



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/26182

25 June 2026

Notice of Meeting

Notice is hereby given that, the **Water Services** Committee Meeting will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford**, on **Tuesday 30 June 2026**, beginning at **2.00pm**.

The timetable is as follows:

2.00pm	Water Services Committee
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Yours faithfully

Sven Hanne
Chief Executive

Agenda – Water Services Committee – June 2026

30 June 2026 02:00 PM



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AGENDA

Waters Services Committee



F25/96/005 – D26/22375

Date: Tuesday 30 June 2026 at 2.00PM
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome

- 1.1 **Opening Karakia**
D21/40748 Page 5
- 1.2 **Health and Safety Message**
D21/26210 Page 6

2. Apologies

3. Announcements

4. Declarations of members interest

Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. Information Report - Stratford Waters Internal Business Unit - Establishment Update

D26/22101 Page 7

Recommendations

THAT the report be received.

Recommended Reason

The report provides the Committee with an update on the establishment programme of the Stratford Waters Internal Business Unit.

Moved/Seconded

6. Information Report - Appointment of an Independent Chairperson to the Water Services Committee

D26/22358 Page 12

Recommendations

THAT the report be received.

Recommended Reason

This report provides the Committee with the proposed criteria that will be used to support the Mayor's appointment of an independent Chairperson, congruent with the Committee's Terms of Reference and Council's approved Water Services Delivery Plan.

Moved/Seconded

7. Information Report - Appointment of a Mana Whenua Representative to the Water Services Committee
D26/22515 Page 32

Recommendations

THAT the report be received.

Recommended Reason

This report provides the Committee with the proposed approach that will be used to support the appointment of a Mana Whenua Representative, congruent with the Committee's Terms of Reference and Council's approved Water Services Delivery Plan.

Moved/Seconded

8. Questions

9. Closing Karakia

D21/40748 Page 37



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

INFORMATION REPORT



F25/96/004 – D26/22101

To: Water Services Committee
From: General Manager - Water Services
Date: 30 June 2026
Subject: Stratford Waters Internal Business Unit - Establishment Update

Recommendations

THAT the report be received.

Recommended Reason

The report provides the Committee with an update on the establishment programme of the Stratford Waters Internal Business Unit.

/_____
Moved/Seconded

1. Purpose of Report

1.1 The purpose of this report is to update the Committee of current workstreams, activities, and key matters under the Stratford Waters Internal Business Unit establishment programme.

2. Executive Summary

2.1 This report provides the Water Services Committee with a high-level overview of the proposed transition programme, including the key workstreams, governance milestones, statutory deliverables, and programme controls required to support Day 1 readiness. The programme has been structured across nine integrated workstreams to ensure appropriate oversight of the financial, operational, statutory, workforce, customer, digital, risk, and governance requirements associated with establishing SWIBU.

2.2 At a governance level, the focus is on ensuring that the transition remains aligned with the Water Services Delivery Plan, the 2027/37 Long Term Plan, the first Water Services Strategy, and the statutory planning and reporting requirements under the Local Water Done Well framework. Particular emphasis will be placed on financial ring-fencing, statutory compliance, internal service level agreements, workforce capability, customer continuity, system readiness, and operational preparedness.

2.3 The transition programme will be reported through both operational and governance channels. The Project Steering Group will monitor detailed delivery, risks, issues, dependencies, and task-level progress, while the Water Services Committee will receive milestone-based reporting focused on programme assurance, key decisions, statutory readiness, material risks, and progress toward the 1 July 2027 go-live date.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:		Yes	
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

3.1 The Stratford Waters Internal Business Unit (SWIBU) will be Council's future operating model for three waters service delivery. Establishment of the SWIBU traverses all four well-beings.

4. Background

4.1 Water Services Delivery Plan

4.1.1 Pursuant to the Local Government (Water Services Preliminary Arrangements) Act 2024, Council approved the Water Services Delivery Plan (WSDP) on 26 August 2025. The WSDP outlined Council's preferred water service delivery model, being the SWIBU, and a plan to implement it by 1 July 2027.

4.1.2 The Department of Internal Affairs (DIA) monitors Council's progress against the WSDP through mandatory quarterly reporting. The next quarterly report is due on 31 July 2026, which will be presented to the Committee at the next meeting.

4.2 Establishment Programme

4.2.1 A detailed Establishment Programme outlining workstreams and associated activities has been developed, which will be monitored operationally by the Water Services Steering Group.

4.2.2 The Committee will have strategic oversight over the Establishment Programme, providing guidance on alignment with the WSDP and wider Council priorities.

4.2.3 The SWIBU Establishment Programme has been structured into nine integrated workstreams to provide clear oversight of the key financial, operational, statutory, workforce, customer, digital, and governance requirements required for Day 1 readiness.

4.2.4 The workstreams are intended to keep activities clearly defined, support programme-level reporting to the Water Services Steering Group and provide the Committee with a governance-level view of progress, key risks, statutory deliverables, and decisions required through to SWIBU go-live on 1 July 2027 (**Table 1**).

Table 1: Summary of workstreams under the SWIBU Establishment Programme.

Workstream	Function and Activities
Finance and Commercial	This workstream ensures SWIBU is financially separated and sustainable, transparent, and commercially fit for purpose from Day 1. Key activity is focused on ring-fenced financial reporting, cost allocation, internal charging, debt/reserve treatment, budget alignment, financial sustainability, and service level agreements with Council functions.
Strategy, Planning, and Reporting	This workstream ensures the SWIBU transition is aligned with the Water Services Delivery Plan, the Long Term Plan, and the first Water Services Strategy.

	Key activity is focused on statutory planning, levels of service, performance measures, annual budget inputs, annual reporting readiness, and statutory publication requirements.
Legal and Statutory Compliance	This workstream provides assurance that the transition gives effect to the Local Water Done Well legislative framework and wider regulatory obligations. Key activity is focused on statutory obligation mapping, delegations, bylaws, regulatory interfaces, compliance evidence, economic regulation, and reporting requirements.
People and Workforce	This workstream ensures SWIBU has the right structure, capability, leadership, and support arrangements in place for Day 1. Key activity is focused on role clarity, maintain staff wellbeing through change, recruitment, interim resourcing, workforce transition, training, health and safety, and emergency management responsibilities.
Communications and Customer	This workstream ensures the transition is understood by customers, staff, elected members, mana whenua, regulators, and key stakeholders. Key activity is focused on clear messaging (internal and external), customer continuity, website and CRM updates, engagement planning, customer feedback processes, and Day 1 communications.
Operations and Service Delivery	This workstream ensures water supply, wastewater, and stormwater services can continue without disruption under the SWIBU model. Key activity is focused on operational handover, service delivery arrangements, contractor interfaces, standard operating procedures, incident response, renewals coordination, and Day 1 operational readiness.
Data and Digital	This workstream ensures SWIBU has reliable systems, data, and reporting tools to support decision-making, compliance, and service delivery. Key activity is focused on finance systems, asset data, GIS, SCADA, network information, data governance, and digital cutover readiness.
Programme and Risk Management	This workstream provides the central control function for the transition programme. Key activity is focused on the master programme, dependencies, risks, issues, decisions, readiness gates, Water Services Steering Group monitoring, and escalation of matters that may affect Day 1 delivery.
Governance	This workstream ensures the appropriate oversight, decision-making, accountability, and assurance arrangements are in place.

	Key activity is focused on Committee reporting, Council decision pathways, delegations, assurance reviews, milestone monitoring, and final go/no-go readiness for SWIBU Day 1.
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- 4.2.5 The Establishment Programme provides a high-level overview of the forward works programme for the SWIBU Establishment Project team (**Appendix 1**).
- 4.2.6 This is a living document that will be refined by the General Manager – Water Services in response to any changes in the delivery environment or changing interdependencies.

5. Strategic Alignment

6.1 Direction

- 5.1.1 The recommendation associated with this report are congruent with Council's Infrastructure Strategy and WSDP.

5.2 Legal Implications

- 5.2.1 The Establishment Programme is Council's mechanism of achieving the SWIBU Implementation Plan stipulated in the WSDP, which is a statutory requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024.

Attachments

Appendix 1 SWIBU Establishment Programme – 30 June 2026.



Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 24 June 2026

APPENDIX 1 — SWIBU Establishment Programme

Workstream	Jun–Jul 2026 Mobilise	Aug–Sep 2026 Design	Oct–Dec 2026 Build	Jan–Mar 2027 Refine/Integrate	Apr–May 2027 Adopt/ready	Jun 2027 Cutover	1 Jul 2027 Day 1
Finance and Commercial	Baseline planning and ring-fencing (separation) scope	Methodology for creating opening balances	SLA costing and GL separation	Financial reporting and audit pack	Budget decisions by Council	Finance cutover	Financial systems separated and live
	SLA requirements for Annual Plan	Economic regulation and financial sustainability methodology	Information disclosure requirements	Water meter billing data	Opening balances		
Strategy, Planning, and Reporting	WSS development aligned with LTP process	WSS structure and framework	First draft WSS with financial inputs	WSS conversations with WSC and Council	WSS ready for consultation	Publish WSS	WSS Operative
	Water Services Delivery Plan Quarterly Reporting	WSS early conversations	KPI framework				
Legal and Statutory Compliance	Statutory requirements register	Reporting templates and requirements	Statutory compliance pathway and funding requirements	Warrants & Delegations Register	Compliance readiness review	Compliance sign-off	Monitoring live
People and Workforce	Resource baseline	Organisational design	Staged recruitment for mission critical roles	Authorisations requirements	Offers to transferring staff	Workforce readiness	Roles active
	Transition team and specialist support requirements	Role mapping and initial consultation	Change management support for existing staff		Recruitment for Day 1 roles		
Communications and Customer	Project communication plan	Stakeholder schedule and regular updates	Water billing data reconciliation	Significance & Engagement Policy (if required)	WSS consultation documents	Website updated and stakeholders confident	Customer live
Operations and Service Delivery	Current to future state mapping	Contract governance, management, and performance arrangements	Service delivery framework in line with WSS requirements	Operational processes and plans	Operational readiness review	Operating manual	Operations live
	Operations and Maintenance Contract rollover during establishment phase			Contract rescoping (if required)		Operational contract	Contract live
Data and Digital	Systems/data baseline	Asset data governance standards	IT and OT requirements	Asset data cleansing and reconciliation	System readiness tests	Digital cutover	Systems live
Programme and Risk Management	Water Services Delivery Plan requirements translated into programme plan	Programme plan, delivery and risk management	Establishment delivery while maintaining BAU	Capacity to respond to external changes such as Simplifying Local Government	Transition from establishment phase to operational phase	Go/no-go report	Day 1 monitoring
Governance	WSC Terms of Reference and Membership	WSC and Project Steering Group oversight	Council oversight and confidence	Six-weekly reporting	WSS and SWIBU	Go/no-go recommendation from WSC to Council for decision	Governance live

Governance Milestones							
Milestone	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5	Gate 6	Day 1
Target	Baseline Jul 2026	Design Sep 2026	Build readiness Dec 2026	Consult/test Mar 2027	Adoption ready May 2027	Go/no-go Jun 2027	SWIBU live 1 Jul 2027

INFORMATION REPORT



F25/96/004 – D26/22358

To: Water Services Committee
From: General Manager - Water Services
Date: 30 June 2026
Subject: Appointment of an Independent Chairperson to the Water Services Committee

Recommendations

THAT the report be received.

Recommended Reason

This report provides the Committee with the proposed criteria that will be used to support the Mayor's appointment of an independent Chairperson, congruent with the Committee's Terms of Reference and Council's approved Water Services Delivery Plan.

/_____
 Moved/Seconded

1. Purpose of Report

1.1 The purpose of this report is to provide the Committee with an opportunity to review and refine the proposed approach to market and appointment criteria for a suitably qualified, independent Chairperson.

2. Executive Summary

2.1 This report provides the Committee with the proposed appointment criteria and approach to market for the independent Chairperson role. The criteria have been informed by the Committee's Terms of Reference, Council's approved Water Services Delivery Plan, and relevant sector guidance, including the Water New Zealand Directors' Handbook for Water Governance.

2.2 The proposed criteria seek a Chairperson who can provide independent, credible, and skills-based governance leadership. Key areas of focus include independence, governance and chairing experience, three waters or infrastructure expertise, regulatory and compliance oversight, financial and commercial acumen, risk and assurance, local government understanding, and relationship capability with key partners.

2.3 Subject to Committee feedback, staff will assist the Mayor to approach the market for suitable candidates.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"

Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:	Yes
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Social	Economic	Environmental	Cultural
✓	✓	✓	✓

- 3.1 The Stratford Waters Internal Business Unit (SWIBU) will be Council's future operating model for three waters service delivery. Establishment of the SWIBU traverses all four well-beings.
- 3.2 The Committee has been established to oversee the governance and delivery of water services, including the SWIBU, in accordance with the [Water Services Delivery Plan \(WSDP\)](#).
- 3.3 Appointment of an independent Chairperson will support the social and environmental wellbeing dimensions by strengthening oversight of safe, reliable, and resilient water services.
- 3.4 Appointment of an independent Chairperson will contribute to the economic wellbeing dimension by providing governance oversight of legislative requirements around financial sustainability, investment planning, affordability, and reporting transparency.
- 3.5 Appointment of an independent Chairperson will support the cultural wellbeing dimension by leveraging the knowledge (mātauranga) of Mana Whenua representatives, giving effect to the special relationship that Council's Treaty Partners have with water and implications on intergenerational outcomes.

4. Background

4.1 Terms of Reference – Water Services Committee

- 4.1.1 The Committee's Terms of Reference (TOR) includes oversight of service delivery, compliance monitoring, risk management, financial performance, strategic planning, and capital programme oversight.
- 4.1.2 The TOR provides that the Mayor will appoint an independent Chairperson with relevant experience and expertise in three waters engineering, with the appointment confirmed through Council resolution.
- 4.1.3 The independent Chairperson is intended to strengthen the Committee's governance capability by supporting robust and skills-based oversight of water services delivery.
- 4.1.4 Until an independent Chairperson is appointed, the Mayor will perform the role of interim Chairperson.

4.2 Water New Zealand Directors' Handbook

- 4.2.1 [The Water New Zealand Directors' Handbook \(Handbook\) for Water Governance](#) provides high-level guidance on governance responsibilities in the water sector (**Appendix 1**). While the Handbook focuses on water organisations, it is also intended as a resource for councillors providing governance oversight of in-house water services delivery and is therefore relevant to the Committee.
- 4.2.2 The following governance themes from the handbook are particularly relevant to the independent Chairperson role:
- safety and quality oversight
 - asset stewardship and investment
 - culture and capability
 - regulatory relationships and accountability
 - board or committee performance and continuous improvement.

4.3 Proposed Criteria for the Appointment of the Independent Chairperson

- 4.3.1 The key themes emerging from the Handbook have been used to develop the proposed criteria, which are intended to ensure that the successful candidate can provide credible, independent, and effective governance leadership to the Committee ([Table 1](#)).

Table 1: Summary of proposed criteria.

Criteria	Proposed Requirement
Independence	The candidate should be independent of Council management and free from any actual, potential, or perceived conflict that would compromise the role.
Governance and chairing experience	Demonstrated experience chairing a board, committee, advisory group, governance forum, or comparable decision-making body.
Three waters, infrastructure, or utility expertise	Strong understanding of drinking water, wastewater, stormwater, infrastructure, asset management, or comparable utility service delivery.
Regulatory and compliance oversight	Understanding of regulated service environments, including public health, environmental compliance, health and safety, risk, audit, and assurance.
Financial and commercial acumen	Ability to understand financial sustainability, ring-fenced financial reporting, long-term investment planning, funding, affordability, and debt settings.
Local government understanding	Understanding of local government decision-making, democratic accountability, public sector transparency, and the distinction between governance and management.
Strategic leadership	Ability to guide strategic discussion, test advice constructively, focus on long-term outcomes, and support clear recommendations to Council.
Risk and assurance focus	Ability to identify key governance risks, seek appropriate assurance, and ensure risks are tracked through to resolution.
Relationship capability	Ability to work constructively with elected members, mana whenua representatives, senior management, regulators, auditors, and sector partners.
Commitment to mana whenua engagement	Demonstrated respect for mana whenua relationships, Te Tiriti principles, and cultural values associated with water.
Integrity and public trust	Strong professional reputation, sound judgement, discretion, and commitment to transparent and accountable decision-making.
Availability and commitment	Capacity to prepare for and attend Committee meetings, participate in induction, and provide continuity during the SWIBU establishment period.

- 4.3.2 In addition to the core criteria, the following attributes would be desirable:

- appreciation of the implications of Simplifying Local Government on SWIBU establishment
- experience with Local Water Done Well, water reform, economic regulation, or water services transition
- experience governing major infrastructure investment programmes
- familiarity with the Taranaki regional context
- experience working with councils, council-controlled organisations, public utilities, or regulated infrastructure providers
- professional networks across the water, infrastructure, local government, or regulatory sectors.

4.4 Proposed Appointment Process

Subject to Committee support, staff will assist the Mayor in undertaking the appointment process ([Figure 1](#)).



Figure 1: Summary of proposed appointment process.

5. Strategic Alignment

5.1 Direction

- 5.1.1 The recommendations associated with this report are consistent with Council's WSDP.
- 5.1.2 The appointment of an independent Chairperson, who is experienced in infrastructure, supports the governance framework required to oversee the transition to SWIBU and the ongoing delivery of water services.

5.2 Legal Implications

- 5.2.1 [Section 22 of the Local Government \(Water Services Preliminary Arrangements\) Act 2024](#) requires Council to give effect to the proposals or undertakings relating to the future delivery of water services that are specified in its WSDP.
- 5.2.2 The appointment of an independent Chairperson forms part of giving effect to the governance arrangements identified in Council's WSDP and the Committee's TOR.
- 5.2.3 The appointment process will be managed in accordance with Council's governance processes, conflict of interest expectations, and any relevant remuneration or appointment settings.

5.3 Financial Implications

- 5.3.1 The appointment of an independent Chairperson will result in remuneration and appointment-related costs, which will be managed in accordance with Council's Reimbursement or [Elected Members' Expenses Policy](#), as applicable.

