



Our reference
F19/13/03-D21/26182

1 October 2026

Notice of Meeting

Notice is hereby given that, the **Water Services** committee meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford**, on **Tuesday 6 October 2026**, beginning at **1.00pm**.

Additionally, notice is hereby given that, the **Ordinary** meeting of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford**, on **Tuesday 6 October 2026**, beginning at **3.30pm**.

The timetable is as follows:

1.00pm	Water Services Committee
3.30pm	Ordinary Meeting of Council

Ngā mihi,

Sven Hanne
Chief Executive

Agenda – Water Services Committee – October 2026



06 October 2026 01:00 PM

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AGENDA

Waters Services Committee



F25/96/005 – D26/37013

Date: Tuesday 6 October 2026 at 1.00PM
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. Attendance Schedule

Attendance schedule for Waters Services Committee meetings. Page 7.

6. Confirmation of Minutes

- 6.1 **Water Services Committee - 30 June 2026**
D26/24141 Page 8

Recommendation

THAT the minutes of the Water Services Committee meeting held on Tuesday 30 June 2026 be confirmed as a true and accurate record.

/_____
Moved/Seconded

- 7. **Information Report - Stratford Waters Internal Business Unit - Establishment Update**
D26/37176 Page 11

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

8. Information Report - Stratford Waters Internal Business Unit - Statutory Obligations
D26/37179 Page 19

Recommendations

THAT the report be received.

Recommended Reason

The report provides the Committee with an overview of the regulatory environment that the Stratford Waters Internal Business Unit will be required to operate within.

Moved/Seconded

9. Information Report - Water Services Delivery Plan - Quarterly Update 3
D26/37196 Page 39

Recommendations

THAT the report be received.

Recommended Reason

The report informs the Committee of progress against the implementation milestones in Council's accepted Water Services Delivery Plan and identifies changes requiring continued oversight.

Moved/Seconded

10. Questions

11. Closing Karakia
D21/40748 Page 55



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.

5. Attendance schedule for 2026 Water Services Committee meetings.

Date	30/06/26	18/08/26	06/10/26	17/11/26
Meeting	A	D	A	A
Neil Volzke	✓			
David Chadwick				
Steve Beck	✓			
Jaimie Bertie				
Josh Best				
Grant Boyde	✓			
Annette Dudley				
Jono Erwood	✓			
Ellen Hall				
Amanda Harris	✓			
Katherine Sextus				
Mathew Watt	✓			

Key	
A	Water Services Meeting
D	Meeting deferred
	Non-committee member
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, Audio Visual Link

Water Services MINUTES



F26/96/005 – D26/24141

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

Present

The District Mayor (the Chairperson) Neil Volzke, the Deputy Mayor Amanda Harris, Councillor Mathew Watt.

In attendance

Councillors: Steve Beck, Grant Boyde, Jono Erwood. The Chief Executive – Sven Hanne, the Director – Corporate Services – Raelene Johnson, the Director – Assets – Victoria Araba, the Governance Advisor and Executive Assistant – Gareth Hancock, General Manager - Water Services Business Unit - Deron Sharma.

1. Welcome

The opening karakia was read. The District Mayor reiterated the health and safety message and emergency procedures.

2. Apologies

Apologies were noted from the Director – Community Services – Kate Whareaitu, the Director – Corporate Services – Raelene Johnson.

3. Announcements

The Chief Executive introduced Deron Sharma, General Manager – Water Services Business Unit, to the committee. It was noted that he is from the Waikato and has an extensive background in water services and associated infrastructure.

The Mayor noted that he was acting as the interim Chair and that it was his intention to become a committee member as soon as an independent Chair was appointed.

4. Declarations of members interest

Elected members were asked to declare any real or perceived conflicts of interest relating to items on this agenda. There were no conflicts of interest declared.

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

D26/22101 Page 7

Recommendations

THAT the report be received.

VOLZKE/HARRIS
Carried
WS/26/1

Recommended Reason

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

The General Manager - Water Services noted the following points:

- Key discussion points included the establishment programme outlined in the report. The programme is required by legislation and is linked to the Water Services Strategy. It is monitored by the Department of Internal Affairs who will soon transfer to the new ministry, MCRET. The programme consists of nine workstreams and is intended to be delivered in bite-sized chunks, providing clear operational and governance visibility.
- It was noted that the Water Services Steering Group will provide reporting to the Water Services Committee.
- It was highlighted to elected members that the City Care contract would be rolled over.

