$228	\$315	\$382	\$489	\$09\$	\$744	\$897
Drinking Water meter rate per m3	\$0.27	\$0.41	\$0.53	\$0.72	\$1.00	\$1.21	\$1.55	\$1.92	\$2.35	\$2.94
Drinking Water percentage of total general rate contribution*	11%	12%*	11%	11%	11%	%6	8%	2%	3%	%0
Wastewater Targeted Rate per property	\$170	\$219	\$277	\$366	\$452	\$570	\$69\$	\$859	\$1,013	\$1,228
Wastewater percentage of total general rate contribution	10%	10%	10%	%6	%8	%2	%9	4%	2%	%0
Stormwater percentage of total general rate contribution	%6:0	1.1%	1.3%	1.6%	1.7%	1.8%	2.0%	2.1%	2.3%	3%

<sup>\*</sup> There are significant increases in costs for 2025/26, 2026/27, 2027/28 and 2028/29 years particularly due to the debt servicing costs of the loans.

There are 167 Commercial and Industrial properties in the District and if connected to a water or wastewater supply the same targeted rate applies as that for residential properties. The range of capital values within the Commercial and Industrial is significant ranging from a capital value of \$170,000 to \$46m, therefore an average or a median would not be fully reflective of the contribution. The percentage of the general rate that contributes to water and wastewater will decrease to zero, as the target rate increases to being fully targeted rate funded by 2033/34.

rather than the targeted rate. As with the transition to full funding of water services by target rates, the water by meter rate is also increasing over this Those Commercial and Industrial properties that are large consumers of water, have a water meter connection and are charged by the cubic meter, period to reflect user pays. Council also collects trade waste from some industrial businesses. Additionally many of the large industrial users have separate Resource Consents for water take via the Resource Management Act for their operational requirements (managed currently by the Regional Council)

### 3.2. COSTS ANALYSES

The total costs for the three water services are listed in Table 15, Table 16 and

Table 17 for the duration of this plan.

The Kawerau district maintains some of the lowest water services costs in New Zealand, and the lowest in the Bay of Plenty region. This is largely due to:

- The district's compact geographical layout
- Initial infrastructure investment by heavy industry
- Prudent asset management practices

### **Cost Projections**

For all three services, increases in staff and suppliers costs are expected in line with expected inflation rates (1.9% to 3.4% per year).

Drinking water service costs are expected to almost double in the next decade (80% increase) primarily due to borrowing costs for the water supply reticulation replacement program and also additional compliance costs

Wastewater service costs are expected to increase by one third (33%) over the next 10 years due to increased provisions for depreciation.

Stormwater service costs are expected to increase significantly (120%) due to increased depreciation. Stormwater renewals were previously subsidised by the New Zealand Transport Agency (NZTA) and 75% of depreciation was not funded (subsidy %). This funding ended in 2023 and depreciation is now funded by Council. In the plan, funding of depreciation for stormwater assets is gradually increased every year to reduce large rate increases in any given year.

### **Overall Outlook**

The total water services costs are expected to increase by 60% in the next 10 years, primarily due to increased depreciation costs. However, at the end of the 10-year period, all assets will be fully funded for depreciation, the external loans will be considerably repaid, and only small rates increases are foreseen in the next two decades after the conclusion of this plan.

Table 15: Expenses, Depreciation and Amortization - Drinking Water (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Payments to staff and suppliers *	624	731	712	731	838	772	793	808	828	935	7,772
Finance costs	345	455	495	605	099	099	099	099	099	099	5,860
Internal charges and overheads applied	456	674	685	693	739	732	737	751	773	800	7,040
Depreciation & amortisation	989	709	749	857	887	888	971	973	977	1,055	8,751
Total	2,110	2,569	2,641	2,887	3,123	3,052	3,160	3,192	3,238	3,450	29,422

<sup>\*</sup> Every five to six years Council has additional operational expenditure to clear out reservoirs (Council has 3 Reservoirs). The projected costs for this expenditure for 2028/29 and 2033/34 are \$83k and \$94k respectively, which does add peaks and lows to the expenditure for payments to staff and suppliers. This scheduled work forms part of the robust asset maintenance programme.

Table 16: Expenses, Depreciation and Amortization – Wastewater (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Payments to staff and suppliers	296	840	826	891	893	926	920	1,009	866	1,053	9,212
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	738	1,040	1,076	1,123	1,174	1,248	1,286	1,365	1,437	1,514	12,001
Depreciation & amortisation	650	089	089	754	754	755	824	825	826	890	7,638
Total	2,184	2,560	2,582	2,768	2,822	2,959	3,060	3,199	3,260	3,456	28,851

Table 17: Expenses, Depreciation and Amortization – Stormwater (\$000)

					•						
	FY24/25 FY25/26	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY29/30 FY30/31 FY31/32 FY32/33 FY33/34	FY33/34	Total
Payments to staff and suppliers**	82	55	43	32	33	34	35	36	37	38	422
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	27	17	15	11	11	11	11	11	12	12	138
Depreciation & amortisation	321	320	320	350	350	350	378	378	378	406	3,551
Total	430	390	378	393	394	395	424	426	427	456	4,111

\*\* With regards to Stormwater payments to staff and suppliers, for the 2024/25 budget there was additional budgets for one off expenditures for resource consent and consultants \$30k, hence the reduction in 2025/26 from \$82k to \$52k. The 2025/26 budget includes a further \$10k for one off resource consent expenses, which then further reduces the staff and suppliers' costs from 2026/27 onwards. This expenditure is then consistent from 2026/27 onwards. While the percentage changes are high, the movement in actual expenditure between 2025/26 and years following is less than \$10.4k.

### 3.3. CAPITAL EXPENDITURE

Infrastructure capital works are planned in the 30-year Infrastructure Strategy and included in the Long Term Plan and Annual Plans. The LTP is consulted with the community and stakeholders according to the Local Government Act requirements.

Capital works are also planned to meet possible future population growth, current and future compliance requirements as well as levels of service. Aging infrastructure is replaced in the renewals programme as described in each water services asset management plan.

New subdivisions and industrial areas will be developed by developers who will install and commission all required water services infrastructure as part of the subdivision development. Financial contributions will be levied where Council may need to incur costs to develop specific infrastructure for new subdivisions.

### 3.3.1. Projected 10 year Investment

The projected capital investment for the three water services are described in the LTP and listed in Table 18, Table 19 and Table 20.

The current infrastructure meets all existing and proposed levels of service as well as all existing and proposed regulatory requirements. There is sufficient spare capacity in all networks for expected population growth and expansion. Additional reticulation and other assets is planned to be installed for the Stoneham Park Development.

Therefore, projected investment included in the LTP is to replace existing aging infrastructure according to the asset management plans, and the development of Stoneham Park.

### **Drinking water**

Renewal works are primarily to complete the current water supply reticulation replacement programme. This programme includes replacing valves and renewing the Beattie Road pump station in 2027 and the water treatment plant in 2026.

A manganese removal plant is planned for 2026/27 at a cost of \$1.1 mil to improve the quality and resilience of water supply.

Replacement of all plant and components ensuring water quality and safety proceeds as recommended by manufacturers and regulatory requirements.

### Wastewater

The renewal of all remaining concrete and earthenware pipes installed in 1957 is planned for the next 10 years. as well as renewals of the wastewater treatment plant planned in 2026 and 2030.

Minor works are also planned on the rapid infiltration basins (RIBs) to ensure continued compliance to resource consent conditions.

### Stormwater

The reticulation renewal around geothermal area was completed in 2024 and it is proposed to renew all stormwater pipes installed in 1957 over a 10 year period commencing 2034.

Significant stormwater works are planned for the Stoneham Park Development.

Table 18: Significant investment - Drinking water (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY26/27 FY27/28 FY28/29 FY29/30 FY30/31 FY31/32 FY32/33	FY31/32	FY32/33	FY33/34	Total
Reticulation Program (including Stoneham Dev)	2,050	2,050	2,303	2,701	2,728	167	173	09	104	63	12,399
Pumps & Valves	75	46	34	71	17	40	18	19	165	20	505
Headworks, Dosing & Hydrants & Manganese Removal Plant	15	133	1,755	94	26	115	106	109	160	114	2,698
Total investment	2,140	2,229	4,092	2,866	2,842	322	297	188	429	197	15,602

Table 19: Significant investment - Wastewater (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28 FY28/29	FY28/29	FY29/30	FY29/30 FY30/31 FY31/32 FY32/33	FY31/32	FY32/33	FY33/34	Total
Reticulation	292	1,117	1,358	1,275	1,233	1,457	1,500	1,338	1,444	1,527	13,014
Pumps	-	45	92	-	-	-	15	-	-	24	148
Treatment	-	089	741	602	138	322	-	31	61	-	2,508
Total investment	292	1,742	2,163	1,878	1,371	1,812	1,514	1,369	1,505	1,551	15,670

Table 20: Significant investment – Stormwater (\$000)

	FY24/25	FY24/25 FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Reticulation	0	0	275	240	0	221	230	0	85	0	1051
Manholes	0	0	0	0	0	0	0	0	0	0	0
Total investment	0	0	275	240	0	221	230	0	85	0	1051

### 3.3.2. Long-term projected capital investment

Capital investment during the next 20 years following the current 2025-2034 LTP is described in the Infrastructure Strategy.

### **Drinking water**

The Monica Lanham reserve small water reservoir is planned to be replaced in 2035 with a large reservoir increasing the total storage capacity by 20%.

The next significant water supply reticulation replacement programme is planned for 2042 and 2043

### **Wastewater**

Council is planning to renew 19 km of reticulation over the next 9 years and a further 29 km from 2034 to 2049.

A significant renewals of the waste water treatment plant is planned for 2042, 2046 and 2048.

### Stormwater

Stormwater outfalls are scheduled to be replaced or renewed between 2036 and 2038. There is planned the renewal of the stormwater manholes installed prior to 1966 over a 10 year period from 2034 to 2045. Finally, there is stormwater reticulation replacement planned for the following 20 years after the current LTP starting in 2035.

### 3.3.3. Historical Delivery against Planned Investment

The historical delivery of investment versus the planned investment as per the LTP is listed in Table 21. Significant investments decisions were made during 2018 (replacement of drinking water reticulation) and again 2023 (development of Stoneham Park and upgrades to treatment plants), and more investments were made during the 2019/20, 2020/21 and 2024/25 financial years than planned.

Delivery of planned capital investment for water services has been fairly good with the actual delivery of investment being 94% overall for the last 7 years. The COVID – 19 pandemic did impact the delivery of water service renewals. Council has recently engaged more resources to ensure that all planned projects can be delivered when programmed

Table 21: Delivery against planned investment

	lı	nvestment in	water service	es
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment	2,905	11,668	2,698	17,271
Total actual investment	4,005	8,985	3,207	16,197
Delivery against planned investment (%)	138%	77%	119%	94%

Within the Infrastructure Strategy, large water services renewals and other capital works are smoothed over 3 to 10 year period where possible to spread out the project management and contractor workload. This ensures investment peaks are limited and a high level of investment delivery can realistically be achieved.

### 3.3.4. Water services financing requirements and sources

The projected funding requirements over the 10-year period to deliver the level of investment are listed in Table 22. The net debt to operating revenue ratios and borrowing limits are listed in Table 23. The detailed revenue to debt ratios are listed in

### Table 24.

The borrowing limits for the water services will be the same as for all of Council and limited to 280% of revenues. All planned borrowing in the 2025 – 34 LTP and the 30-year Infrastructure Strategy for water services are within the borrowing limit.

All operating expenditure, depreciation, and loan repayments (capital and interest payments) will be funded through rates, fees and charges.

All loans are planned to be raised through the Local Government Funding Agency (LGFA).

### **Internal borrowing arrangements**

There are no internal borrowing arrangements.

### Determination of debt attributed to water services

All external Council loans were raised to fund the water supply reticulation replacement works. Council has no other loans.