Attachments:

Appendix 1 Water New Zealand Directors' Handbook for Water Governance



Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 23 June 2026

SIMPS
GRIERS

water
NEW ZEALAND
The New Zealand Water & Wastes Association Watara Aotearoa



Water Governance

Directors' handbook



May 2026

Contents

Part 1: The Legislative Environment

Understanding water infrastructure
Governance, delivery & accountability framework
Regulation of Water Services
Authorisations
Economic regulation through the Commerce Commission
Understanding the risks & consequences of failure
Directors' role & duties

Part 2: Directors' Toolkit

Safety & quality oversight
Asset stewardship & investment
Culture & capability
Regulatory relationships & accountability
Board performance & continuous improvement
Supporting your organisation through Water New Zealand
Why consider membership?
Explore the Water New Zealand website
A practical way to build capability
Simpson Grierson

Purpose & Scope

This handbook provides directors of water organisations with a practical overview of their governance responsibilities in relation to water services (water supply, wastewater and stormwater services).

Under the new statutory framework, water services may be delivered directly by local authorities (territorial authorities or regional councils) or through water organisations owned by one or more local authorities and/or consumer trusts. Water organisations, in turn, must be companies incorporated under the Companies Act 1993, unless a ministerial exemption from this requirement has been obtained.

The handbook is therefore intended as a resource for directors of water organisations, as well as councillors providing governance oversight of in-house service delivery by their council.

Water services carry unique and sometimes significant public health, environmental and regulatory risks. Directors must exercise their responsibilities within a clear set of shareholder expectations, legislative requirements including those in the Water Services Act 2021 and Local Government (Water Services) Act 2025, and their common law and fiduciary obligations as directors.

The handbook focuses on areas where governance has the greatest influence on safety and performance. However, it is not a technical manual. Directors should continue to build their governance capability, and industry understanding of the water services sector, through Institute of Directors programmes, Water New Zealand resources and other specialist training.

The handbook is structured in two parts: Part One – the Legislative Environment, and Part Two – Director's Toolkit.

The information in this handbook is necessarily general, and should not be relied upon as a basis for making business decisions. Your business needs and specific circumstances must be considered, and government policy, market conditions and relevant laws may have changed since this handbook was last updated. This handbook reflects the law as at 1 May 2026.



"This handbook, co-authored by Simpson Grierson and Water NZ, is a great practical guide and reference point for new water organisation directors, and councillors overseeing in-house provision of water services in what is increasingly complex environment."

Getting water governance right is not simply an organisational issue. The consequences of failure at a governance level are serious in terms impact public health, environmental outcomes, and the wellbeing of entire communities.

I really encourage directors to access this resource to help ensure they meet their responsibilities, and maximise the potential of their new organisations to deliver great outcomes for their communities."

Gillian Blythe | Chief Executive, Water New Zealand

Part One – The Legislative Environment

Understanding water infrastructure

Water service providers may be responsible for drinking water, wastewater and/or stormwater services. Each involves delivery of a critical service in the wider context of protecting public health, environmental wellbeing and infrastructure resilience.

Around 4.3 million people in Aotearoa New Zealand receive drinking water from councils – with water delivered to consumers from more than 500 supplies, through more than 50,000km of drinking water pipes.

Across the country councils operate more than 320 wastewater treatment plants, and reticulate wastewater through more than 30,000km of pipes.

Less information is available nationally about stormwater services, although councils report more than 19,000km of stormwater pipes.

Water supply (drinking water) services

Water supply services are defined as the abstraction, storage, treatment, or transmission (including metering) of water for supply to consumers if any of the water supplied is intended to be used as drinking water. This definition highlights a water service provider's "end-to-end" responsibility in relation to the supply of drinking water.

Drinking water is water for human consumption. Drinking water systems must be managed to prevent illness and protect public health. Failures can occur without warning and may result in widespread and serious health impacts – as occurred with the outbreak of gastroenteritis in August 2016 caused by contamination in Havelock North's drinking water supply. As a result, the legislative requirements on drinking water suppliers are particularly stringent.

For this reason, drinking water provides the core focus of this handbook. Many of the governance principles described—oversight of risk, assets, capability, compliance and culture—apply equally to wastewater and stormwater, but drinking water requires the closest and most proactive attention at board level.

Wastewater services

Wastewater services are defined as the collection, treatment, storage, transmission (including metering), or discharge of wastewater from consumers.

Failures within wastewater networks can cause environmental contamination, public health nuisances and reputational damage for the supplier. They may also place a water service provider in breach of its wastewater discharge consents under the Resource Management Act 1991 (RMA), or otherwise expose it to the risk of prosecution or other RMA enforcement action by the relevant regional council. While failures within a wastewater network do not usually pose the same acute, rapid public health risk as failures within a water supply network, the environmental and cultural impacts can be significant and persistent.

Poor wastewater performance can lead to environmental degradation, regulatory breaches, cultural impacts, and loss of public confidence.

The governance principles set out in this handbook—risk oversight, asset stewardship, capability, transparency and continuous improvement—apply as much to wastewater systems as to drinking water.

Stormwater services

Stormwater services are defined as the collection, treatment, drainage, reuse, or discharge of stormwater in an urban area or any stormwater service zone but excluding any of those services relating to a transport corridor (ie road or railway land).

Stormwater systems perform a critical function by managing rainfall runoff from urban and developed areas, reducing flooding, protecting public safety and limiting the entry of contaminants into waterways. However, poorly performing stormwater systems can lead to threats to life and personal safety during severe weather events, property and infrastructure damage, environmental harm and additional pressure on wastewater networks.



Part One – The Legislative Environment

Governance, delivery and accountability framework

The Local Government (Water Services) Act 2025 (LGWSA) provides the guiding framework for the delivery of water services. Councils may deliver their water services in-house; through water organisations owned by one or more local authorities and/or consumer trusts; or through confirmation of both options (for example, council delivers water and wastewater services while a water organisation delivers stormwater services). Each council's selection of its intended delivery model followed the preparation of a water services delivery plan approved by the Government. The new delivery arrangements must be in place by 1 July 2028, although some councils have chosen an earlier "go live" date of 1 July 2026 or 1 July 2027.

The focus of the LGWSA is on the entities who have responsibility for providing water services – water service providers. By default, responsibility lies with territorial authorities, unless they transfer that responsibility to a water organisation through a transfer agreement. Responsibility for water services is distinct from ownership of the water assets or infrastructure. In other words, responsibility may be transferred to a water organisation despite ownership of some or all assets being retained by a council.



The statutory objectives of all water service providers – in-house or water organisations – are the same:

- providing water services that are reliable, resilient to external factors (such as climate change and natural hazards), and meet consumer expectations for quality and all regulatory requirements
- providing water services in a cost-effective and financially sustainable manner. This includes effective planning to manage infrastructure for the provision of future water services; sharing the benefits of efficiency gains with consumers including when setting charges; and using water resources efficiently
- performing in an open, transparent, and accountable manner and in accordance with sound business practice
- acting in the best interests of current and future consumers
- supporting housing growth and, if applicable, urban development
- being a good employer.

All water service providers must also comply with certain financial principles set out in the Local Government (Water Services) Act 2025:

- revenue and funding must be spent on providing its water services, which includes spending on maintenance, improvements, infrastructure renewal, servicing debt and providing for growth
- revenue and funding applied to providing water services must be sufficient to sustain the long-term investment in water services while meeting all regulatory requirements
- revenue and funding (including from charges), expenses, and any dividends must be transparent to the public
- the water service provider must be accountable for its revenue, funding, and expenses to its communities, if the provider is a council; or to its shareholders, if the provider is a water organisation.

To comply with these principles, in-house delivery must be carried out through an internal business unit of the council – a dedicated water services unit that sits within the council as the water service provider but is structurally and financially ring-fenced from the rest of the council's activities, for accountability and regulatory purposes.

A water service provider's primary financial planning and accountability document is its water services strategy (the equivalent of a council's long-term plan). A water services strategy is a public statement of the provider's intended activities and includes information about its costs, investment, proposed charges, levels of service, performance measures, financial forecasting and long-term infrastructure and investment plans. Depending on whether the water service provider is a council or a water organisation, there are different consultation or engagement requirements applying to the preparation of the strategy. Water service providers must also prepare and adopt an annual budget and an annual report.

As well as the above provisions applying to all water service providers, water organisations are subject to additional governance and other arrangements in the LGWSA. Water organisations must be wholly owned by one or more councils (in which case they will be CCOs) and/or one or more consumer trusts. A water organisation's business is limited to the provision of water services, and services related to or necessary for the provision of those water services.

A water organisation's shareholders must prepare and adopt a statement of expectations for the water organisation, to inform and guide the water organisation's preparation of its water services strategy. This statement should contain the outcomes the shareholders expect the organisation to achieve but may include a range of other matters such as their expectations about the organisation's strategic priorities, how it should conduct its relationships with other parties such as shareholders, consumers, communities and Māori (including community or consumer engagement and collaboration), and performance indicators and measures.

In general, a statement of expectations cannot include requirements which relate to the performance or exercise of the water organisation's statutory functions or require the water organisation to do (or not do) any specified thing or achieve a specified result. However, this level of direction is possible if the shareholders have allowed for it in their shareholders' agreement or in the constitution of the water organisation. Even then, if a water organisation is financially independent of its shareholders, the statement of expectations may not include any requirements or expectations that would compromise that financial independence.