Questions/points of clarification:

- Councillor Boyde noted the proposed changes relating to the Simplifying Local Government reforms and their potential impact. The General Manager advised that planning for the establishment programme is underway and must comply with the legislative requirements of the Water Services Act. The programme allows for some flexibility, and at the next decision gate, officers will assess what flexibility exists.
- The District Mayor noted that the next report to the DIA is due on 31 July and sought confirmation that the requirements would be met. The General Manager advised that work on the report is underway. The report will be submitted to DIA and subsequently brought to the Committee.
- The District Mayor raised a query regarding three waters and sought clarification on stormwater. It was noted stormwater is associated with roading and receives NZTA funding. It was further advised that work is underway in accordance with the Water Services Delivery Plan in the area.
- Councillor Beck reiterated that it was good to have greater clarity regarding stormwater.

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

D26/22358 Page 12

Recommendations

THAT the report be received.

WATT/VOLKZE
Carried
WS/26/2

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.

The General Manager - Water Services noted the following points:

- The key elements are summarised in Table One, which outlines the core criteria. These have been developed from available guidance. While the guidance relates to a CCO, it has been adapted for use for an in-house business unit.
- The intention was to seek the Committee's feedback on what the criteria should look like.

Questions/points of clarification:

- Councillor Boyde noted that the criteria would likely result in a limited pool of candidates and queried whether a candidate could hold roles across multiple councils, and whether there would be any issues with that. The CE noted that experience and insights gained would be beneficial and was similar to that of an Audit and Risk Committee Chair. The Mayor suggested strengthening the wording relating to familiarity with Taranaki by including the local community and context.
- The District Mayor queried whether the Chair could be the CE of another water entity. The CE advised that this would likely depend on workload and contractual arrangements in place.
- The Deputy Mayor expressed support for the inclusion of the local community context.
- Councillor Boyde queried the financial implications of the appointment and whether budget existed. It was confirmed that funding exists.
- Councillor Watt sought clarification on whether there was a timeframe for appointing the Chair. The Chief Executive noted that the Committee was meeting the necessary requirements, while the Mayor expressed a preference for the appointment to be made sooner rather than later as development progressed.

- Councillor Beck reiterated the importance of integrity and public trust, noting that if the public did not have confidence in the Chair, it would be difficult to gain traction.

7. Information Report - Appointment of a Mana Whenua Representative to the Water Services Committee

D26/22515 Page 32

Recommendations

THAT the report be received.

HARRIS/WATT
Carried
WS/26/3

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.

The General Manager - Water Services noted the following points:

- The report outlines the process. As part of this, a representative with the appropriate mana and a regional connection to the committee is required.
- This is a feature of the WSDP and outlines the proposed process and criteria.
- This will also be a remunerated role.

Questions/points of clarification:

- Councillor Boyde sought clarity on the budget and process, and this was further expanded.
- The District Mayor sought clarification on whether the discussion related to iwi or mana whenua. The CE noted that engagement was occurring with the three iwi and that a range of options was being explored.
- The District Mayor queried right of objection. The process was clarified, and officers advised that they would be engaging with iwi throughout the process.
- The District Mayor also raised the proposed changes to voting rights by central government and asked whether these would be discussed. It was noted that an exception process would likely exist but was not yet known. The District Mayor further noted that he may revisit the possibility of appointing another elected member to the committee once the exception process was clearer.
- It was also noted that the integrity and trust criteria should be carried over to this appointment criteria.

8. Questions

- None.

9. Closing Karakia

The closing karakia was read.

The meeting closed at 2.39 pm.

Neil Volzke
Chairman

Confirmed this 18th day of August 2026.