3.3.5. The net debt to operating revenue ratio for water services over the period of the 2025 – 34 LTP ranges from 53% to 229%, which is within the borrowing limit of 280%. This indicates Council is able to fiscally manage the water services inhouse.

Council has the appropriate insurance in place to cover the replacement and/or repair of buildings, infrastructure and other water services assets that are damaged due to disaster. Insurance risks assessments are undertaken every three years during the review of each service's AMP. The water services network infrastructure is valued by a competent valuer on a three yearly valuation cycle. Assets are valued at fair value determined on a depreciated replacement cost basis. The most recent revaluation was as at 30 June 2022. (2025 Revaluation Data Currently being prepared)

Table 22: Financing Requirements and Sources (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Investment Drinking Water	2,140	2,229	4,092	2,866	2,842	322	297	188	429	197	15,603
Investment Wastewater	765	1,742	2,163	1,878	1,371	1,812	1,515	1,369	1,505	1,551	15,671
Investment Stormwater	0		275	240	0	221	230	0	85	0	1,051
Total investment	2,905	3,971	6,530	4,983	4,214	2,355	2,041	1,557	2,019	1,748	32,323
Capital revenues	0	0	0	0	0	0	0	0	0	0	0
Movements in workings capital	50	(934)	(2,795)	(1,201)	(2,735)	(294)	242	254	61	347	(2,006)
Less: Net cashflow from operating	(922)	(1,037)	(1,735)	(1,783)	(1,479)	(2,060)	(2,283)	(1,811)	(2,079)	(2,095)	(17,317)
Total borrowing requirement	2,000	2,000	2,000	2,000	0	0	0	0	0	0	8,000

Table 23: Projected Net Debt to Operating Revenue for Water Services (\$000)

	EV24/25	EV75/76	EV26/27	EV77/78	EV78/79	EV29/30	EV30/31	EV31/37	EV32/33	EV33/3/
	2/1-		12/02	07//7	2/07:	20/22	10/00-	10/10-	20/40-	10/00-
Total operating revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Net debt	(344)	2,590	7,385	10,586	13,321	13,615	13,373	13,120	13,059	12,712
Debt headroom to limit	11,607	10,981	8,257	5,846	2,993	4,511	5,541	4,944	6,046	7,185
Net debt to operating revenue	(%6)	23%	132%	180%	229%	210%	198%	203%	191%	179%
Borrowing limit (%)	280%	280%	280%	280%	280%	280%	280%	280%	280%	280%

Table 24: Debt to Revenue Ratios by Water Service (\$000)

Debt to revenue by water service	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Drinking water - operating revenue	1,872	2,323	2,510	2,708	2,895	2,960	3,082	3,028	3,145	3,335
Drinking water - net debt	2,496	4,261	7,735	9,923	12,106	11,631	11,036	10,415	9,959	9,216
Drinking water - debt to revenue	133%	183%	308%	366%	418%	393%	358%	344%	317%	276%
Wastewater - operating revenue	1,960	2,326	2,567	2,632	2,628	2,977	3,094	3,061	3,219	3,360
Wastewater - net debt	(2,268)	(971)	526	1,785	2,596	3,634	4,291	4,973	5,693	6,450
Wastewater - debt to revenue	-116%	-45%	20%	%89	%66	122%	139%	162%	177%	192%
Stormwater - operating revenue	190	198	509	528	303	536	578	361	459	410
Stormwater - net debt	(572)	(200)	(877)	(1,122)	(1,381)	(1,651)	(1,953)	(2,268)	(2,593)	(2,954)
Stormwater - debt to revenue	-301%	-354%	-172%	-212%	-455%	-308%	-338%	-627%	-565%	-720%
Three Waters - debt to revenue	%6-	53%	132%	180%	229%	210%	198%	203%	191%	179%



# **SECTION FOUR Sustainability Assessment**



## 4.1. NON-FINANCIAL SUSTAINABILITY

The Kawerau District Council water service delivery division's vision and mission is to supply secure and safe as well as environmentally and financially sustainable drinking water, wastewater disposal and stormwater services for the Kawerau community.

## 4.1.1. Water Supply

The Kawerau drinking water supply is provided by two springs and a borefield.

The drinking water supply management system is described in the Water Supply Management Plan.

The drinking water quality management system is described in the Water Safety Plan.

The water supply strategy is to develop and maintain an effective drinking water supply management system by the following means:

- Having an efficient water supply system providing safe and secure drinking water to the residents, businesses, and industries in the district,
- Having an accepted Water Safety Plan that explains and directs the drinking water quality management system,
- Appointing appropriate staff to key positions in the water supply system,
- Adequately train all staff operating and managing the water supply system,
- Providing sufficient financial resources to operate, maintain, upgrade, and expand the water supply system as needed, and
- Reporting the performance of the water supply system to the Elected Members and other shareholders.

The Water Supply Management Plan established a long-term strategy to provide for the water requirements of communities, businesses, and industries of the district. The Plan assessed the rate and volume of water required, the efficiency and effectiveness of the water taken, and future increases or changes to the water needs and requirements. It is an essential part of applying for new water take consents, or renewal or changing existing water take consents.

Kawerau's water is principally sourced from the Borefield in Tarawera Park and the two springs: Umukaraka Spring located on the Tarawera Falls Road and Pumphouse Spring on River Road. The location of the water sources are shown in *Figure 10*.

A Catchment Risk Assessment was completed for the supply on 31 July 2014 and updated on 15 September 2017. There were no risks identified that would significantly impact the quantity and quality of the water supply sources.

All water is taken under Resource Consent 20329 for the boreholes. The consents to take water from the two springs expired in 2012, and a new comprehensive water take consent was submitted in 2024. The water supply is ample for the district's needs. Even severe climate change scenarios are not likely to impact the supply sufficiently to restrict the district's needs.

The Tarawera Park bores along with the Umukaraka and Pumphouse Springs provide sufficient water for the Kawerau District's current and projected future needs.

The Kawerau District has one water treatment plant connected to all the water supply sources. The district has one water supply network, divided into two distribution zones to which all properties are connected. The network comprises of pumps, reservoirs, pipes and connection points to all properties.

All infrastructure required to collect, treat, store and distribute drinking water in the district is described and planned in the Water Supply Asset Management plan. The 10-year operational, maintenance and expansion and improvement requirements are included in the LTP.

The 30-year infrastructure expansion and improvement requirements are included in the 30-year Infrastructure Strategy.



Figure 10: Kawerau water source locations

## 4.1.2. Water Supply Risk

Table 25: Water Supply Risk Mitigation provides an overview of risks related to water supply and the measures to mitigate them. Each risk is analysed for its potential impact on the system, while the strategies outlined aim to minimize or prevent the effect. This approach promotes proactive planning to ensure sustainability of the water supply network. The identified risk and mitigations align with the current Water Supply Asset Management Plan.

**Table 25: Water Supply Risk Mitigation** 

Key Exposure	Class of Risk Probability	Residual Exposure Consequence	Mitigation
Physical			
Seismic Event	Medium	High	Earthquake design standards
			Spare capacity
			Special Insurance cover (LAPP scheme)
			Monitor spring water quality after EQ
			Bore fields can supply essential demands
			Water restrictions can be put in place
Flood Event	Low	Low	Storage capacity of reservoirs
			Valves can isolate breaks in pipes

Key Exposure	Class of Risk Probability	Residual Exposure Consequence	Mitigation
Damage by Others	High	Moderate	Staff available 24/7
			Test water for contamination
			Head works and Pumphouse security fenced
Failure due to the	High	Low	Scheduled plant maintenance
deterioration of assets			Staff available 24/7
			Water restrictions options
			Spare capacity at pump stations
			An asset replacement programme
			Standby generator available within 8 hours
			Pump maintenance programme
Firefighting demands during peak flow	Medium	Moderate	Domestic users to be alerted to quickly reduce consumption (upper Valley Road area)
Financial		1	
New large consumer	Moderate	Low	Regular meetings with development agency
			Not all available water used
			Developments take time, which allows negotiations to take place
			Developments require Council consent
Loss of large consumer	Moderate	Low	Regular meetings with large industries
			Plant can operate on lower flows efficiently
Loss of water source	High	High	Investigate options to secure ownership/supply
			Find another water source
Health and Safety			
Injury to persons or	Low	Low	Health and safety practices in place
property due to operations			Trained staff
			Insurance to cover costs
Sabotage	Low	Moderate	Plant security
			Robust plant
Injury to the public	Low	Low	Access denied to treatment plant site
			Significant portion of asset underground

## 4.1.3. Wastewater

The wastewater system collects, treats and dispose of wastewater (sewage) from properties in the district. Its components are a network of underground pipes, pumping stations and a treatment plant with soakage basins. Wastewater enters the network from properties in built-up parts of the district and is conveyed to the treatment plant. Here the solids are removed and the liquid soaks to ground in rapid infiltration basins where the soil removes bacteria. The discharge of water to ground and the treatment of the removed solids are carried out to meet resource consent requirements and maintain a healthy environment.

The rapid infiltration basins have the capacity to process and dispose of 3000 m<sup>3</sup> per day, sufficient for a population of 15,000. Reserve basins are not used and may be developed to expand disposal to 4000 m<sup>3</sup> per day. The RIBs layout is presented in Figure 11.

Two four metre deep pits were dug into the RIBs in 2022 to evaluate the condition of the basins. There were no signs of deterioration or build-up of material after 70 years of use. It is expected the basins will be useful for at least a further 100 years.

The large filtered solids are compressed and landfilled. The polymerised fine solid waste is worm farmed and subsequently used as a ground cover on the existing landfill to maintain the landfill cap.

All wastewater treatment operations are regulated by resource consents and the effects of the operations and disposal of treated products are monitored through nearby boreholes and evaluations of the Tarawera River. Borehole and river sampling points are marked in the Figure 11.

All infrastructure required to collect, treat and dispose wastewater in the district is described and planned in the Wastewater AMP.

The 10-year operational, maintenance and expansion and improvement requirements are included in the LTP.

The 30-year infrastructure expansion and improvement requirements are included in the Infrastructure Strategy.

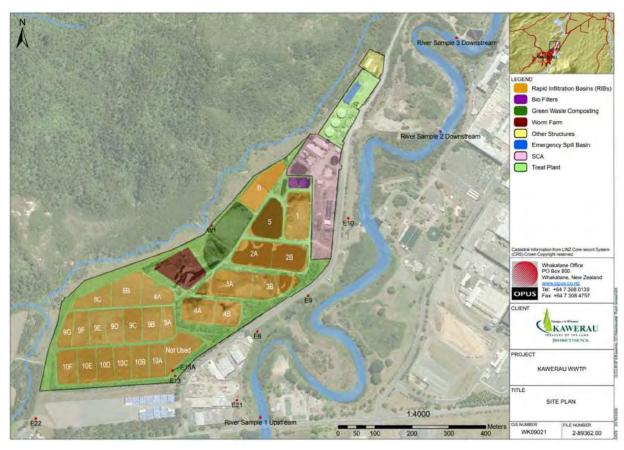


Figure 11: Rapid Infiltration Basins

## 4.1.4. Waste Water Network Risk

Table 26: Wastewater Network Risk Mitigation provides an overview of risks related to waste water network and the measures to mitigate them. Each risk is analysed for its potential impact on the system, while the strategies outlined aim to minimize these challenges. This approach promotes

proactive planning to ensure sustainability of the wastewater network. The identified risk and mitigations align with the current Waste Water Network Asset Management Plan.