A water organisation and its board must also comply with requirements in the Local Government Official Information and Meetings Act 1987 (LGOIMA) relating to official information and meetings. The LGOIMA requires that certain public agencies must conduct their business in an open and transparent manner. Water organisation must respond to requests by any person for official information held by the organisation. Official information includes any documents, emails, videos, images, text messages and voicemails (including information held on personal devices). Parts 1 to 3 of the LGOIMA set out the processes and timeframes for responding to requests. Meetings of the board of water organisations, but not committee or subcommittee meetings, must also comply with Part 7 of the LGOIMA. Part 7 provides for public notification of meetings, agendas and reports, but also provides a right to exclude the public from meetings in certain situations.

The Ombudsman, who has oversight of the LGOIMA regime, including the complaints process, has published guidance for agencies subject to LGOIMA, including:

- [A guide to processing requests and conducting meetings](#)
- [An Ombudsman's investigation and review under the LGOIMA](#)



Part One – The Legislative Environment

Regulation of Water Services

Summarised below are specific regulatory requirements affecting each of the three water services. In addition, and more generally, there is environmental and public health legislation, including the RMA and the Health Act 1956 which may be relevant, as well as regional council discharge consents, particularly for wastewater and stormwater discharges.

Water supply (drinking water) services

The regulatory framework for drinking water is set out in the Water Services Act 2021 (WSA). That Act requires drinking water suppliers to have a drinking water safety plan and to comply with other legislative requirements. Other key obligations of drinking water suppliers under the WSA include to:

- ensure that drinking water supplied by the supplier is safe
- if drinking water is or may be unsafe, taking various measures such as immediate action to protect public health, notifying the Water Services Authority, investigating causes, taking remedial action, preventing recurrence and advising affected consumers and other suppliers
- comply with drinking water standards, up to the “point of supply” with the customer
- take all reasonable steps to supply aesthetically acceptable drinking water
- ensure a sufficient quantity of drinking water is provided to each point of supply
- register their drinking water supply
- notify the Water Services Authority, Fire and Emergency New Zealand, and local authorities where supply adequacy is at imminent risk
- ensure supply arrangements protect against the risk of backflow.

Should any of these duties be breached, then drinking water suppliers must take certain immediate steps to remediate any issues.

The WSA imposes a duty on officers, employees and agents of a drinking water supplier to exercise due diligence to ensure that the drinking water supplier complies with its duties under the Act. For these purposes, an “officer” means a director of a company that owns or operates the supply, as well as any other person occupying a position in the company that allows them to exercise significant influence over the management of the drinking water supply (for example, a chief executive).

The due diligence obligation requires directors and other “officers” to exercise the care, diligence, and skill that a reasonable person in their position would exercise in the same circumstances, taking into account that person’s position, the nature of their responsibilities and the scale, complexity, and risk of the drinking water supply. This includes taking reasonable steps to:

1. acquire, and keep up-to-date knowledge of the supply of safe drinking water and other drinking water supply matters;

2. gain an understanding of:

- the nature of the supply of the relevant drinking water supply, its source water, its drinking water safety plan, its implementation, and the consumers the supply serves
- the hazards and risks associated with the drinking water supply and its operation
- how to identify, minimise, and control or eliminate the hazards or risks as part of the operation of the drinking water supply

3. ensure that the drinking water supplier:

- has available for use, and uses, appropriate resources and process to implement its drinking water safety plan
- has appropriate processes for identifying and considering information regarding hazards and risks and responding to them
- has, and implements, processes for complying with any duty of the supplier under any legislative requirement.

Failing to comply with the duty of due diligence is an offence, with a fine on conviction of up to \$100,000 for an officer of the drinking water supplier.

Directors must themselves take reasonable steps to acquire the necessary knowledge about the supply of safe drinking water and other drinking water supply matters, and keep that knowledge up to date. They cannot delegate or transfer this obligation to another person e.g. to management. Exercising due diligence requires directors to undertake active oversight of, and informed engagement with, the water organisation’s operations.

If any of the duties are breached by a drinking water supplier, the Water Services Authority – Taumata Arowai (the **Water Services Authority**) may issue a direction under the WSA, or a compliance order. The water supplier must comply with a direction within the time period specified in the direction. Compliance orders may require a person to stop or start specified actions to secure compliance or to prevent or mitigate a serious risk to public health.

Wastewater services

Regulation of wastewater services under the WSA is less comprehensive than the regulation of drinking water services. The role of the Authority is one of oversight.

A wastewater network operator must also prepare and implement a risk management plan for the operator’s wastewater network. The plan must:

- identify any hazards that relate to the wastewater network
- assess any risks that are associated with those hazards

- identify how those risks will be managed, controlled, monitored, or eliminated
- include any wastewater environmental performance measures, standards, or targets made by the Authority and how the measures, standards, or targets will be met.

However, as at the time of writing, the Authority has not yet specified a time by which plans must be prepared.

In terms of environmental regulation, under the WSA there is a power to make regulations that set wastewater environmental performance standards, including standards relating to discharges to air, water, or land; biosolids and any other by-products from wastewater; energy use; and trade waste.

The only regulations at the time of writing are the Water Services (Wastewater Environmental Performance Standards) Regulations 2025. These specify wastewater environmental performance standards that relate to:

- discharging biosolids resulting from wastewater treatment to land
- wastewater overflows and bypasses
- discharging wastewater from wastewater treatment plants (WWTPs) into water
- discharging wastewater from WWTPs to land.



Part One – The Legislative Environment

The regulations do not affect existing resource consents that water service providers may hold, for example in relation to treated wastewater discharge or wastewater overflows. However, they are relevant to new consents that will be required once existing consents expire. For some operators, complying with the water quality levels in the Wastewater Standards may be onerous and will necessitate upgrading their wastewater treatment plants. This may require significant capital investment, approved by the Board of Directors of the water organisations.

Directors should ensure their organisation:

- Understands and complies with all discharge consents and environmental standards
- Maintains wastewater treatment plants and networks to prevent overflows and contamination
- Manages inflow and infiltration risks, particularly during storm events
- Reports environmental performance reliably and transparently
- Integrates environmental risks and statutory requirements into asset planning and investment decisions.

Stormwater services

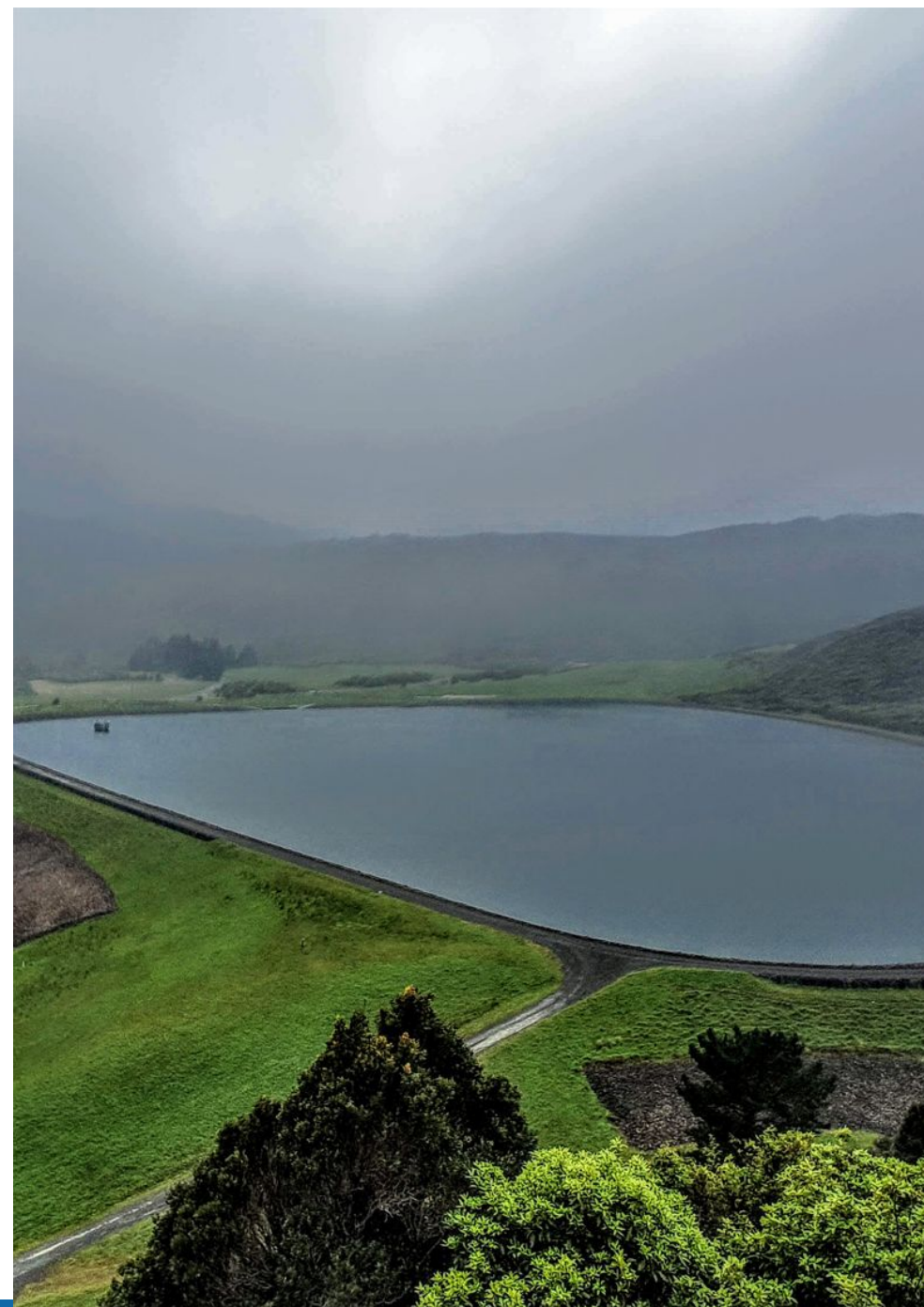
Unlike drinking water, stormwater does not have a dedicated national regulator, but, as with wastewater, the Authority has an oversight role. Environmental regulation of stormwater services occurs primarily through resource consents for stormwater discharge granted by regional councils, regional plans, and, indirectly, the National Policy Statement for Freshwater Management, as well as the RMA more broadly.