Neil Volzke
District Mayor

INFORMATION REPORT



F25/96/004 – D26/37176

To: Water Services Committee
From: General Manager - Water Services
Date: 06 October 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 Water Services 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 Establishment 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 the Stratford Waters Internal Business Unit.
- 2.2 At a governance level, the focus is on ensuring that the transition remains aligned with the Water Services Delivery Plan, the 2027-2037 Long Term Plan, Council's first Water Services Strategy, and the statutory planning and reporting requirements under the Local Water Done Well framework. 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 During the last quarter, Officers developed 13 Service Level Agreements and inputted the transactional information into the Long Term Plan budget model, made information disclosures required by the Commerce Commission, progressed the development of Asset Management Plans, and the Water Services Strategy, which will be informed through early conversations.
- 2.4 The public website has been updated to ensure customers have accurate information available on how the Stratford Waters Internal Business Unit will impact them. The draft Significance and Engagement Policy has been updated to account for waters legislation and feedback has been provided on the National Engineering Design Standards framework.
- 2.5 Recruitment for the Independent Chairperson of the Water Services Committee is underway. Recruitment of the Mana Whenua Representative is planned to follow.

- 2.6 The establishment priorities for the next quarter include the development of the Water Services Strategy, Strategic Asset Management Plan, Asset Management Plans, and the resource and infrastructure review.

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 Water services fit the criteria of core services stipulated in [section 11A of the Local Government \(System Improvements\) Amendment Act 2026](#). Monitoring delivery of the accepted WSDP supports Council's oversight of arrangements intended to meet the current and future needs of the community.

4. Background

4.1 Water Services Delivery Plan

- 4.1.1 Pursuant to [Part 2 of 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 Ministry for Cities, Environment, Regions and Transport (MCERT) monitors Council's progress against the WSDP through mandatory quarterly reporting. The next quarterly report is due on 31 October 2026, which is covered in a separate report.

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 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 activity-level reporting to the Water Services Steering Group and provide the Committee with a programme-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.

4.2.5 The Establishment Programme provides a high-level overview of the forward works programme for the SWIBU Establishment Project team (**Attachment 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.

4.3 Establishment Updates

4.3.1 Updates to the Establishment Programme will be made in alignment with the Committee meeting dates, outlining key activities and progress for the Committee to monitor (**Attachment 2**).

4.3.2 13 Service Level Agreements between the SWIBU and Council functions have been developed and agreed, in principle, with functional leads and Directors. The costs associated with these services have been added to the Long Term Plan budget model, forming the basis of financial separation between Council and SWIBU services. Prior to Day 1, these will be jointly reviewed for currency and updated as required.

4.3.3 Under the [Water Services Information Disclosure Determination 2026](#) (Determination), which was created as secondary legislation under [section 52P of the Commerce Act 1986](#), Commerce Commission required Council to publicly disclose information around dividends, growth funding policies, charges, and any levies collected under [section 7\(1\) of the Infrastructure Funding and Financing Act 2020](#). These disclosures have been published on Council's [website](#).

4.3.4 Asset Management Plans were previously developed to meet the requirements of schedule 10 of the Local Government Act 2002, which did not have publication requirements. Asset Management Plans are now developed under the requirements of the Determination, which are more prescriptive and require public disclosures. Officers are continuing to develop the Asset Management Plans for each three waters activity, being stormwater, wastewater, and water supply. Once developed, these will be reviewed against the requirements of the Determination.

4.3.5 Using a first principles approach, a draft structure for the Water Services Strategy, Strategic Asset Management Plan, and Investment and Delivery Plan have been developed.