**Table 26: Wastewater Network Risk Mitigation** 

Key Exposure	Class of Risk Probability	Residual Exposure Consequence	Mitigation
Physical			
Seismic Event	Medium	High	Earthquake design standards
			Spare capacity
			Special Insurance cover
Flood Event	Low	Low	Storage capacity at treatment plant
			Ongoing search for stormwater ingress
Damage by Others	High	Moderate	Staff available 24/7
Failure due to	High	Low	Regular treatment plant maintenance
deterioration of assets			Staff available 24/7
			Renewal Programme
			Spare capacity at treatment plant and pump stations
			Asset performance monitoring
Power interruption	High	Low	Standby generator available at treatment plant
			Spill basin can store incoming effluent under gravity flow for one day
			Pump stations small and alternative pumps available
Chemical non delivery	Moderate	Moderate	Material ordered before stock runs out.
			Significant storage on site
Financial			
New large consumer	Moderate	Low	Regular meetings with development agency
			Existing plant has 30% reserve capacity
			Developments take time allowing negotiations to take place
			Developments require Council consent
Loss of large consumer	Moderate	Low	Regular meetings with large industries
			Plant can operate on lower flows efficiently
Health and Safety			
Injury to persons or	Low	Low	Health and safety practices in place
property due to			Trained staff
operations			Insurance to cover costs
Sabotage	Low	Moderate	Plant security
			Robust plant
Injury to public	Low	Low	Access denied to treatment plant site
			Significant portion of asset underground
Environmental	·		
Overflow of wastewater	Moderate	Moderate	Staff available 24/7 to attend to blockages
due to pipe blockages or			Treatment plant has storage capacity for one day's flow
treatment plant failures			Plant has surplus capacity

Key Exposure	Class of Risk Probability	Residual Exposure Consequence	Mitigation
			Monitoring plant performance
			Monitor blockages in pipework

## 4.1.5. Stormwater

The Kawerau district stormwater system collects surface water from the roading network and channel excess rainwater through a network of pipes to outfalls into natural waterways. Stormwater discharges are regulated by resource consents and all flow quantities and water quality is monitored.

Stormwater collection and discharge has minimal effect on the environmental well-being of the community. Although stormwater carries contaminants from road surfaces, the receiving water is a large body of water, clear and fast flowing, capable of dealing with the discharges without any significant adverse effects.

It is possible if climate change continues to occur, that rainfall intensities and storm durations may increase, and the assets may require enhancement to cope with the increased flows.

A small number of small flood prone areas had been identified during significant rainfall events during recent years. Increasing the capacity (either installing additional drainage or increasing current drainage capacity) in these areas was considered.

In the Blundell Avenue area, the less invasive and more cost effective option of a series of detention basins were designed in order to arrest any sudden volume of runoff from the Tuwharetoa Farm land. Detention Basins were also constructed in the farmland at the southern end of both Valley Road and Hardie Avenue.

The design of the River Road culverts carrying the Pumphouse Spring overflow stream was found to be a significant cause of flooding in the Fraser Street area. Designs were commissioned for replacement culverts that provided a larger free flowing structure. These new culverts were installed in April 2021.

Subsurface water flooding in Hardie Avenue was mitigated by installing additional drainage in the berms in 2023 and 2024.

There is a greater emphasis on the need to ensure streams are more proactively maintained with a regular clearing of vegetation, in particular, the Overflow Stream and Ruruanga Stream as it runs behind The Village on Tamarangi Drive.

Other than those addressed above, the current stormwater systems are deemed sufficient and no other upgrades of capacity in the network are planned

## 4.1.6. Stormwater Network Risk

Table 27: Stormwater Network Risk Mitigation summarises potential risks in the stormwater network and corresponding mitigation strategies. Each risk is analysed for its impact, while the proposed actions focus on minimising these risks. This structured approach promotes proactive planning to ensure the sustainability of the stormwater network. The identified risk and mitigations align with the current Stormwater Network Asset Management Plan.

**Table 27: Stormwater Network Risk Mitigation** 

Key Exposure	Risk Probability	Residual Exposure Consequence	Mitigation
Physical			
Seismic Event	Medium	Significant	Earthquake design Standards
			Redundancy in reticulation
			Insurance cover
Flood Event	High	Medium	Well built and maintained outfalls
			Surface flows paths defined and well maintained
			Insurance cover
Damage by Others	Low	Moderate	Staff available 24/7
			Respond to reports of damaged or missing manhole lids
			Insurance cover
Failure due to	High	Low	Asset performance monitoring
deterioration of assets			Staff available 24/7
			Renewal Programme
Financial			
Funding not available when renewals required	Low	Low	Reserves are set aside annually and only a small amount of borrowing to date.
Health and Safety			
Injury to persons or	Moderate	Low	Employ reputable contractors/qualified staff
property due to operations			Insurance cover
Damage to property, injury or death due to	Low	Moderate	Topography of District and soil permeability reduces risk of flooding
assets being in public places or during flood			Outlets well established and no failure history during previous rain events
			Insurance cover
			Staff available 24/7 to attend to blockages
Environmental	<b>'</b>	1	-
Stormwater quality	Moderate	Moderate	Spills on road cleaned up as soon as detected
			Staff trained in handling notified spills
			Tarawera River quick flowing
Regulatory			-
Failure to comply with resource consents	Low	Low	Monitoring of consent conditions to ensure compliance
Change of consent conditions	Low	Low	EBOP negotiates consent conditions before changing and allows agreed time frames to comply

## 4.2. FINANCIAL SUSTAINABILITY

The Kawerau District Council water service, as a ring-fenced business unit is financially sustainable and will remain financially sustainable under projected costs and income models in the 2025-2034 LTP.

Sufficient revenue is planned to be collected to cover all costs, including servicing debt, of water services delivery. Similarly, projected investment is sufficient to meet levels of service, regulatory requirements and to provide for growth. Funding and financing arrangements are sufficient to meet investment requirements.

Council's infrastructure assets significantly increased in value, by \$18m following the revaluation in June 2022, which also significantly increased the depreciation expense, particularly for water services infrastructure assets. At the same time as the impact of increased depreciation, there were the impacts of high inflation, which increased operational expenditure across all Council activities. This combination resulted in a large increase in the rates requirement in 2023, which was at the same time the whole community were challenged with impacts of the cost of living crisis following COVID.

Council resolved from 1 July 2023 to reduce the level of depreciation funding for strategic assets so rates were more affordable for the community. Council consulted with the community on the levels of depreciation funding and the community fully supported the reduction.

For the past two annual plans and for the Long Term Plan 2025-2034, Council has consulted with the community on the level of funding for depreciation from rates. Following community feedback, Council lowered the level of deprecation funding so rates were more affordable for the community. As part of the Long Term Plan 2025 - 2034 Council consulted with the community on the options of returning to fully funded depreciation over a seven year (a 5% increase p.a.) period or a twelve year (a 3% increase p.a.) period. The community overwhelmingly preferred the twelve year timeframe, which Council supported.

Overall, for the Revenue sustainability, the impact of not fully funding depreciation is on the operating surplus ratio. Council has been investing significantly in renewing water infrastructure assets and in particular the water reticulation project. Approximately 60% of the water reticulation network is new. The only borrowing Council holds is to fund the significant water reticulation renewals project, which began in 2022. Other capital renewals, including wastewater renewals, have been funded from the depreciation reserves.

Council has and is continuing to invest significantly in water and wastewater renewals. Council has resolved and is committed to transitioning back to fully funding depreciation.

## 4.2.1. Revenue Sufficiency

The revenue from general and targeted rates, the operating surplus ratio and the operating cash ratio are listed in Table 29 and presented in *Figure 12*.

Projected revenue is sufficient to cover the costs (including servicing debt) of water services delivery, and to finance the required level of investment. A positive operating cash ratio is projected every year, with the ratios being between 30.8% and 38.8% over the next nine years. The operating surplus ratio, which reflects all expenditure including depreciation, results in negative ratios in some years which is due to Council transitioning back to fully funding depreciation. The years of 2025/26, 2028/29 and 20231/32 are the years following the assets revaluations, that subsequently increases the projected depreciation expenditure, resulting in small negative ratios in the operating surplus ratio, while Council is balancing the impact of the rates increases to the community by transitioning back to fully funding depreciation. All surpluses will be applied to waters services cash and cash equivalents.

Council is committed to fully funding depreciation with a transitional approach. The operating cash ratio is projected to be positive throughout and while depreciation funding has an impact in some years, Council is satisfied that overall, the water services plan passes the revenue sufficiency test.

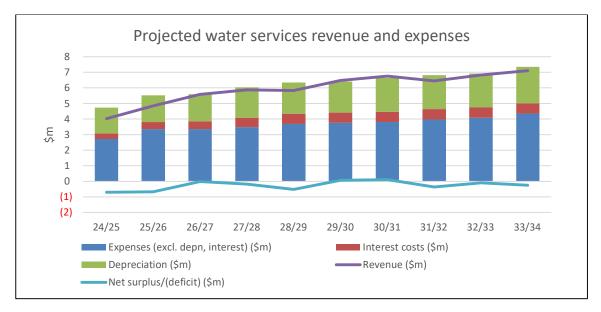


Figure 12: Projected water services revenue and expenses

The projected average charges for water services per connected property are listed in Table 14. Currently (2024/25), residents contribute 53% of water services rates and 47% is contributed by industries and businesses. The ratio contributed by residential ratepayers will increase over the life of the plan with the increase in funding from targeted rates.

## 4.2.2. Investment Sufficiency

The water services infrastructure is valued by a competent valuer on a three-yearly valuation cycle. Assets are valued at fair value determined on a depreciated replacement cost basis. Valuation of water assets are done on the following basis:

Table 28: Valuation Basis - Water Assets

Asset Type	Valuation Basis
Land	Market value
Buildings	DRC
Plant	ODRC
Reticulation	ODRC

The Depreciated Replacement Cost (DRC) refers to today's cost of replacing the asset with the same or a similar asset and depreciated over the life of the asset.

The Optimised Depreciated Replacement Cost (ODRC) refers to today's cost of replacing the asset with another asset that provides the same level of service most efficiently and depreciated over the life of the asset to reflect its current value and remaining economic life. The optimised replacement

cost assigned to each asset has been determined by suitably qualified and experienced professional persons and has been peer reviewed.

The Infrastructure Strategy describes the level of investment required to meet levels of service, regulatory requirements and provide for growth. The levels of investment for each asset class was developed in each assets class respective Asset Management Plan. The planned investment over the life of the Infrastructure Strategy meets all required and expected costs.

The planned investment in water services is listed in

Table 30 and presented in Figure 13. Asset renewals will use all depreciation reserves and planned loans by the end of the 2028/29 financial year. Asset renewals after 2029 will be mostly funded by depreciation reserves and additional rates and/or short term loans.

Over the life of this plan, the overall asset sustainability ratio is 45.5% and the asset investment ratio is 62.1%.

The asset sustainability and asset investment ratios are very high in the first five years of the plan and then reduce to negatives up to (30.9%) for the following five year period to 2034. The large movement in these ratios is due to the significant capital renewals expenditure that is being invested, particularly in the water supply and wastewater reticulation system from 2024 to 2029. The following years, 2029 onwards have negative ratios, as Council has had significant investment in the first five years of the plan. The water reticulation programme is significant in that Council is replacing all steel and asbestos cement reticulation pipes in the district, which is also being funded by a \$12m loan. While the renewals expenditure from 2029 onwards is less than the depreciation expenditure, this is not because of under investment, but due to high investment in the preceding years.

The investment in asset renewals and new assets are sustainable over the life of the plan and over the life of the 30-year Infrastructure Strategy.

The asset consumption ratio ranges from 36.0% to 39.7% over the 10 year period. In the 30-year Infrastructure Strategy, asset consumption ratios remain between 35% and 40%.

Council's Stormwater assets consist of mainly reticulation pipes. The update of the Asset Management Plans in May 2025 identified, through data analysis and asset condition assessments, that the Stormwater assets have a much longer life than initially projected. It has been determined that the useful life of these assets is better reflected at 80 years than the previous 70 years lifespan. These assets therefore still have over ten years of life left. Council does not want to replace these assets before it needs to. Per the Stormwater Asset Management Plan, renewals are scheduled from 2035 onwards. Council's Infrastructure Strategy and Asset Management Plan projects the investment in Stormwater renewals from 2035-2040 is \$8.94m and \$8.84m from 2040 to 2045. Therefore, the asset consumption rate for Stormwater assets is much lower than replacement value due to higher consumption previously being recognised. Given that the Stormwater assets are closer to the end of their useful life than other water assets, this does decrease the overall asset consumption percentages.