Stormwater networks, and connections to such networks, are also typically regulated through local authority stormwater bylaws.

Under the LGWSA a water service provider that is responsible for managing a stormwater network must develop, adopt and implement a stormwater network risk management plan (SNRMP).

The plan is designed to identify critical stormwater infrastructure, identify hazards and risks to that infrastructure and specify how those risks will be managed. Hazards are broadly defined as including existing, emerging and potential future hazards.

The SNRMP therefore creates a formal, auditable statement of stormwater network risk exposure and in that sense performs a role analogous (though not identical) to drinking water plans and wastewater network risk management plans under the WSA.



Part One – The Legislative Environment

Authorisations

The WSA provides for regulations to be made relating to the capability of those providing drinking water and wastewater services. At the time of writing this handbook, no regulations have been made, but Water New Zealand, the Water Services Authority and Department of Internal Affairs are in the early stages of developing an authorisations regime.

The WSA requires all drinking water suppliers to be authorised by October 2031. Under a future authorisations regime, requirements in relation to the provision of drinking water and wastewater services will include:

- A person must not operate a drinking water supply or wastewater network if regulations require the operator to be authorised and the person lacks the necessary authorisation
- A person must not certify, assess, test, design, operate, or carry out an activity relating to maintaining, repairing, upgrading, or renewing a drinking water supply or wastewater network, if they do not have the skills, qualifications, or experience prescribed in regulations made under the Act.

Economic regulation through the Commerce Commission

In 2025, amendments to the Commerce Act established an economic regulation framework for water services, administered by the Commerce Commission (the **Commission**). So far, only water supply and wastewater services are regulated, but stormwater services may be regulated in the future.

As regulated activities, the Commission may exercise the full suite of economic regulation tools over water and wastewater services. The first stage is a mandatory information disclosure regime, which will require water service providers to report on their financial performance, asset condition, service quality and risks. This regime aims to improve transparency, support better investment and provide greater accountability to customers and stakeholders. The Commission may also impose price-quality regulation on water service providers and make binding determinations.

The Commerce Act now contains a bespoke consumer protection regime for water services.

The Commission can impose consumer information disclosure requirements, issue service quality codes and regulatory guidelines, and monitor and enforce compliance (potentially involving pecuniary penalties). The Commission's functions do not, however, extend to the regulation of the safety of drinking water. These powers remain with the Water Services Authority.

Directors should ensure their organisation understands these obligations and is preparing the systems and data needed to comply as requirements are phased in.



Economic Regulation of Water Services

Aotearoa New Zealand's water sector has a formal economic regulation framework that complements health, safety and environmental regulation. In August 2025, a new economic regulation regime was enabled for water services. This regime is administered by the Commerce Commission and initially centres on information disclosure obligations.

Under the economic regulation framework:

- Water service providers must disclose specified information on financial performance, asset condition, service quality and risks to the Commerce Commission. This promotes transparency and comparability across providers
- The Water Services Information Disclosure Determination was published in March 2026. This imposes certain requirements to publish, and deadlines, as follows:
 - charges, and policies on dividends and funding growth - commences after 30 June 2026
 - detailed expenditure forecasts, financial planning, performance data, asset management, delivery and strategic planning information - by 31 July 2027

- actual information on previous financial year's spending - by 30 November 2027
- full annual reports showing delivery compared to plans - by 30 November 2028
- full information disclosure requirements phased in by 30 July 2030.

- Over time, the Commission may recommend further forms of regulation, including price-quality paths and service quality requirements, similar to economic regulation in other infrastructure sectors.

Economic regulation does not replace regulation by the Water Services Authority or under environmental consents. Instead, it adds a governance-focused layer of accountability that expects directors to ensure robust organisational systems for transparent performance reporting, long-term asset planning and sustainable investment.

Part One – The Legislative Environment

Understanding the Risks and Consequences of Failure

Drinking water contamination can cause rapid, widespread and serious illness, as demonstrated by the 2016 Havelock North outbreak. Public health consequences may include acute gastrointestinal illness, long-term health impacts and—in severe cases—loss of life.

i Understanding the Main Microbiological Risks to Drinking Water

The Drinking Water Standards recognise both microbiological and chemical risks, but microbiological contamination usually presents the most immediate threat to human health. Microbes can multiply quickly, spread through a network and cause illness soon after exposure. Directors therefore need confidence that their organisation understands these hazards and manages them through a robust system of preventive barriers.

Key Microbiological Hazards

Campylobacter

- A leading cause of waterborne gastroenteritis in New Zealand
- Commonly enters source water through animal faecal contamination
- Can cause severe illness in children, older people and immunocompromised individuals.

Cryptosporidium

- A chlorine-resistant protozoan parasite
- Can survive inadequate filtration and persist in the distribution network
- Causes prolonged gastrointestinal illness and is particularly concerning for vulnerable groups.

Giardia

- A protozoan that is moderately resistant to chlorine
- Associated with wastewater contamination or animal waste runoff
- Can cause widespread illness if not effectively removed or inactivated.

E. coli (indicator organism)

- Some strains can cause severe illness and used as a signal of possible faecal contamination
- Its presence indicates a risk of pathogens entering the supply
- Requires immediate investigation and response under the Water Services Act.

Viruses (e.g., norovirus, enteroviruses)

- Often associated with sewage or failing septic systems
- Highly infectious, with very low infectious doses
- Can drive rapid, community-wide outbreaks if barriers fail.

Why These Risks Matter

Because microbiological risks can escalate suddenly, organisations should apply the multi-barrier approach, which provides overlapping layers of protection to prevent contamination reaching consumers. Key expectations include:

- Protecting source water, including catchment management and control of contamination risks
- Providing effective treatment, such as filtration and disinfection designed to remove or inactivate pathogens
- Maintaining secure storage and distribution, with processes that reduce contamination and maintain disinfectant residuals
- Monitoring and verification, ensuring treatment and distribution barriers are functioning as intended and enabling rapid response when issues arise.

The multi-barrier approach reduces reliance on any single process and is essential for preventing illness, maintaining compliance and protecting community trust.

Beyond harm to the public, failures can have significant consequences for water service providers and their directors, including:

- Regulatory enforcement, such as improvement notices, compliance orders or prosecution
- Potential criminal liability, for example if an officer's duty of due diligence under the Water Services Act is not complied with
- Substantial financial impacts, including emergency response costs, remediation, legal liabilities and accelerated capital expenditure

- Reputational damage, resulting in loss of community trust and heightened scrutiny
- Organisational disruption, affecting workforce morale, capability and stakeholder relationships
- Increased insurance or financing costs where failures are systemic or recurrent.

These risks highlight why strong governance, reliable assurance and a credible Drinking Water Safety Plan are essential.



Part One – The Legislative Environment

Directors' Roles & Duties

Under the LGWSA, a director of a water organisation is appointed on the basis of their competency to perform the role. The directors of a water organisation must collectively have the appropriate mix of skills, knowledge, and experience in relation to providing water services.

This Act prohibits the following persons from being appointed as a director of a water organisation:

- an elected member of a territorial authority that is a shareholder in the water organisation; or
- an employee of a territorial authority that is a shareholder in the water organisation; or
- an employee of any other shareholder in the water organisation; or
- an employee of the water organisation.

Depending on the entity's structure, directors must also meet governance duties under the Companies Act 1993 and the Local Government Act 2002.

Under the Companies Act 1993, each director must comply with the following duties:

- to act in good faith and in the best interests of the company
- to exercise powers for a proper purpose
- to comply with the Act and the company's constitution
- to not trade in a way that creates a substantial risk of serious loss to creditors
- to not agree to any obligations the company cannot perform
- a duty of care
- a duty to disclose interests in transactions or proposed transactions with the company.

Directors must discharge these duties in accordance with the relevant statutory objectives applying to water service providers. In relation to drinking water supply, directors are ultimately accountable for ensuring their organisation provides safe and reliable drinking water to the community. Meeting this responsibility requires strong governance oversight of the risks, systems and capability that underpin drinking water safety.

Legal and regulatory obligations are an essential component of this responsibility, but compliance alone is not sufficient. Directors must ensure that risks are actively identified and managed, and that drinking water safety is subject to continual improvement. Their role is to govern rather than manage day to day operations, by setting clear expectations, monitoring performance, and ensuring the organisation has appropriate systems, capability and assurance in place to keep drinking water safe.

In addition, directors must ensure that drinking water services are delivered in a cost effective and financially sustainable manner, and that their functions are carried out in an open, transparent and accountable way, having regard to the best interests of current and future consumers.