- 4.3.6 Officers are progressing early conversations with Elected Members to inform the development of the Strategic Asset Management Plan and Water Services Strategy.
- 4.3.7 Council's draft Significance and Engagement Policy has been updated in accordance with the requirements stipulated in [section 34 of the Local Government \(Water Services\) Act 2025](#), which was workshopped with Elected Members in August 2026.
- 4.3.8 A Statutory Obligations Register has been developed to inform the development of the SWIBU operating model and give the Committee an oversight of the regulatory landscape that the SWIBU will be required to deliver three waters services within. This is presented in a separate report.
- 4.3.9 The resource and infrastructure review was planned to commence at the beginning of September 2026. However, this was deferred on account of the potential Headstart Pathway proposal announcement that was planned for the end of September. This was intended to align the review with any additional considerations arising from Simplifying Local Government to reduce change fatigue on staff and customers and minimise overheads.
- 4.3.10 Given the Government's recent announcement to defer any material decision-making on Head Start Proposals, Officers will commence this process at the end of October.
- 4.3.11 Council's public website has been updated to reflect [progress on SWIBU establishment](#) and what this will mean for customers. To set the scene for wider communications regarding three waters in the district, an education campaign is planned, explaining how Council sources and delivers safe drinking water to customers.
- 4.3.12 Officers have provided technical feedback on the draft [National Engineering Design Standards framework](#) that Taumata Arowai has released for feedback. This will have significant implications on how infrastructure is designed, maintained, accepted, and decommissioned. Officers will be closely monitoring the development of these standards, providing technical input as appropriate, and advising the Committee on potential implications once the details have been released.
- 4.3.13 Recruitment for the [Water Services Committee Independent Chairperson](#) is underway. The appointment will be made by the Mayor and confirmed by resolution of Council. Recruitment for the Mana Whenua Representative will follow.
- 4.3.14 The key establishment activities planned for the next quarter include the development of the Water Services Strategy, Strategic Asset Management Plan, Asset Management Plans, and resource and infrastructure review.

5. Strategic Alignment

5.1 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

Attachment 1 SWIBU Establishment Programme – 06 October 2026.

Attachment 2 SWIBU Establishment Update – 06 October 2026.



Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 26 September 2026

Agenda – Water Services Committee – October 2026 - Information Report - Stratford Waters Internal Business Unit – Establishment Update

SWBU Establishment Programme – WSC Governance Timeline							
Key tasks and high-level deliverables for Water Services Committee reporting							
Workstream	Jan-Jul 2025 Baseline	Aug-Sep 2025 Design	Oct-Dec 2025 Build	Jan-Mar 2027 Refinement phase	Apr-May 2027 Adaptability	Jun 2027 Outcome	1 Jul 2027 Day 1
Finance and Commercial	Baseline planning and ring-fencing (operational) scope	Methodology for creating operating business	SLA costing and SLA separation	Financial reporting and audit pack	Budget decision by Council	Finance robust	Financial systems required and live
	SLA requirements for LTP budgets	Economic migration and financial sustainability methodology	Information disclosure requirements	Water meter billing data	Operating balances		
Strategy, Planning, and Reporting	WSS development aligned with LTP process	WSS structure and framework	First draft WSS with financial input	WSS consultation with WSC and Council	WSS ready for consultation	Publish WSS	WSS Operative
	Water Services Delivery Plan Quarterly Reporting	WSS early consultations	SAMP, AMP, and EP				
Legal and Statutory Compliance	Statutory requirements register	Reporting templates and requirements	Statutory compliance pathway and timing requirements	Warrants & Compliance Register	Compliance readiness review	Compliance sign-off	Monitoring live
	Resource baseline	Organisational design	Staged recruitment for mission critical roles	Authorisations requirements (if relevant)	Offers to transferring staff	Workforce readiness	Roles active
People and Workforce	Transition team and specialist support requirements	Role mapping and initial recruitment	Change management support for staff		Recruitment for Day 1 roles		
Communications and Customer	Project communication plan	Stakeholder education and regular updates	Water billing data reconciliation	Significance & Engagement Policy	WSS consultation documents	Website updated and stakeholders confirmed	Customer consultation SWBU to operational
Operations and Service Delivery	Current to future state mapping	Contract governance, management, and performance arrangements	Service delivery framework to live with WSS requirements	Operational processes and plans	Operational readiness review	Operating manual	Operative live
	Operations and Maintenance Contract review during establishment phase		Contract mapping (if required)		Operational contract	Contract live	
Data and Digital	System/data baseline	Asset data governance standards	IT and OT requirements	Asset data inventory and reconciliation	System readiness tests	Digital deliver	Systems live
Programme and Risk Management	Water Services Delivery Plan Performance Report and Programme plan	Programme plan, delivery and risk management	Establishment delivery value monitoring (SVI)	Capacity to respond to external changes such as Supplying, cost Governance	Phased transition from establishment phase to operational phase	Go/no-go report	Day 1 monitoring
Governance	WSC Terms of Reference and Mandate	WSC and Project Steering Group oversight	Council oversight and confidence	Six weekly reporting	WSS and SWBU	Go/no-go recommendation from WSC to Council for decision	Governance live
Target Milestones							
Milestone	Gate 1	Gate 2	Gate 3	Gate 4	Gate 5	Gate 6	Day 1
Target	Baseline Jul 2025	Design Sep 2025	Build readiness Dec 2025	Consult/Refine Mar 2027	Adoption ready May 2027	Go/no-go Jun 2027	SWBU live 1 Jul 2027