The revaluation of the water services infrastructure assets is underway and being prepared by an independent valuer on Council's behalf. The revaluation results are effective as at 30 June 2025; however, this latest data is not available at the time of presenting this report.

The water services plan therefore passes the investment sufficiency test.

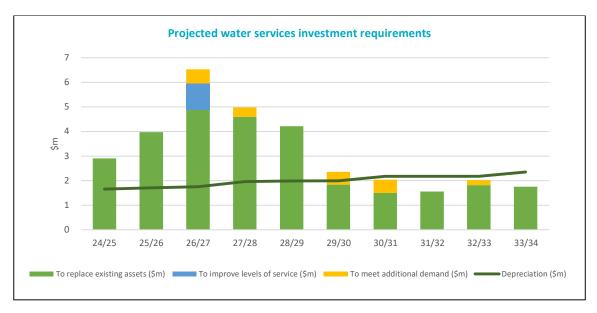


Figure 13: Projected water services investment requirements

## 4.2.3. Financing Sufficiency

Council is required under the Local Government Act 2002 to ensure each year's projected operating revenues are set at a level to meet each year's operating costs. Council is further required to manage its revenues, expenses, assets, liabilities, investments and general dealings in a prudent manner, promoting the current and future interests of the community.

The increased capital expenditure programme means corresponding increases in costs in these areas especially as Council will be borrowing an additional \$6.0 million over the next nine years. The additional borrowing will be exclusively to fund water services capital projects.

The LTP includes an overall rate increase of 8.5 percent for 2025/26 and between 1.5 and 4.9 percent for each of the following eight years. The corresponding water services rates increase is 21.7% for 2025/6 and between 2.0% and 9.5% for the following 8 years. The cumulative increase over the 10 years of the plan is 110.3%%.

Council's borrowings are managed per Council's Liability Management Policy. Borrowings are generally used to fund capital projects that include an element of service enhancement or where the project is significant in value greater than depreciation reserves available. Borrowing for significant capital projects allows Council to ensure there is intergenerational equity, enabling the spread of the cost over the life of the asset.

The in-house water services financing will be managed by the same principles as per the Liability Management Policy.

All current and planned borrowings are funded through loans obtained through the Local Government Finance Association. The water services' borrowing will be limited to 280% of the operating revenue (for an in-house business unit).

The net debt to operating revenue ratio, and free funds to debt ratio is listed in Table 31. The projected water services net debt to operating revenue is graphically presented in *Figure 14*.

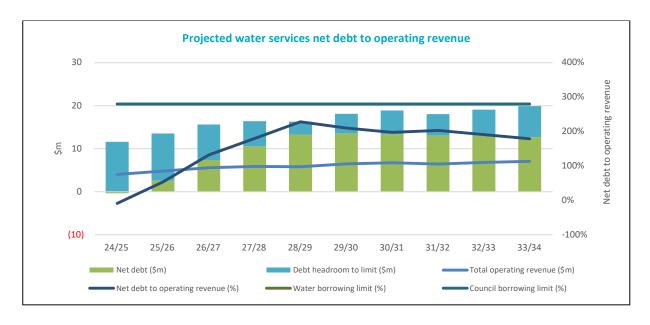


Figure 14: Projected water services net debt to operating revenue

The net debt to operating revenue remains within the 280% limit.

Council, who will be underwriting the in-house water service business unit, has significant borrowing capacity. Council decided to limit its total debt to operating revenue ratio to 175%. The total Council net debt to operating revenue, including water services debt, does not exceed 55% during the current LTP therefore Council has a reasonable amount of headroom for additional borrowing. Council's net debt peaks in 2028/29, however will still have over \$51.5m of borrowing headroom, equivalent to more than 200% of total Council operating revenue. The projected waster services net debt to operating revenue is graphically presented in *Figure 15*.



Figure 15: Projected Council net debt to operating revenue

The water services plan therefore passes the financing sufficiency test.

Table 29: Revenue Sufficiency (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
General and targeted rates	3,833	4,667	4,806	5,264	5,575	5,674	5,896	6,087	6,210	6,628
Projected increase	21.6%	21.7%	3.0%	9.5%	5.9%	1.8%	3.9%	3.2%	2.0%	6.7%
Operating surplus/(deficit) excluding capital revenues	(702)	(672)	(14)	(179)	(512)	<b>.</b>	110	(365)	(102)	(255)
Total operating revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Operating surplus ratio	(17.5%)	(13.9%)	(0.3%)	(3.0%)	(8.8%)	1.0%	1.6%	(2.7%)	(1.5%)	(3.6%)
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	1,300	1,492	2,230	2,388	2,139	2,720	2,943	2,471	2,739	2,755
Total operating revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Operating cash ratio	32.3%	30.8%	39.9%	40.7%	36.7%	42.0%	43.6%	38.3%	40.1%	38.8%

Table 30: Investment Sufficiency (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure	2,905	3,971	4,876	4,596	4,213	1,835	1,502	1,557	1,819	1,748
Depreciation	1,657	1,710	1,749	1,961	1,991	1,994	2,173	2,176	2,181	2,350
Asset sustainability ratio	75.3%	132.3%	178.7%	134.3%	111.6%	(8.0%)	(30.9%)	(28.4%)	(16.6%)	(25.6%)
Capital expenditure	2,905	3,971	6,530	4,983	4,214	2,355	2,041	1,557	2,019	1,748
Depreciation	1,657	1,710	1,749	1,961	1,991	1,994	2,173	2,176	2,181	2,350
Asset investment ratio	75.3%	132.3%	273.3%	154.1%	111.6%	18.1%	(6.1%)	(28.4%)	(7.4%)	(25.6%)
Book value of infrastructure assets	44,379	46,640	51,421	62,771	64,993	65,354	72,738	72,119	71,957	76,563
Total estimated replacement value of infrastructure assets	123,182	127,153	133,683	159,364	163,578	165,932	186,329	187,886	189,905	205,044
Asset consumption ratio	36.0%	36.7%	38.5%	39.4%	39.7%	39.4%	39.0%	38.4%	37.9%	37.3%

Table 31: Financing Sufficiency (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total borrowings	9000'9	8,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Less: cash and financial assets	(6,344)	(5,410)	(2,615)	(1,414)	1,321	1,615	1,373	1,120	1,059	712
Net debt	(344)	2,590	7,385	10,586	13,321	13,615	13,373	13,120	13,059	12,712
Total net debt (gross debt less cash)	(344)	2,590	7,385	10,586	13,321	13,615	13,373	13,120	13,059	12,712
Operating revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Net debt to operating revenue	(%6)	23%	132%	180%	229%	210%	198%	203%	191%	179%
Debt to revenue limit	280%	280%	280%	280%	280%	280%	280%	280%	280%	280%
Maximum allowable net debt	11,263	13,571	15,642	16,432	16,314	18,126	18,915	18,063	19,105	19,897
Total net debt	(344)	2,590	7,385	10,586	13,321	13,615	13,373	13,120	13,059	12,712
Borrowing headroom/ (shortfall) against limit	11,607	10,980	8,257	5,846	2,993	4,511	5,541	4,944	6,046	7,185

Free funds from operations (FFO)	om operatior	ıs (FFO)								
to debt ratio										
Operating revenue (minus	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
interest income)										
Less										
Expenses										
(minus denreciation	(3,068)	(3,809)	(3,851)	(4,086)	(4,348)	(4,413)	(4,472)	(4,641)	(4,744)	(5,011)
and non-										
cash items)										
Free funds										
from	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095
operations										
Total net debt	(344)	2,590	7,385	10,586	13,321	13,615	13,373	13,120	13,059	12,712
Funds from	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095
operations										
FFO to debt ratio	(277.8%)	40.0%	23.5%	16.8%	11.1%	15.1%	17.1%	13.8%	15.9%	16.5%



# SECTION FIVE IMPLEMENTATION PLAN



## 5.1. IMPLEMENTING THE PROPOSED SERVICE DELIVERY MODEL

Council's preferred option for delivering water services is an in-house business unit. This Plan is prepared on this basis.

Council's active Long Term Plan (2025–2034) includes water service functions that remain financially viable through the life of the plan.

The key dates according to the in-house business unit plan are:

## • 1 July 2025 to 30 June 2026

 Council will continue delivering water services in-house according to existing financial and management systems until 30 June 2026. At the time of writing water services are delivered via Council's operations and services department.

## • 1 July 2026 to 30 June 2027

- From 1 July 2026, Council's water services will transfer to a structurally separate inhouse business unit. The in-house business unit will operate separate from, but with the continued support of, Council's operations and services department, finance and corporate services department, and health and safety department. Water services will continue to contribute to Council overhead funding via water service rates and charges.
- On 30 June 2027, Council will adopt a separate Long Term Plan for water services. In the year to 30 June 2027, Council will also adopt a separate Infrastructure Strategy, Asset Management Plan, and any other necessary policy and planning separations.

## • 1 July 2028

The in-house business unit will operate as a structurally separate business unit with its own Annual and Long Term Plans, its own strategies, management plans, and supporting policies, and its own finance structure. The in-house business unit will pay other Council departments and business units for support and management services via an overhead allocation to Council.

## 5.1.1. Transition period

Structural separation in operations and planning and reporting occur over a 3-year period to 30 June 2028. The rating transition will be implemented over a 9-year period (as shown below).

## 5.1.2. Moving from General to Targeted rates

Funding water services will be moved from General to Targeted rates gradually over a 9-year period. This long transition period will have a gradual impact on lower value properties. *Figure 13* depicts the impact of the gradual move from General to Targeted rates over the 9 year period.

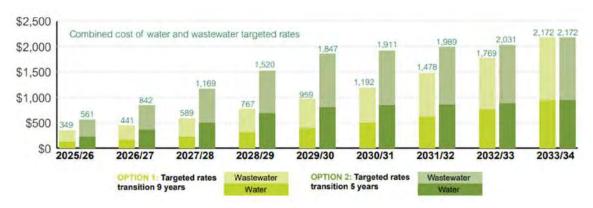


Figure 16: Transition to targeted water and wastewater rates per property

## 5.1.3. Water Services Multi-Council Controlled Organisation (WSMCCO)

Elected Members acknowledge an asymmetry in information when considering the merits of an internal business unit against the merits of a WSMCCO. To address this information gap Elected Members will resolve to join a Working Group with Rotorua Lakes Council, Whakatāne District Council, Ōpōtiki District Council, and any other partner Councils who wish to join. The purpose of the Working Group will be to undertake a study to model potential WSMCCO arrangements. The study will include financial modelling for individual councils across a 10 to 30 year time horizon, outline shared strategic objectives, and capture early lessons from other WSMCCOs (e.g. Waikato Water). In modelling capital investments and operational costs over the 10 to 30 year time horizon the study can draw on each Council's respective Water Service Delivery Plan.

As the Working Group undertakes its study Council will provide quarterly updates to its Elected Members, community, and iwi stakeholders. For the Working Group to maintain social license it will require regular communication. To main political license the Working Group will be made up of Elected Members from Council and its partners with technical advice from Council staff and dedicated personnel at Rotorua Lakes Council.

The key dates according to this off ramp are:

- 3 September to 31 December 2025
  - Establish the Working Group and negotiate a Heads of Agreement for participating Councils, agree to a scope and programme, and appoint a Chair.
- 1 January to 1 July 2026
  - The Working Group undertakes its study with a report due post-1 July 2026.
- 1 July to 31 December 2026
  - Council considers the final report and informs the community of the findings. Targeted consultation occurs with important stakeholders including (but not limited to) iwi and local business.
- 24 February 2027
  - Elected Members consider the final report in light of community consultation.
- Period to 24 June 2027

 Council resolves to join (or not) the WSMCCO. If Elected Members resolve not to join the WSMCCO then Council will continue on the basis of an internal business unit as presented in this Water Service Delivery Plan.

If Elected Members resolve to join the WSMCCO then Council will begin a transition period beginning 1 July 2027 and ending 30 June 2028.