Key governance responsibilities include:

- Overseeing the development, implementation and ongoing use of a credible Drinking Water Safety Plan, and ensuring it accurately reflects risks and operational realities
- Ensuring drinking water risks are effectively managed from "source to tap"
- Ensuring accurate and timely reporting of incidents and non-compliance
- Supporting a culture of safety, learning and transparency.

Drinking Water Safety Plan and Source Water Risk Management Plan

Under the WSA, each owner of a drinking water supply is required to prepare a Drinking Water Safety Plan (DWSP). This plan provides a comprehensive assessment of hazards from source water quality through treatment, storage and distribution. It must remain accurate, reflect operational practice and guide decision-making. Each DWSP must be submitted to the Water Services Authority. Those in governance and leadership roles are expected to understand and take full ownership of these plans. The Authority requires governors and managers of suppliers to actively review, understand, and formally approve their DWSPs.

Drinking water suppliers must also prepare and implement a source water risk management plan (SWRMP). A SWRMP must identify any hazards that relate to the source water, including emerging or potential hazards, assess any risks that are associated with those hazards and identify how those risks will be managed, controlled, monitored, or eliminated as part of a WSP. The supplier must monitor the quality of source water in accordance with the programme in the SWRMP.

Directors must ensure the contents of the DWSP and the SWRMP are:

- **Credible**, reflecting real risks and operational conditions
- **Resourced**, with appropriate capability, staff and investment
- **Implemented**, not merely documented
- **Assured**, through reliable reporting and independent review
- **Reviewed**, to reflect lessons from incidents and changing conditions.

Effective oversight requires directors to:

- Understand the scope and function of each of the plans
- Ensure the organisation has the capability and resources to implement it
- Test whether controls function as described
- Ensure reporting to the board aligns with DWSP-defined risks and controls
- Monitor continuous improvement activities.

Directors are not expected to be technical specialists. Their role is to ensure the system described in DWSP exists, is implemented and is continuously improved.

Hazards, Risks and Critical Control Points

In drinking water safety management, a **hazard** is something that could cause harm (such as a pathogen or contamination pathway), while **risk** reflects the likelihood of that hazard causing harm and the severity of the consequences. The internationally recognised HACCP framework (Hazard Analysis and Critical Control Points) helps suppliers identify where in the water supply system hazards may arise and how they should be controlled. Within this framework, Critical Control Points are the steps or processes essential for preventing

or significantly reducing a drinking water hazard—for example, filtration performance, disinfection effectiveness or maintaining adequate disinfectant residuals. These points require continuous monitoring and clear limits so that any deviation triggers an immediate corrective response. Directors do not need technical detail, but they should understand that Critical Control Points are non-negotiable elements of safe drinking water and must operate reliably every day.

Part Two – Directors' Toolkit

This section is a Directors' Toolkit providing support tools and information to assist you develop your water services capability. It includes a series of practical considerations – questions, actions, and red flags – for you as a director of a water service provider, across five areas:

- Safety and Quality Oversight
- Asset Stewardship and Investment
- Culture and Capability
- Regulatory Relationships and Accountability
- Board Performance and Continuous Improvement

Safety and Quality Oversight

(DWSP components: risk identification, control performance, monitoring, incident response)

Safe drinking water depends on accurate risk identification, effective controls and reliable monitoring. Directors must ensure all significant hazards and their corresponding controls are understood and managed effectively. This requires visibility of monitoring data, verification findings and incident trends. As drinking water failures can occur rapidly, directors must also ensure the organisation has robust systems for detecting and escalating incidents.

Asset Stewardship and Investment

(DWSP components: asset integrity, control reliability, resilience)

Directors must ensure asset management planning identifies critical assets, assesses their condition and prioritises investment based on risk. Asset failures often arise from long-term under-investment or inadequate maintenance, making proactive oversight essential. Economic regulation will further increase expectations for transparent and reliable asset information, so directors should ensure asset data, systems and planning processes are being strengthened to meet future information disclosure requirements.

Under the Local Water Done Well reforms, councils had to prepare and submit Water Services Delivery Plans showing how services will remain safe, environmentally responsible and financially sustainable. Going forward, water service providers must prepare and publish a three-yearly Water Services Strategy and an annual budget. Water organisations can also be required by their shareholders to prepare additional plans and obligations under the Commerce Commission's asset disclosure regime cover a range of matters including a Strategic Asset Management Plan, an Asset Management Plan, an Investment and Delivery Plan and an Annual Delivery Report. Directors should ensure asset and investment planning aligns with these plans and is supported by robust, accurate information.

Resilience is equally important, as climate change, natural hazards and changing land use alter risk profiles. Directors should expect management to test scenarios, plan for system stresses and incorporate resilience into long-term asset strategies.

Key Questions	Actions	Red Flags
• Which hazards pose the greatest risk to public health? • Which controls are critical, and how are they performing? • What does monitoring and verification data show? • How quickly would we detect contamination? • Are incidents investigated systematically?	• Require regular, structured reporting on risks and controls • Review and endorse updates to the DWSP in line with organisational governance policy • Oversee incident investigations and follow-up • Maintain oversight of regulatory notifications • Seek independent assurance where needed	• Significant data gaps • Repeated non-compliance • Over-reliance on key staff • Insufficient operational resources • Delayed incident reporting

Key Questions	Actions	Red Flags
• What condition are critical assets in? • Do renewals align with risk? • What happens if a critical asset fails? • How are climate risks incorporated? • Are forecasting assumptions robust? • Are renewals, upgrades and new investment delivery risks understood?	• Review Water Services Strategy, Strategic Asset Management Plans, Asset Management Plans, Investment and Delivery Plans, and Annual Delivery Report in accordance with legislative requirements • Require risk-based investment prioritisation • Ensure contingency planning • Seek external technical advice when needed • Require updated asset condition information	• Deferred renewals • Poor asset condition visibility • Repeated failures • Budget-driven decisions that ignore risk • Growing maintenance backlogs

Part Two – Directors' Toolkit

Culture and Capability

(DWSP components: competency, operational discipline, learning)

A strong safety culture and capable workforce are essential foundations for safe drinking water. Even the best-designed DWSP cannot be effective unless people understand it, follow it and have the confidence to raise concerns.

Directors should expect evidence of robust workforce planning, clear competency requirements and regular training. Organisational culture should encourage reporting and learning rather than blame.



Key Questions

- Do staff understand their responsibilities?
- Are personnel competent for critical tasks?
- Are incidents and risks reported openly?
- Does management model safety behaviours?
- Are staffing levels sustainable?

Actions

- Monitor workforce training and capability
- Understand what an authorisation regime will mean for the organisation
- Support safe reporting channels
- Ensure lessons are shared and embedded
- Include leadership expectations in performance reviews
- Provide for ongoing development

Red Flags

- High turnover
- Under-reporting of incidents
- Out-of-date training records
- Confusion about roles
- Inadequate staffing capacity
- Lack of CPD uptake



Supporting Workforce Capability Through Water New Zealand Digital Badges

Many people working in water services come from diverse professional backgrounds, and not all roles have formal training pathways. Water New Zealand's digital badges provide a flexible way to build foundational knowledge across the workforce, helping staff understand key concepts in drinking water, wastewater and stormwater management. These short, modular learning units can be integrated into onboarding programmes, tailored to organisational needs and purchased in bulk to support consistent learning across teams.

While operators often complete formal qualifications through providers such as Connexis, digital badges can complement this by strengthening sector understanding for staff in management, corporate and governance roles. Using structured learning tools like these can help organisations meet regulatory expectations for competency and ensure everyone understands the principles that underpin safe and effective water services.



Part Two – Directors' Toolkit

Regulatory Relationships and Accountability

(DWSP components: compliance, reporting, transparency)

Effective governance requires directors to ensure the organisation meets its regulatory obligations and maintains constructive, transparent relationships with the Water Services Authority, the Commerce Commission and environmental regulators.

The regulatory landscape now also includes economic regulation, overseen by the Commerce Commission. The introduction of an information disclosure regime raises expectations around data quality, financial transparency and asset reporting. Directors should ensure the organisation is preparing for these requirements and understands their implications for governance, performance monitoring and public accountability.

Accountability to customers and communities is equally important. A new consumer protection framework will increase expectations for service quality, complaint handling and transparency. Customer complaints—whether about taste, odour, pressure, supply interruptions or wastewater overflows—can provide early warning of system vulnerabilities or gaps in controls. Directors should ensure that both regulatory reporting and customer feedback inform risk assessments and, where relevant, updates to the DWSP.



Actions

- Maintain a clear, up-to-date compliance framework that maps regulatory obligations and reporting requirements
- Require prompt, constructive responses to regulatory notices, audits, and requests for information
- Ensure systems, data quality and governance processes are being developed to meet emerging information disclosure obligations under economic regulation
- Support respectful, ongoing engagement with mana whenua and affected communities
- Embed customer complaint analysis in routine board reporting, including trends, root causes and learning
- Ensure customer feedback is incorporated into DWSP reviews, risk assessments and improvement actions
- Ensure stakeholder feedback is incorporated into Water Services Strategy reviews
- Oversee public communication strategies during incidents or service interruptions to ensure transparency and trust



Red Flags

- Surprise regulatory findings or escalating compliance actions
- Defensive, inconsistent or delayed reporting to regulators
- Rising or repeated complaints about similar issues without clear remediation
- Complaints dismissed without analysis or systemic follow-up
- Limited or ineffective engagement with communities or mana whenua
- Disconnect between customer experience and the organisation's internal reporting



Key Questions

- Does our DWSP and compliance framework meet regulatory expectations?
- Are regulatory reports accurate, timely and supported by evidence?
- Are we preparing for the information disclosure requirements introduced under the new economic regulation framework, including the quality and reliability of our data? Does this include an improvement plan to enable reporting on all information disclosure aspects?
- What issues or concerns has the Water Services Authority or the Commerce Commission raised, and how effectively have we responded?
- What do customer complaints and service trends reveal about system performance or risk?
- Are issues raised by customers being resolved promptly and used to inform continuous improvement?
- How clear, timely and transparent are our communications with communities and mana whenua, especially during incidents?