If Elected Members resolve not to join the WSMCCO then Council will continue its transition to a structurally separate internal business unit according to the financial and operational plan presented in this Water Service Delivery Plan.

## 5.2. ASSURANCE AND ADOPTION PLAN

This plan will be submitted to the Secretary for Local Government for acceptance and will include a certification by the Chief Executive of the Kawerau District Council.

## 5.2.1. Council resolution

Council will adopt this Plan by resolution on 3 September 2025.

## 5.2.2. Certification of the Chief Executive

The Chief Executive Officer will certify this plan at the beginning of this document.



# SECTION SIX ADDITIONAL INFORMATION



# 6.1. Projected financial statements for water services

# 6.1.1. Projected Funding Impact Statement

Table 32: Projected Serviced Population

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total Drinking Water Residential connections	2,750	2,763	2,775	2,788	2,801	2,814	2,827	2,841	2,857	2,867
Total Drinking Water Non- Residential Connections	167	167	167	167	167	167	167	167	167	167
Total Drinking Water Services Connections	2,917	2,930	2,942	2,955	2,968	2,981	2,994	3,008	3,021	3,034
Total Wastewater Residential connections	2,760	2,773	2,785	2,798	2,811	2,824	2,837	2,851	2,864	2,877
Total Wastewater Non- Residential Connections	162	162	162	162	162	162	162	162	162	162
Total Wastewater Services Connections	2,922	2,935	2,947	2,960	2,973	2,986	2,999	3,013	3,026	3,039

Table 33: Funding Impact Statement - Drinking Water (\$000)

-		•								
Drinking Water	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	1,569	1,859	1,803	1,822	1,766	1,482	1,217	848	434	0
Targeted rates	275	422	546	743	1,025	1,242	1,590	1,979	2,422	3,027
Subsidies and grants for operating	0	0	0	0	0	0	0	0	0	0
Other Income	28	43	162	143	104	237	276	202	289	308
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total operating funding	1,872	2,323	2,510	2,708	2,895	2,960	3,082	3,028	3,145	3,335
Applications of operating funding										
Payments to staff and suppliers	624	731	712	731	838	772	793	808	828	935
Finance costs	345	455	495	605	099	099	099	099	099	099
Internal charges & overheads applied	456	674	685	669	739	732	737	751	773	800
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	1,424	1,860	1,893	2,029	2,236	2,164	2,190	2,219	2,261	2,395
Surplus/(deficit) of operating funding	448	463	618	629	629	797	893	808	884	940
Sources of capital funding										
Increase/(decrease) in debt	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Total sources of capital funding	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Applications of capital funding										
Capex - additional demand	0	0	106	89	0	110	114	0	42	0
Capex - improved levels of services	0	0	1,073	0	0	0	0	0	0	0
Capex - to replace existing assets	2,140	2,229	2,913	2,798	2,842	212	183	188	386	197
Increase/(decrease) in reserves	308	235	(1,474)	(187)	(2,183)	475	296	621	455	743
Total applications of capital funding	2,448	2,464	2,618	2,679	629	797	893	808	884	940
Surplus/(deficit) of capital funding	(448)	(464)	(618)	(629)	(629)	(797)	(893)	(808)	(884)	(940)
Funding balance	0	0	0	0	0	0	0	0	0	0

Table 34: Funding Impact Statement - Wastewater (\$000)

Wastewater	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating										
General rates	1,430	1,665	1,557	1,510	1,353	1,198	696	702	361	0
Targeted rates	430	255	669	976	1,153	1,464	1,799	2,224	2,647	3,218
Subsidies and grants for	0	0	0	0	0	0	0	0	0	0
Other Income	0	0	200	80	0	189	196	0	73	0
Fees and charges	100	106	111	117	122	127	132	136	139	142
Total operating funding	1,960	2,326	2,567	2,632	2,628	2,977	3,094	3,061	3,219	3,360
Applications of operating										
Payments to staff and	962	840	826	891	893	926	950	1,009	866	1,053
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges &	738	1,040	1,076	1,123	1,174	1,248	1,286	1,365	1,437	1,514
Other operating funding	0	0	0	0	0	0	0	0	0	0
Total applications of	1,534	1,880	1,902	2,014	2,067	2,204	2,237	2,374	2,435	2,567
Surplus/(deficit) of	426	446	999	619	561	773	858	687	785	794
Sources of capital funding										
Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
Total sources of capital	0	0	0	0	0	0	0	0	0	0
Applications of capital										
Capex - additional demand	0	0	200	80	0	189	196	0	73	0
Capex - improved levels of	0	0	0	0	0	0	0	0	0	0
Capex - to replace existing	292	1,742	1,963	1,798	1,371	1,623	1,319	1,369	1,433	1,551
Increase/(decrease) in	(333)	(1,297)	(1,497)	(1,259)	(811)	(1,039)	(657)	(682)	(721)	(757)
Total applications of	426	446	999	619	561	773	828	289	785	794
Surplus/(deficit) of capital	(426)	(446)	(999)	(619)	(561)	(773)	(858)	(687)	(785)	(794)
Funding balance	0	0	0	0	0	0	0	0	0	0

Table 35: Funding Impact Statement - Stormwater (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	128	166	202	264	278	290	323	335	347	382
Targeted rates	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	62	32	32	24	25	56	26	27	28	28
Other Income	0	0	275	240	0	221	230	0	85	0
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total operating funding	190	198	209	528	303	536	578	361	459	410
Applications of operating funding										
Payments to staff and suppliers	82	52	43	32	33	34	35	36	37	38
Finance costs	0	0	0	0	0	0	0	0	0	0
Internal charges & overheads applied	27	17	15	11	11	11	11	11	12	12
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	109	69	57	43	44	46	46	47	49	49
Surplus/(deficit) of operating funding	81	129	451	485	259	491	532	314	411	361
Sources of capital funding										
Increase/(decrease) in debt	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	0	0	0	0	0	0	0	0	0	0
Applications of capital funding										
Capex - additional demand	0	0	275	240	0	221	230	0	82	0
Capex - improved levels of services	0	0	0	0	0	0	0	0	0	0
Capex - to replace existing assets	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in reserves	81	128	176	245	259	270	303	314	326	361
Total applications of capital funding	81	128	451	485	259	491	532	314	411	361
Surplus/(deficit) of capital funding	(81)	(128)	(451)	(485)	(259)	(491)	(532)	(314)	(411)	(361)
Funding balance	0	0	0	0	0	0	0	0	0	0

Table 36: Funding Impact Statement - Water Services (\$000)

Water Services	FY24/25 FY25/26	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	3,128	3,690	3,561	3,596	3,397	2,969	2,508	1,885	1,142	382
Targeted rates	705	977	1,245	1,669	2,177	2,705	3,388	4,203	5,069	6,246
Subsidies and grants for operating purposes	62	32	32	24	25	26	26	27	28	28
Other Income	28	43	637	463	104	646	701	202	447	308
Fees and charges	100	105	111	117	122	127	132	136	139	142
Total operating funding	4,023	4,847	5,586	2,869	5,826	6,474	6,755	6,451	6,823	7,106

Applications of operating funding										
Payments to staff and suppliers	1,502	1,624	1,581	1,654	1,764	1,762	1,778	1,853	1,862	2,026
Finance costs	345	455	495	909	099	099	099	099	099	099
Internal charges & overheads applied	1,221	1,731	1,775	1,827	1,924	1,991	2,034	2,128	2,222	2,325
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,068	3,809	3,851	4,086	4,348	4,413	4,472	4,641	4,744	5,011

Surplus/(deficit) of operating funding	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095

**Funding balance** 

Sources of capital funding										
Increase/(decrease) in debt	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Total sources of capital funding	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Applications of capital funding										
Capex - additional demand	0	0	581	388	0	520	539	0	200	0
Capex - improved levels of services	0	0	1,073	0	0	0	0	0	0	0
Capex - to replace existing assets	2,905	3,971	4,876	4,596	4,213	1,835	1,502	1,557	1,819	1,748
Increase/(decrease) in reserves	50	(934)	(2,795)	(1,201)	(2,735)	(294)	242	254	09	347
Total applications of capital funding	2,955	3,037	3,735	3,783	1,479	2,060	2,283	1,811	2,079	2,095
Surplus/(deficit) of capital funding	(955)	(1,037)	(1,735)	(1,783)	(1,479)	(2,060)	(2,283)	(1,811)	(2,079)	(2,095)

# 6.1.2. Projected Statement of Comprehensive Revenue and Expense

Table 37: Comprehensive revenue and expenses - Drinking Water (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY27/28 FY28/29		FY29/30 FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	1,872	2,323	2,510	2,708	2,895	2,960	3,082	3,028	3,145	3,335
Total revenue	1,872	2,323	2,510	2,708	2,895	2,960	3,082	3,028	3,145	3,335
Operating expenses	624	731	712	731	838	772	793	808	828	935
Finance costs	345	455	495	605	099	099	999	099	099	099
Overheads and support costs	456	674	685	693	739	732	737	751	773	800
Depreciation & amortisation	989	709	749	857	887	888	971	973	977	1,055
Total expenses	2,110	2,569	2,641	2,887	3,123	3,052	3,160	3,192	3,238	3,450
Net surplus / (deficit)	(238)	(246)	(131)	(179)	(228)	(95)	(78)	(163)	(83)	(114)
Revaluation of infrastructure assets	3,353	0	0	4,486	0	0	3,972	0	0	2,614
Total comprehensive income	3,115	(246)	(131)	4,307	(228)	(35)	3,894	(163)	(83)	2,500
Cash surplus / (deficit) from operations	448	463	618	629	629	797	893	809	884	940

Table 38: Comprehensive revenue and expenses – Wastewater (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	1,960	2,326	2,567	2,632	2,628	2,977	3,094	3,061	3,219	3,360
Total revenue	1,960	2,326	2,567	2,632	2,628	2,977	3,094	3,061	3,219	3,360
Operating expenses	962	840	826	891	893	926	950	1,009	866	1,053
Finance costs	0	0	0	0	0	0	0	0	0	0
Overheads and support costs	738	1,040	1,076	1,123	1,174	1,248	1,286	1,365	1,437	1,514
Depreciation & amortisation	029	089	089	754	754	755	824	825	826	890
Total expenses	2,184	2,560	2,582	2,768	2,822	2,959	3,060	3,199	3,260	3,456
Net surplus / (deficit)	(224)	(235)	(14)	(135)	(194)	18	34	(138)	(41)	(96)
Revaluation of infrastructure assets	2,698	0	0	3,350	0	0	3,164	0	0	2,311
Total comprehensive income	2,474	(235)	(14)	3,215	(194)	18	3,198	(138)	(41)	2,215
Cash surplus / (deficit) from operations	426	446	999	619	561	773	858	687	785	794

Table 39: Comprehensive revenue and expenses – Stormwater (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	190	198	209	528	303	236	578	361	459	410
Total revenue	190	198	209	528	303	536	578	361	459	410
Operating expenses	82	52	43	32	33	34	35	36	37	38
Finance costs	0	0	0	0	0	0	0	0	0	0
Overheads and support costs	27	17	15	11	11	11	11	11	12	12
Depreciation & amortisation	321	320	320	350	350	350	378	378	378	406
Total expenses	430	390	378	393	394	396	425	426	427	455
Net surplus / (deficit)	(240)	(192)	131	135	(91)	141	154	(64)	32	(45)
Revaluation of infrastructure assets	069	0	0	492	0	0	380	0	0	283
Total comprehensive income	450	(192)	131	627	(16)	141	534	(64)	32	238
Cash surplus / (deficit) from operations	81	128	451	485	259	491	532	314	411	361

Table 40: Comprehensive revenue and expenses - Water Service (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Total revenue	4,023	4,847	5,586	5,869	5,826	6,474	6,755	6,451	6,823	7,106
Operating expenses	1,502	1,624	1,581	1,654	1,764	1,762	1,778	1,853	1,862	2,026
Finance costs	345	455	495	605	099	099	099	099	099	099
Overheads and support costs	1,221	1,731	1,775	1,827	1,924	1,991	2,034	2,128	2,222	2,325
Depreciation & amortisation	1,657	1,710	1,749	1,961	1,991	1,994	2,173	2,176	2,181	2,350
Total expenses	4,725	5,519	5,601	6,047	6,339	6,407	6,645	6,817	6,925	7,361
Net surplus / (deficit)	(702)	(672)	(14)	(179)	(512)	29	110	(365)	(102)	(255)
Revaluation of infrastructure assets	6,741	0	0	8,328	0	0	7,516	0	0	5,208
Total comprehensive income	6:039	(672)	(14)	8,149	(512)	67	7,626	(365)	(102)	4,953
Cash surplus / (deficit) from operations	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095

6.1.3. Projected Statement of Cashflows

Table 41: Statements of Cashflows - Drinking Water (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	448	464	618	629	629	797	893	808	884	940
Net cashflows from operating activities	448	464	618	629	629	797	893	808	884	940
Cashflows from investment activities										
Capital expenditure	(2,140)	(2,229)	(4,092)	(2,866)	(2,842)	(322)	(297)	(188)	(458)	(197)
Net cashflows from investment activities	(2,140)	(2,229)	(4,092)	(2,866)	(2,842)	(322)	(297)	(188)	(429)	(197)
Cashflows from financing activities										
New borrowings	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Net increase/(decrease) in cash & cash equivalents	308	235	(1,474)	(187)	(2,183)	475	596	621	455	743
Cash and cash equivalents at beginning of year	3,196	3,504	3,739	2,265	2,077	(106)	369	964	1,585	2,041
Cash and cash equivalents at end of year	3,504	3,739	2,265	2,077	(106)	369	964	1,585	2,041	2,784

Table 42: Statements of Cashflows – Wastewater (\$000)

	FY24/25	FY25/26 FY26/27 FY27/28 FY28/29 FY29/30	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33 FY33/34	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	426	446	999	619	561	773	828	289	785	794
Net cashflows from operating activities	426	446	999	619	561	773	828	687	785	794
Cashflows from investment activities										
Capital expenditure	(292)	(1,742)	(2,163)	(1,878)	(1,371)	(1,812)	(1,515)	(1,369)	(1,505)	(1,551)
Net cashflows from investment activities	(292)	(1,742)	(2,163)	(1,878)	(1,371)	(1,812)	(1,515)	(1,369)	(1,505)	(1,551)
Cashflows from financing activities										
New borrowings	0	0	0	0	0	0	0	0	0	0
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	0	0	0	0	0	0	0	0	0	0
Net increase/(decrease) in cash & cash equivalents	(339)	(1,297)	(1,497)	(1,259)	(811)	(1,039)	(657)	(684)	(721)	(757)
Cash and cash equivalents at beginning of year	2,607	2,268	971	(526)	(1,785)	(5,296)	(3,634)	(4,291)	(4,973)	(2,693)
Cash and cash equivalents at end of year	2,268	971	(276)	(1,785)	(2,596)	(3,634)	(4,291)	(4,973)	(2,693)	(6,450)

Table 43: Statements of Cashflows - Stormwater (\$000)

	FY24/25	FY25/26	FY25/26 FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	81	128	451	485	259	491	532	314	411	361
Net cashflows from operating activities	81	128	451	485	259	491	532	314	411	361
Cashflows from investment activities										
Capital expenditure	0	0	(275)	(240)	0	(221)	(230)	0	(82)	0
Net cashflows from investment activities	0	0	(275)	(240)	0	(221)	(230)	0	(82)	0
Cashflows from financing activities										
New borrowings	0	0	0	0	0	0	0	0	0	0
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	0	0	0	0	0	0	0	0	0	0
Net increase/(decrease) in cash & cash equivalents	81	128	176	245	259	270	303	314	326	361
Cash and cash equivalents at beginning of year	491	572	200	877	1,122	1,381	1,651	1,953	2,268	2,593
Cash and cash equivalents at end of year	572	700	877	1,122	1,381	1,651	1,953	2,268	2,593	2,954

Table 44: Statements of Cashflows – Water Service (\$000)

Cashflows from	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cash surplus / (deficit) from operations	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095
	955	1,037	1,735	1,783	1,479	2,060	2,283	1,811	2,079	2,095
Cashflows from investment activities										
	(2,905)	(3,971)	(6,530)	(4,983)	(4,214)	(2,355)	(2,041)	(1,557)	(2,019)	(1,748)
Net cashflows from investment activities	(2,905)	(3,971)	(6,530)	(4,983)	(4,214)	(2,355)	(2,041)	(1,557)	(2,019)	(1,748)
	2,000	2,000	2,000	2,000	0	0	0	0	0	24
	0	0	0	0	0	0	0	0	0	3-
	2,000	2,000	2,000	2,000	0	0	0	0	0	0
Net increase/(decrease) in cash & cash equivalents	50	(934)	(2,795)	(1,201)	(2,735)	(294)	242	254	61	347
	6,294	6,344	5,410	2,615	1,414	(1,321)	(1,615)	(1,373)	(1,120)	(1,059)
Cash and cash equivalents at end of year	6,344	5,410	2,615	1,414	(1,321)	(1,615)	(1,373)	(1,120)	(1,059)	(712)

#### 6.1.4. Projected statement of financial position

Table 45: Statements of Financial Position – Drinking Water (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	3,504	3,738	2,265	2,077	(106)	369	964	1,585	2,041	2,784
Infrastructure assets	20,894	22,414	25,757	32,251	34,207	33,641	36,939	36,154	32,606	37,363
Total assets	24,398	26,152	28,021	34,329	34,101	34,009	37,903	37,740	37,647	40,146
Liabilities										
Borrowings - non-current portion	9000'9	8,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total liabilities	6,000	8,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
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Net assets	18,398	18,152	18,021	77,329	101,22	57,009	25,903	72,740	75,647	28,14b
Equity										
Revaluation reserve	10,658	10,658	10,658	15,144	15,144	15,144	19,116	19,116	19,116	21,730
Other reserves	7,740	7,494	7,363	7,185	6,957	6,865	6,787	6,624	6,531	6,416
Total equity	18,398	18,152	18,021	22,329	22,101	22,009	25,903	25,740	25,647	28,146

Table 46: Statements of Financial Position – Wastewater (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	2,268	971	(226)	(1,785)	(2,596)	(3,634)	(4,291)	(4,973)	(5,693)	(6,450)
Infrastructure assets	17,145	18,207	19,690	24,164	24,781	25,837	29,692	30,236	30,915	33,888
Total assets	19,413	19,178	19,164	22,379	22,185	22,203	25,401	25,263	25,222	27,437
Liabilities										
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	0	0	0	0
Net assets	19,413	19,178	19,164	22,379	22,185	22,203	25,401	25,263	25,222	27,437
Equity										
Revaluation reserve	8,938	8,938	8,938	12,288	12,288	12,288	15,452	15,452	15,452	17,763
Other reserves	10,475	10,240	10,226	10,091	6,897	9,915	9,949	9,811	9,770	9,674
Total equity	19,413	19,178	19,164	22,379	22,185	22,203	25,401	25,263	25,222	27,437

Table 47: Statements of Financial Position – Stormwater (\$000)

	FY24/25	FY25/26	FY26/27	FY26/27 FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	572	700	877	1,122	1,381	1,651	1,953	2,268	2,593	2,954
Infrastructure assets	6,339	6,019	5,974	6,356	6,005	5,876	6,107	5,729	5,436	5,313
Total assets	6,911	6,719	6,850	7,477	7,386	7,527	8,061	7,997	8,029	8,267
Liabilities										
Borrowings - non-current portion	0	0	0	0	0	0	0	0	0	0
Total liabilities	0	0	0	0	0	0	0	0	0	0
Net assets	6,911	6,719	6,850	7,477	7,386	7,527	8,061	7,997	8,029	8,267
Equity										
Revaluation reserve	3,802	3,802	3,802	4,294	4,294	4,294	4,674	4,674	4,674	4,957
Other reserves	3,110	2,918	3,049	3,184	3,093	3,233	3,387	3,323	3,355	3,311
Total equity	6,911	6,719	6,850	7,477	7,386	7,527	8,061	7,997	8,029	8,267

Table 48: Statements of Financial Position – Water Service (\$000)

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	6,344	5,410	2,615	1,414	(1,321)	(1,615)	(1,373)	(1,120)	(1,059)	(712)
Infrastructure assets	44,379	46,640	51,421	62,771	64,993	65,354	72,738	72,119	71,957	76,563
Total assets	50,722	52,050	54,036	64,185	63,673	63,739	71,365	71,000	70,898	75,851
Liabilities										
Borrowings - non- current portion	9000'9	8,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Total liabilities	000'9	8,000	10,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Net assets	44,722	44,050	44,036	52,185	51,673	51,739	59,365	29,000	58,898	63,851
	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Equity										
Revaluation reserve	23,398	23,398	23,398	31,726	31,726	31,726	39,242	39,242	39,242	44,450
Other reserves	21,325	20,652	20,638	20,459	19,947	20,013	20,123	19,758	19,626	19,401
Total equity	44,722	44,050	44,036	52,185	51,673	51,739	59,365	29,000	58,898	63,851

#### 6.1.5. Water Services Metrics

Table 49: Water Service Metrics

Metrics	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Rates increase	21.6%	21.7%	3.0%	9.5%	2.9%	1.8%	3.9%	3.2%	2.0%	9.1%
Operating revenue increase	15.2%	20.5%	15.3%	5.1%	-0.7%	11.1%	4.4%	-4.5%	2.8%	4.1%
Operating expenses increase	0.5%	23.2%	0.1%	3.7%	2.9%	1.8%	1.6%	4.4%	7.6%	6.5%
Depreciation rate	4.6%	3.9%	3.8%	3.8%	3.2%	3.1%	3.3%	3.0%	3.0%	3.3%
Effective interest rate	%6.9	6.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Net debt to operating revenue	-8.5%	53.4%	132.2%	180.4%	228.6%	210.3%	198.0%	203.4%	191.4%	178.9%
FFO to net debt	-277.8%	40.1%	23.5%	16.8%	11.1%	15.1%	17.1%	13.8%	15.9%	16.5%

## 6.1.6. Risks and Constraints related to Financially Sustainable Water Services

Table 50: Risks and Constraints

Risk	Mitigation
Actual inflation is higher than projected, which also impacts interest borrowing rates	Through budget reviews for the Annual Plans and the next Long Term Plan 2027-2037, both operational and asset renewal expenditure will be reviewed and adjusted to reflect external impacts of inflation.  While Council does not have high levels of debt, there is a risk that the interest rates may increase significantly. The current water loans that Council have are fixed with maturity dates of May 2028 and April 2029, which does mitigate the impacts of interest rate changes. As with inflation fluctuations, the interest costs will be reviewed as part of budget reviews for the Annual Plans and Long Term Plans.
Revaluation of infrastructure assets significantly impacts depreciation expenditure.	Council has a revaluation of infrastructure assets as at 30 June 2025, which the Valuers are currently completing. The Long Term Plan and the Water Services Delivery Plan account for increases in depreciation due to an increase in the valuation of water infrastructure assets. There is a risk that the movement in asset values and depreciation expenses will be greater or lower than forecasted. As Council moves to fully fund the water services depreciation, if there are significant increases to depreciation this will impact the rates requirement.
Network Performance or Unexpected water asset failure due to deterioration of assets	Council has completed and continues to complete significant asset renewals for both water reticulation and treatment plant systems. This investment reduces the risk of future system failures.  Council's Asset Management Plans, with key data on infrastructure conditions, are of assistance in management of any failure risks.  Regular asset performance monitoring and maintenance also helps with management of this risk.
Legislative changes and uncertainties	Council operations are set to meet current legislative requirements. There is a potential risk that new or changing regulatory requirements impacts the current situation. Any changes could potentially require additional levels of services, processes, systems or upgrades not currently anticipated or budgeted, that could increase expenditure and debt.  The intended implementation of a legislative requirement of a rates cap could impact on the ability for Council to continue increasing the level of depreciation funding or funding increasing interest costs which directly increases the overall rates requirement.