Part Two – Directors' Toolkit

Board Performance and Continuous Improvement

It is an important part of good governance for the board to undertake a self-assessment of its performance, and to consider the outputs of this in the context of the roles and responsibilities of the board.

(DWSP components: assurance cycle, governance review)

Effective oversight requires boards to reflect on their performance and ensure they remain capable of governing complex drinking water, wastewater and stormwater services risks. This includes monitoring the quality of information received, ensuring issues are followed through to completion and maintaining appropriate expertise.

Independent assurance can provide valuable insights, particularly in high-risk or technically complex areas.



Key Questions

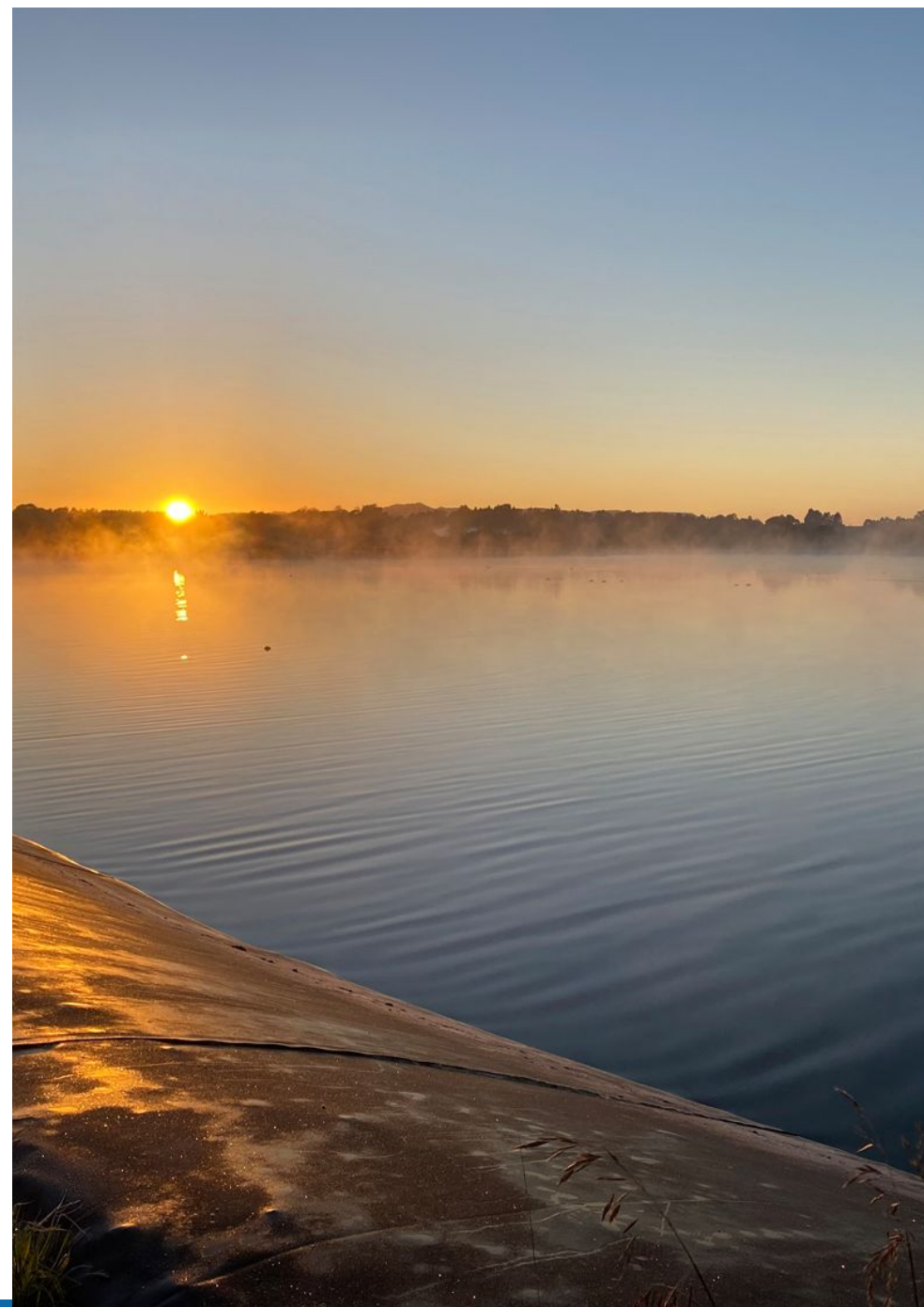
- Do we receive the right information to govern risk?
- How well do we challenge assumptions?
- Are recurring issues being addressed?
- Do we have the right expertise?
- Are we keeping pace with regulatory changes?

Actions

- Conduct regular board and committee performance reviews
- Use external assurance for complex or high-risk areas
- Track actions to completion
- Maintain director development
- Review delegations periodically

Red Flags

- Excessive focus on operational detail
- Unclear accountability
- Recurring unresolved issues
- Limited water governance expertise
- Inadequate attention to improvement



Part Two – Directors' Toolkit

Supporting Your Organisation Through Water New Zealand

Water New Zealand is Aotearoa New Zealand's leading industry body for three waters management—drinking water, wastewater and stormwater—bringing together professionals, organisations and community stakeholders to strengthen capability, share knowledge and build a resilient sector.

Why Consider Membership?

Becoming a member of Water New Zealand offers a range of practical benefits that support governance, operational excellence and professional development across your organisation. Membership is open to individuals and organisations involved in water services, including local government, technical specialists, operators, researchers and suppliers.

As a member you can:

- **Stay current with industry developments** through access to publications, technical resources and best-practice guidance
- **Participate in events and professional forums**, including conferences, workshops and webinars that bring together experts and practitioners from across the sector
- **Engage in knowledge sharing and collaboration**, including access to special interest groups and peer networks focused on topics such as stormwater, asset management, climate change and water efficiency
- **Access training and learning tools**, including discounted access to the digital badge and virtual instructor led training programme which supports structured, modular learning for staff at all levels of your organisation
- **Influence sector direction and policy**, with opportunities to contribute to discussions on national issues, regulatory reform and strategic priorities

Explore the Water New Zealand Website

Even before joining, the Water New Zealand [website](#) is a valuable gateway to sector information.

- Technical articles and guidance on water management and regulation
- Event listings and conference materials where you can connect with sector peers
- Information about training and professional development, including digital badges in areas such as drinking water, wastewater, stormwater, small water supplies and rural water management
- News and insights on emerging trends, policy developments and sector research

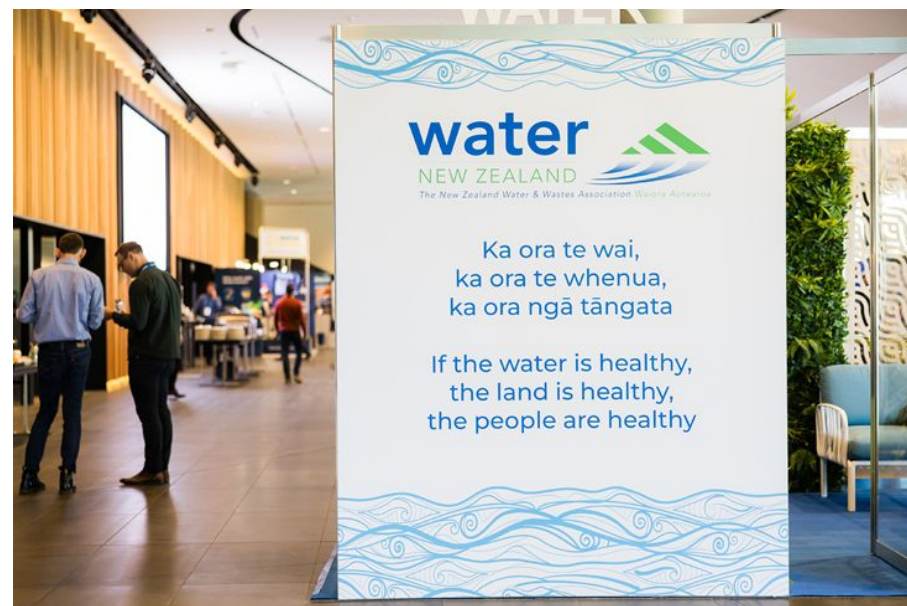
In addition to these resources, organisations may also find value in exploring the [Water Directory](#), which provides a convenient overview of suppliers, consultants and industry services relevant to the three waters sector.

A Practical Way to Build Capability

For organisations operating in the three waters sector, membership with Water New Zealand is one of the most effective ways to stay connected to sector practice and emerging expectations. Ensuring your organisation is a member ensures your teams have reliable access to the networks, guidance and sector intelligence they need to support sound decision-making. Encouraging organisation-wide engagement with Water New Zealand's resources helps build a confident, capable workforce and strengthens your ability to meet governance and regulatory obligations.