Risk	Mitigation
Natural Disasters could cause damage	The major disaster risks are earthquake and/or storm damage as Kawerau is not situated by the coast.
to water infrastructure and financial pressure to fund repairs.	Council currently has infrastructure insurance that would assist in funding any significant repairs should key infrastructure be damaged through a natural disaster.
	Council as a whole, does have additional loan capacity should loan funding be required.
	From an operational perspective Council have business as usual (continuity) planning in place, and back up options such as generators to keep infrastructure working.
	The major risk is earthquake and/or storm damage as Kawerau is not situated by the coast.
In-house Business Transition Complexities	There is a low risk that transitioning to the arm's length water services business unit may have unforeseen complexities and require additional resources. Planning and collaboration will be carried out to mitigate this risk. Council has appropriate technical resources to carry this out.
Responding to Growth	There is low risk that population growth will be significant. Council has excess capacity for water and wastewater to support residential growth. The growth projections are small and can be serviced within Council's current capacity. Also, mitigating growth is the small geographic area of the district.

#### Internal Affairs Te Tari Taiwhenua

### Water Services Delivery Plan **Assessment**

## Assessment Report – Kawerau District Council

#### Glossary and abbreviations

The table below sets out the abbreviations used in this report

	Abbreviation
Asset Management Plans	AMP
Capital expenditure	capex
Department of Internal Affairs	Department
Drinking Water Quality Assurance Rules	DWQAR
Funds from operations	FFO
Kawerau District Council	KDC
In-house business unit	IBU
Levels of service	SOT
Local Government Funding Agency	LGFA
Local Government (Water Services Preliminary Arrangements) Act 2024	Preliminary Arrangements Act
Long-term plan	LTP
Water services council-controlled organisation	WSCCO
Water services delivery plan	Plan

#### **Assessment Cover Sheet**

## Background on council/s and engagement with the Department

Detail	Commentary
Councils involved in plan	Kawerau District Council
Number of connections	Drinking water: 2,917
	Wastewater: 2,922
	Stormwater: Approximately 2,922 properties.
DIA comment on council engagement during Plan development process	<ul> <li>In a December 2024 meeting between the Department and KDC, KDC indicated that the preference of elected members was likely to be retaining water service delivery in-house. Capital value-based charging, and consultation requirements for the Plan and LTP were also discussed.</li> </ul>
	<ul> <li>In January 2025, the Department provided a draft information document to KDC, Öpötiki District Council, Rotorua Lakes District Council, Whakatāne District Council, Tauranga City Council and Western Bay of Plenty District Council on the financial viability of a Bay of Plenty WSCCO. In February 2025, the Department met with the Chief Executives of KDC, Whakatāne, Öpötiki, and Rotorua Lakes District Councils to discuss analysis of a four council sub-regional grouping, primary financial benefits and implementation approaches available. The analysis confirmed the four-council model would likely be financially sustainable.</li> </ul>
	• In May 2025, the Chief Executive of KDC updated the Department on KDC's position, noting it maintained significant debt headroom and high LOS.
	• Following public consultation, on 18 June 2025, KDC resolved that an IBU was its preferred delivery model.
	<ul> <li>On 28 August 2025, the KDC, Whakatāne, Öpōtiki, and Rotorua Lakes District Councils wrote to the Department seeking assistance to explore the development of a multi-council WSCCO.</li> </ul>
	• The final Plan was submitted on 3 September 2025.
	<ul> <li>On 19 September 2025, the Department held a workshop with KDC and Whakatāne, Öpōtiki and Rotorua Lakes district councils, to assist with progressing their investigation of a joint WSCCO arrangement.</li> </ul>

Detail	Commentary
Feedback provided to council prior to submission on draft Plan	<ul> <li>KDC provided the Department with a draft Plan for review on 7 August 2025. The Department responded on 15 August 2025 with feedback stating that from the assessment of the draft, the Department did not identify any material issues.</li> </ul>
Engagement with council during review and assessment process	N/A
Other Background Comments	N/A

#### **Assessment Summary**

Section	Commentary
Confirmation of submission completeness checklist	Yes – all required components completed.
General Comment on Plan	The Plan demonstrates financial sustainability, with sufficient revenue to cover costs and sufficient investment to meet regulatory standards and requirements.
Financial Sustainability Comment	The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover the long-term investment that meets the LOS, regulatory requirements and provides for growth. The implementation plan refers to the LTP for the actions for water service functions to remain financially viable. The Plan also provides sufficient details on the risks and constraints.
Revenue Sufficiency	The average projected residential charges for water services rise from \$837 to \$2,195 over 10 years, showing a 12.8% increase. Every year has a projected operating cash surplus for water services and there are projected operating surpluses in 2029/30 and 2030/31. Deficits are projected in the other eight years of the Plan due to funding depreciation.
Investment Sufficiency	The Plan demonstrates investment is sufficient to meet the requirements for growth, LOS and compliance. Investment is consistent with AMP and Infrastructure Strategy. Asset life remains stable due to expenditure on renewals, LOS and growth projects.
Financing Sufficiency	The Plan confirms sufficient funding and financing can be secured to deliver water services. Projected borrowings for water services are \$12m over 10 years. The Plan shows that the whole of council borrowings stays within LGFA's borrowing limit of 280% and an internal limit of 175% of net debt to revenue, and the projected water services borrowings stay within KDC's limit of 280%. There is also sufficient borrowing headroom for water services throughout the Plan. We note that in 2025/26 the projected water services FFO is over 12% so it could support a standalone water services organisation. This ratio is achieved through KDC's proposed pricing strategy.
Overall assessment recommendation	The overall recommendation from the assessment phase is to <b>accept</b> the plan from KDC.

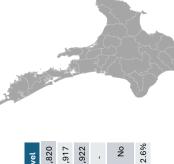
#### Issues for discussion with panel

Issue	Description	Recommended treatment
Average projected residential charges for water services	The average projected residential charges for water services rise from \$837 to \$2,195 over 10 years, showing a 12.8% increase.	We recommend that the pricing strategy is monitored during implementation.
	However, water charges remain affordable and are between 0.9% and 2.1% of median residential household income throughout the Plan.	

## IN CONFIDENCE Water Services Delivery Plan Summary Analysis – Kawerau District Council - IBU

#### Council summary infor

Summary information	Level
Current population	7,820
Drinking water connections	2,917
Wastewater connections	2,922
Stormwater connections	٠
High growth council	o Z
10 year population growth	2.6%



rmation Affordability and growth	Waterservices charge compare to national LTP average	4500 4000 3500 3000 2500 1500 1000 500	24/25 25/26 26/27 27/28 28/29 29/30 30/31 31/32 32/33	3WNational LTP average (excl Watercare)
	TP average		30/31 31/32	rage (excl Wate

						No.
0	7	2	0	%		

25/26 26/27 27/28 28/29 29/30 30/31 31/32 32/33 33/34

**Financing** Net debt to operating revenue

250% 200% 150% 100% 20% %0

#### Assets, network and compliance

Asset measures	Year 1	Year 10	10 Year Average
Total assets per connection (\$)	15,201	25,215	21,081
Total debt per connection (\$)	2,055	3,952	3,621
Operating costs per connection (\$)	514	299	584
Age of network (years)	MQ	ww	SW
Average age outlined in plan	20	51	26

Age of network (years)	2	<b>A</b>	<u></u>
Average age outlined in plan	20	51	26
Network performance		Level	vel
Level of service performance measures achieved	pə	91.	91.7%

-20%

Network performance	Level
Level of service performance measures achieved	91.7%
Water loss rate	30%
Average consumption (litres per person per day)	440
Compliance addressed in the Plan	
Drinking water compliance	Yes
Resource consent compliance	Yes

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vices charge compare to national LTP average	Item	Year 1	Year 1 Year 10	
	Total charge as % of median income	%06.0	2.10%	
	Annual price increase	N/A	12.70%	
	DC collected pernew connection (\$)	0	0	

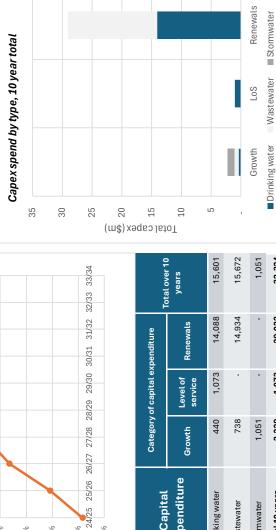
10 Year Average

1.52%

12.82%

0

ltem	Year 1	Year 10	10 Year Average
Water related net debt to operating revenue %	%6-	179%	157%
FFO to debt	-277.8%	16.5%	-10.8%
Whole of Council net debt to revenue (approx)	10%	15%	13%



Canital	Category	Category of capital expenditure	spenditure (	475
expenditure	Growth	Level of service	Renewals	years
Drinking water	440	1,073	14,088	15,601
Wastewater	738	•	14,934	15,672
Stormwater	1,051	٠	•	1,051
Total 10 years	2,229	1,073	29,022	32,324

Total over 10 Otal C		15,601	15,672	1,051 Growth	32.324
				Growth	
				LoS	Wastewater
				ш.	Stor

### Assessment Report: Part A – Statement of financial sustainability, delivery model, implementation plan and assurance

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Delivery model and implementation	nplementation			
Financially sustainable water services provision	The Plan states the KDC water service, as a ring-fenced IBU, is financially sustainable and will remain financially sustainable under projected costs and income models in the 2025-2034 LTP.	The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover long-term investment that meets the LOS, regulatory requirements and provides for growth.	Meets requirements	N/A
The proposed model to deliver water services	KDC proposes to deliver water services through an IBU model. KDC resolved to continue to explore collaboration options and opportunities with Rotorua Lakes Council, Whakatāne District Council and Õpōtiki District Council.  Operation of the water services will be transferred to the IBU on 1 July 2026 with continued support from other council staff. The IBU will operate as a fully independent business unit from 1 July 2028.	The proposed model for an IBU to deliver water services is clear, with a transition from the current arrangements from 1 July 2026.  The organisation structure is unchanged with governance proposed via the council committee structure.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Implementing the proposed service delivery model	The following key milestones to achieve full ringfencing and compliance with legislation are:	The implementation plan includes all the information required in section 13(2) of the Preliminary Arrangements Act.	Meets requirements	A/N
		The implementation plan outlines key milestones and dates with sufficient detail.		
	<ul> <li>1 July 2026 – Water services operations will be transferred to an IBU on 1 July 2026, with continued support from other council departments and functions;</li> </ul>			
	<ul> <li>30 June 2027 – A separate Water Services LTP 2027-37 and concurrent separate Infrastructure Strategy will be developed and implemented for the year commencing 1 July 2026;</li> </ul>			
	<ul> <li>1 July 2028 – Establishment of independent water services IBU;</li> </ul>			
	<ul> <li>1 July 2029 – All tobies upgraded and available to install meters; and</li> </ul>			
	<ul> <li>1 July 2033 – Transition to fully fund water services from targeted rates completed.</li> </ul>			
	Alongside this, KDC resolved to continue to explore collaboration options. The process for development of a multi-owned WSCCO is expected to commence late 2025 via a Waters Working Group with representatives from KDC, Rotorua Lakes District Council, Whakatāne District Council and Ōpōtiki District Council. A decision on whether to join a WSCCO is expected in early 2027.			

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	Consultation on two water services delivery options – an IBU and multi-owned WSCCO – from 11 April 2025 to 23 May 2025. Consultation was carried out in parallel with the 2025-2034 LTP consultation process.  KDC received 107 responses from the community and four responses from industry and commercial businesses. No initial responses were received from iwi, however subsequently Tūwharetoa Settlement Trust (BOP) have strongly endorsed KDC's IBU option.  Of the 107 community submissions received, 96% supported the IBU model, 1.9% supported the multicouncil owned company, and 1.9% did not state a preference.	Consultation was carried out in accordance with the Preliminary Arrangements Act. The number of submissions represents approximately 1.4% of the population in the district.	Meets requirements	N/A
Assurance and adoption of the plan	on of the plan			
Council resolution to adopt the Plan	KDC adopted the Plan on 3 September 2025.	N/A	Meets requirements	N/A
Certification of the Chief Executive of KDC	The Chief Executive certified the Plan on 3 September 2025.	N/A	Meets requirements	N/A

## Assessment Report: Part B - Network Performance

Section in Dart B	Summary of content in Plan	Accecement Review Comment	Assessment	Focus for panel
Investment required in water services	water services			
Serviced population and serviced areas	KDC has one drinking water and one wastewater scheme. Stormwater only comprises road run-off as all properties dispose of stormwater to soakage on-property.  Population growth is less than three percent over the 10-year period. A new industrial area has been developed.  Performance measures have generally been met, with water loss below the target (<600 litres per connection) and water consumption of 440 litres per person per day. Dirty water complaints have reduced following the shutdown of one spring supply.	The Plan provides detailed information on service areas, connections and growth. Growth investment is approximately \$19,000 per new connection. 117 new connections are expected over the next 10 years. There is currently spare capacity in the network and treatment plants.  LOS are met.  Water loss is being targeted by the renewals programme and residential connections are being made ready for the installation of meters at a future date.	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	The average age of network assets is:  • Drinking water assets: 20 years  • Wastewater assets: 51 years  • Stormwater assets: 56 years.  All above and below ground assets have condition ratings with none recorded as being in poor or very poor condition. The networks were installed from 1955 onwards. Renewals in recent years have focused on areas of the town which are in a poor condition due to geothermal conditions.	The condition and performance information provided in the Plan is suitable to enable planning of maintenance, renewals and capital and operating expenditure in the long term. Critical assets are identified, and the condition assessment programme is on-going.	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Asset management approach	All water services are currently managed and executed internally by KDC through its own personnel. KDC employs in-house asset management and project management staff to manage and maintain all infrastructure and supply systems. For specialised engineering services, external consultants and contractors are engaged as necessary. Major infrastructure upgrades, replacements, and installations are predominantly contracted out to external firms.  Asset management systems are in place. The Plan states KDC evaluates assets earmarked for renewal based on age and anticipated lifespan, conducting visual inspections, sampling, failure history and CCTV assessments to determine which segments need replacement or relining.	The Plan provides detailed information on KDC's asset management process. The asset maturity assessment was independently assessed in 2017 and improvement actions were completed by 2024 to close gaps to intermediate-level practice.	Meets requirements	N/A
Statement of regulatory compliance	Treatment and network currently comply with DWQAR. KDC plans to install manganese removal for one of the spring sources to reduce dirty water complaints (supply currently not used). Kawerau's water has been fluoridated since 2024.  No non-compliances or enforcement actions are reported in the Plan. Kawerau's principal water sources are the borefield in Tarawera Park and two springs. The borefield water take consent expires in 2026. The water take consents for the two springs expired in 2012, and a new comprehensive water take consent was submitted in 2024.  Wastewater discharge and biosolids processing consents will be renewed during 2032.  There are seven stormwater discharge consents (one is expired and five expire in the next 10 years).	Water supply is compliant and investment to address aesthetic issues with manganese is provided.  Appropriate investment has been provided to maintain compliance with resource consents. Treated wastewater discharges to a rapid infiltration system. Requirements of the wastewater environmental performance standards will be considered prior to the expiry of the discharge consent in 2032. Budgets are provided for consent renewals.	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Capital expenditure required to deliver water services and ensure that water services comply with regulatory	Growth capex is provided for two small residential developments. There is significant spare capacity in the treatment plants and network. Over the 10 years of the Plan, pipe replacement will focus on asbestos cement water mains (during the first five years) and older wastewater pipes.	Appropriate investment has been provided for renewals, growth and LOS.	Meets requirements	N/A
Historical delivery against planned investment	94% of planned investment has been delivered on average over the last seven years. Actual investment has typically been about \$2.3m per year.	There is a modest uplift in the capex programme (approximately 40%) over the life of the Plan, with a peak in 2026/27-2028/29. External resources will be brought in to support the delivery of major projects.	Meets requirements	N/A

# Assessment Report: Part C - Revenue and financing arrangements

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Revenue and charging arrangements	arrangements			
Charging and billing arrangements	Current and proposed charges are stated in the Plan. Council is currently phasing-in the funding of its water and wastewater services totally from targeted rates (fully funded by FY 2033/34).	Charging and billing arrangements are outlined in the Plan.	Meets requirements	N/A
Water services revenue requirements and sources	Operating revenue is broken down by sources as well as by activity.	The Plan provides sufficient details on water services revenue requirements and sources.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	Charges for commercial and industrial properties are outlined in the Plan and some charges increase more than tenfold over the planning period.	Commercial and industrial property increases are high to start as they are off a low base, but this is not material over the Plan.	Meets requirements	N/A
The affordability of projected water services charges for communities	Water charges will remain between 0.9% and 2.1% of median residential household income throughout the Plan.	The affordability of projected water services charges meets the Department's guidance of 2.5% of median household income.	Meets requirements	N/A
Funding and financing arrangements	arrangements			
Water services financing requirements and sources	The Plan confirms that borrowing will be through LGFA.	Water services financing requirements and sources are outlined in the Plan.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	There are no internal borrowing arrangements.	KDC do not have any internal borrowing arrangements.	Meets requirements	N/A
Determination of debt attributed to water services	All council loans were raised to fund the water supply reticulation replacement works. The council has no other loans.	The determination of debt attributed to water services is Meets clearly outlined in the Plan.	Meets requirements	N/A
Insurance arrangements	KDC has the appropriate insurance in place to cover the replacement and/or repair of buildings, infrastructure and other water services assets that are damaged due to a disaster.	There are sufficient details on the insurance arrangements for water services.	Meets requirements	N/A

# Assessment Report: Part D - Financial sustainability assessment

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Financially sustainable	Financially sustainable water services provision			
Confirmation of financially sustainable delivery of water services by 30 June 2028	The Plan confirms that the proposed delivery of water services via a ringfenced IBU financially sustainable, and will remain financially sustainable under projected costs and income models over the planning period.	The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover the long-term investment that meets the LOS, regulatory requirements and provides for growth.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	None required.	No further actions beyond those in the Plan are required to become financially sustainable.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risks and constraints to achieving financially sustainable delivery of water services are outlined in the Plan, with mitigations that are appropriate to the risks considered.	The Plan provides sufficient details on the risks and constraints.	Meets requirements	N/A
Assessment of revenue sufficiency	e sufficiency			
Projected water services revenues cover the projected costs of delivering water services	The projected revenue is less than projected expenditure for most of the ten years of the Plan, as KDC is committed to fully funding depreciation with a transitional approach.	The Plan's projected water services revenues cover the projected costs of delivering water services excluding depreciation.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Average projected charges for water services over 2024/25 to 2033/34	The average increase per residential connection is 12.8% over the 10 years of the Plan. Average projected residential charges for water services rise from \$837 in year one to \$2,195 in year 10.  Commercial and industrial property charges are also shown, however at a per unit level rather than average, due to the large differences.	The average projected residential charges for water services rise from \$837 to \$2,195 over 10 years, showing a 12.8% increase. Increases in charges could create a revenue collection risk. We recommend the pricing strategy is monitored during implementation.	Meets requirements	Yes
Projected operating surpluses/(deficits) for water services	An operating deficit is projected in eight of the ten years covered. This ranges between 17.5% and 1.6%. There are projected operating surpluses for water services in 2029/30 and 2030/31.	Deficits projected in eight years of the Plan are due to funding depreciation.	Meets requirements	N/A
Projected operating cash surpluses for water services	There is sufficient operating cash surplus. The operating cash ratio for the combined 10 years of the Plan is 38%; ranging between 30.8% and 43.6%.	Every year of the Plan has a projected operating cash surplus for water services.	Meets requirements	N/A
Assessment of investment sufficiency	lent sufficiency			
Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth	A total of \$32m capex is identified over the 10 years of the Plan.	The Plan demonstrates that investment is sufficient to meet the requirements for growth, LOS and compliance.	Meets requirements	N/A
Renewals requirements for water services	The asset sustainability ratio is positive for the first five years of the plan and slightly negative for the last five years. This reflects the focus on the water network renewals over the first five years.	Investment is consistent with AMP and Infrastructure Strategy.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	The asset investment ratio varies over the period. Upfront investment is to service growth and LOS investment.	Investment is consistent with AMP and Infrastructure Strategy.	Meets requirements	N/A
Average remaining useful life of network assets	Asset consumption ratio is stable.	Remaining asset life is stable due to expenditure on renewals, LOS and growth projects.	Meets requirements	N/A
Assessment of financing sufficiency	ıg sufficiency			
Confirmation that sufficient funding and financing can be secured to deliver water services	Financing and borrowing headroom are calculated against debt to revenue ratio.	The Plan confirms sufficient funding and financing can be secured to deliver water services.	Meets requirements	N/A
Projected council borrowings against borrowing limits	The total council net debt to operating revenue, including water services debt, does not exceed 55% during the planning period.	The Plan shows that the whole of Council borrowings stays within LGFA's borrowing limit of 280% of net debt to revenue.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	Water services borrowing will peak around 2028/29 and remain within internal policy borrowing limits, which has been set to 280%.	The Plan shows that the projected water services borrowings stay within KDC's limit of 280% and an internal limit of 175% of net debt to revenue.	Meets requirements	N/A
Projected borrowings for water services	Net debt attributed to water services goes up for the first five years but then goes down again.  Net debt to operating revenues peaks at 229% in 2028/29 and ends the planning period at 179%.	Projected borrowings for water services are \$12m over the 10 years of the Plan.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Borrowing headroom calculated against debt revenue. There is sufficient headroom throughout the planning period.	There is sufficient borrowing headroom for water services throughout the Plan.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Free funds from operations	FFO in the first year is negative, however this is due to total net debt being negative. Otherwise, it fluctuates between 40.0% and 11.1%; and ends the planning period at 16.5%.	FFO is not assessed for an IBU. However, we note that in 2025/26 the projected water services FFO is over the 12% which could support a standalone water services organisation. KDC achieves this because of its proposed pricing strategy.	N/A	N/A
Assessment of financing sufficiency	The funding and financing arrangements in the Plan are sufficient to meet financing requirements.	The Plan confirms sufficient funding and financing can be secured to deliver water services.	Meets requirements	N/A

## Assessment Report: Part E - Projected financial statements for water services

Section in Part E	Summary of content in Plan	Assessment Review Comment	Focus for panel
Projected funding impact statement	The projected funding impact statement is shown for individual waters as well as combined water services.	Meets requirements.	N/A
Projected statement of comprehensive revenue and expense	The statement of comprehensive revenue and expenses is shown for individual waters as well as combined water services.	Meets requirements.	N/A
Projected statement of cashflows	Cashflows are shown for individual waters as well as combined water services.	Meets requirements.	N/A
Projected statement of financial position	The balance sheet is shown for individual waters as well as combined water services.	Meets requirements.	N/A

# Assessment Report: Part E - Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan pages 104 - 107

Projected statement of financial position Water Services Delivery Plan pages 112 - 115

Financial measures: revenue sufficiency Water Services Delivery Plan pages 84 - 85 Financial measures: investment sufficiency Water Services Delivery Plan pages 85 - 87

Financial measures: financing sufficiency Water Services Delivery Plan pages 87 - 88

## Assessment Report: Water Service Delivery Plan - Additional information

Additional information	Summary of content in Plan	Assessment Review Comment	Focus for Panel
Additional disclosures to support Plan	N/A	N/A	N/A
Significant capital projects	The projected capital investment for the three water services described in the LTP are listed in a table under the Capital Expenditure section of the Plan.	Meets requirements	N/A
Key issues, constraints, risks and assumptions	Key risks and mitigations are provided in the Plan.	Meets requirements	N/A