Simpson Grierson

Simpson Grierson has worked closely with Water New Zealand to develop this guide. We advise most of the local authorities and emerging water organisations across New Zealand, helping them navigate the water reforms from a compliance perspective, implement new service delivery models, and set the new water organisations and independent business units up for success. Our expertise ranges across company law, commercial contracts, construction, employment, funding and financing, resource management and property.





INFORMATION REPORT



F25/96/004 – D26/22515

To: Water Services Committee
From: General Manager - Water Services
Date: 30 June 2026
Subject: Appointment of a Mana Whenua Representative to the Water Services Committee

Recommendations

THAT the report be received.

Recommended Reason

This report provides the Committee with the proposed approach that will be used to support the appointment of a Mana Whenua Representative, congruent with the Committee's Terms of Reference and Council's approved Water Services Delivery Plan.

/_____
Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Committee with an opportunity to review and refine the proposed approach to appointing a Mana Whenua Representative.
- 1.2 The report also outlines the role expectations and appointment considerations that will support a transparent, respectful, and mana-enhancing appointment process.
- 1.3 Unlike the appointment of an independent Chairperson, the appointment of a Mana Whenua Representative is not proposed to be progressed through a market process. The proposed approach is to seek nomination or endorsement from relevant mana whenua entities, with the appointment then confirmed by the Committee.

2. Executive Summary

- 2.1 This report provides the Committee with the proposed appointment approach, role expectations, and appointment considerations for a Mana Whenua Representative. The approach has been informed by the Committee's Terms of Reference, Council's approved Water Services Delivery Plan, the Local Government Act 2002, and the operative National Policy Statement for Freshwater Management 2020.
- 2.2 The proposed approach recognises that Council should not independently determine who speaks for mana whenua. Instead, staff will engage with relevant mana whenua entities and seek a nomination or endorsement through the appropriate mana whenua pathway, observing mana motuhake (self-determination).
- 2.3 The appointment will strengthen the Committee's ability to provide robust oversight of the Stratford Waters Internal Business Unit establishment and ongoing water services delivery, whilst supporting informed consideration of mana whenua perspectives, cultural values associated with water, and long-term intergenerational outcomes.
- 2.4 Subject to Committee feedback, staff will engage with relevant mana whenua entities and support the appointment process.

3. Local Government Act 2002

Under section 10 of the Local Government Act 2002, the Council's purpose is to "enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future"			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			Yes
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

- 3.1 The Stratford Waters Internal Business Unit (SWIBU) will be Council's future operating model for three waters service delivery. Establishment of the SWIBU traverses all four well-beings.
- 3.2 Appointment of a Mana Whenua Representative will contribute to the economic well-being dimension by supporting early identification of matters that may affect long-term investment planning, consenting, service delivery, and project implementation.
- 3.3 Appointment of a Mana Whenua Representative will support the environmental well-being dimension by ensuring the Committee has access to mana whenua perspectives on wai (water), catchments, mauri (life force), and kaitiakitanga (environmental stewardship).
- 3.4 Appointment of a Mana Whenua Representative will directly support the cultural well-being dimension by recognising the special relationship mana whenua have with wai and by strengthening opportunities for mana whenua participation in water services governance, thereby advancing intergenerational outcomes and asset lifecycle-based decision-making.

4. Background

4.1 Terms of Reference – Water Services Committee

- 4.1.1 The Committee's Terms of Reference (TOR) includes oversight of service delivery, compliance monitoring, risk management, financial performance, strategic planning, and capital programme oversight.
- 4.1.2 The TOR provides for Mana Whenua Representatives to form part of the Committee membership.
- 4.1.3 The inclusion of Mana Whenua Representatives reflects the significance of water to mana whenua and the importance of ensuring water services governance is informed by local cultural knowledge, relationships, and intergenerational perspectives. This is aligned with best practice asset management and the shift in the waters industry towards asset lifecycle management.
- 4.1.4 The Mana Whenua Representative role is intended to strengthen the Committee's governance capability by supporting informed, respectful, and culturally grounded consideration of water services matters.
- 4.1.5 The role does not replace wider engagement with mana whenua, iwi, hapū, or Māori communities. Rather, it provides a formal governance pathway for mana whenua participation in the Committee's work.

4.2 Proposed Approach to Appointment

- 4.2.1 The proposed approach recognises that mana whenua representation should be progressed through a mana whenua-led nomination or endorsement process, in line with the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).
- 4.2.2 Staff do not recommend an open market or public expression of interest process for this appointment as it would not appropriately recognise the mana (mandate), whakapapa (genealogical links), and relationship-based nature of mana whenua representation.
- 4.2.3 In principle, the approach is designed sufficient flexibility to reflect the preferences and tikanga of the relevant mana whenua entities ([Figure 1](#)) whilst adhering to Council's requirement for transparent governance processes.



Figure 1: Summary of proposed appointment approach.

- 4.2.4 Staff will also seek guidance from mana whenua on whether a single representative is sufficient for the Committee's initial establishment period or whether further representation should be considered by the Committee in the future.

4.3 Proposed Role Expectations and Appointment Considerations

- 4.3.1 The role expectations and appointment considerations are proposed to support clarity for the Committee, Council, staff, and the nominating mana whenua entity ([Table 1](#)).

Table 1: Summary of proposed criteria.

Criteria	Proposed Expectation or Consideration
Mana whenua mandate	The representative should be nominated or endorsed through an appropriate mana whenua process. Council should not independently determine cultural mandate.
Connection to rohe	The representative should have an appropriate relationship to the rohe (region) and water-related matters relevant to Stratford district.
Cultural knowledge and perspective	The representative should be able to contribute mana whenua perspectives on wai, kaitiakitanga, mauri, tikanga, whakapapa, and intergenerational outcomes.
Governance contribution	The representative should be able to contribute constructively to Committee discussions, recommendations, and oversight of water services delivery.
Relationship focus	The representative should be able to work constructively with elected members, the independent Chairperson, senior management, regulators, and sector partners.
Local government understanding	Understanding of local government decision-making, public accountability, confidentiality, and committee processes would be beneficial.
Water services understanding	Understanding of drinking water, wastewater, stormwater, environmental management, resource consent issues, or infrastructure planning would be beneficial but is not a prerequisite.
Availability and commitment	The representative should be available to attend Committee meetings, prepare for meetings, and participate in induction and relevant briefings.
Confidentiality and conflicts	The representative will be expected to comply with relevant confidentiality, conflict of interest, and Council Standing Orders .

4.3.2 The appointment considerations are not intended to operate as a competitive assessment framework. Rather, the purpose is to provide clarity on the role and support an effective nomination, appointment, and induction process.

4.3.3 The appointment will be supported by clear communication with the nominating mana whenua entity about the purpose of the Committee, the scope of the representative role, the limits of the Committee's delegation, and the relationship between the Committee and Council.

5. Strategic Alignment

5.1 Direction

- 5.1.1 The recommendations associated with this report are consistent with Council's WSDP.
- 5.1.2 The appointment of a Mana Whenua Representative supports the governance framework required to oversee the transition to SWIBU and the ongoing delivery of water services.
- 5.1.3 The appointment also supports Council's wider commitment to maintaining meaningful relationships with mana whenua and ensuring water services governance is informed by cultural, environmental, and intergenerational considerations.

5.2 Legal Implications

- 5.2.1 [Section 22 of the Local Government \(Water Services Preliminary Arrangements\) Act 2024](#) requires Council to give effect to the proposals or undertakings relating to the future delivery of water services that are specified in its WSDP.
- 5.2.2 The appointment of a Mana Whenua Representative forms part of giving effect to the governance arrangements identified in Council's WSDP and the Committee's TOR.

- 5.2.3 The appointment process will be managed in accordance with Council's governance processes, conflict of interest expectations, and any relevant remuneration or appointment settings.
- 5.2.4 [Section 81 of the Local Government Act 2002](#) requires local authorities to establish and maintain processes to provide opportunities for Māori to contribute to decision-making processes, consider ways to foster Māori capacity to contribute, and provide relevant information to support that contribution.
- 5.2.5 The operative [National Policy Statement for Freshwater Management 2020 \(consolidated with December 2025 amendments\)](#) (NPS-FM) also provides relevant sector context. The NPS-FM requires local authorities to actively involve mana whenua in freshwater management, including decision-making processes, to the extent that mana whenua wish to be involved.
- 5.2.6 Whilst the Committee is not a regional freshwater planning body, the direction of national freshwater policy is relevant insofar as water services governance intersects with drinking water, wastewater, stormwater, environmental compliance, catchment health, cultural values, and long-term infrastructure planning.
- 5.2.7 These legislative and sector settings support the appointment of a Mana Whenua Representative to the Committee as part of a mature and fit-for-purpose governance framework for water services.

5.3 Financial Implications

- 5.3.1 The appointment of an independent Chairperson will result in remuneration and appointment-related costs, which will be managed in accordance with Council's Reimbursement or [Elected Members' Expenses Policy](#), as applicable.
- 5.3.2 There may also be costs associated with supporting effective participation, including induction, technical briefings, meeting preparation, and reimbursement of reasonable expenses.
- 5.3.3 Any material budget implications will be reported through the appropriate financial reporting process.



Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 23 June 2026



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.