Agenda – Water Services Committee – October 2026 - Information Report - Stratford Waters Internal Business Unit – Establishment Update

SWIBU Establishment Programme — WSC Updates							
Progress updates against workstreams for Water Services Committee							
Workstream	October 2026	November 2026	January 2027	March 2027	April 2027	May 2027	June 2027
Finance and Commercial	SLA drafted and agreed to target models Basic information disclosures released						
Strategy, Planning, and Reporting	VSS structure and framework underway AMR underway, SMR and EP structure developed Early Consultations underway						
Legal and Statutory Compliance	Statutory obligations register developed						
People and Workforce	Organisational design underway Change management and initial consultation to commence in October						
Communications and Customer	Website updates Communications plan under development						
Operations and Service Delivery	Consent to build state mapping underway Submission on National Engineering Design Standards made						
Data and Digital	Asset data governance framework and standards under development						
Programme and Risk Management	Water Services Delivery Plan requirements to support the Establishment Programme						
Governance	Recruitment for Committee Chair and Main Officers Representations underway						
Target 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	Construction Mar 2027	Allocation ready May 2027	Service go Jun 2027	SWIBU live 1 Jul 2027

INFORMATION REPORT



F25/96/004 – D26/37179

To: Water Services Committee
From: General Manager - Water Services
Date: 06 October 2026
Subject: Stratford Waters Internal Business Unit - Statutory Obligations

Recommendations

THAT the report be received.

Recommended Reason

The report provides the Committee with an overview of the regulatory environment that the Stratford Waters Internal Business Unit will be required to operate within.

/_____
Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to update the Water Services Committee of the increasing statutory obligations on the Stratford Waters Internal Business Unit as a financially ring-fenced and economically regulated water services provider within Council.

2. Executive Summary

- 2.1 Council is establishing the Stratford Waters Internal Business Unit (SWIBU) as a financially ring-fenced and economically regulated water services provider. Existing public health, environmental and operational responsibilities persist while the new regulatory framework adds substantially greater financial, planning, asset management, information disclosure, assurance, publication and consumer accountability requirements.
- 2.2 The Statutory Obligations Register currently identifies 177 obligation and disclosure line items and links each item to an establishment workstream, due date, and deliverable. These line items do not represent equal levels of effort, but they demonstrate the breadth of the control environment that must be established, evidenced and maintained.
- 2.3 Furthermore, 98 items (55%) of the register sit within the Finance and Commercial or Strategy, Planning, and Reporting workstreams. Compliance therefore requires reliable data, documented methodologies, internal controls, assurance, and ongoing improvement, rather than simply producing plans and reports. Each plan has consequential implications for other plans, meaning the planning cannot be done in a vacuum. Rather, financial, asset, strategic, and operational planning must be integrated.
- 2.4 SWIBU must deliver three workloads concurrently: business-as-usual water services, the time-limited Establishment Programme and the statutory obligations.

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 Water services fit the criteria of core services stipulated in [section 11A of the Local Government \(System Improvements\) Amendment Act 2026](#). Monitoring delivery of the accepted WSDP supports Council's oversight of arrangements intended to meet the current and future needs of the community.

4. Background

4.1 Reform History

- 4.1.1 In August 2016, a widespread outbreak of gastroenteritis in Havelock North led to over 5000 residents falling ill and potentially contributed to at least three reported deaths. Findings from subsequent investigations attributed this to campylobacter contamination of the local water supply.
- 4.1.2 On 12 September 2016, the Government announced that an [Inquiry into the Havelock North water supply contamination incident](#) would be held in response to the outbreak. On 6 December 2017, the Inquiry reported on the causative agents and concomitant recommendations to prevent reoccurrence, broadly concluding that there was significant underinvestment, underperformance, and lack of regulation in the water services sector.
- 4.1.3 In response to these recommendations, the Government initiated the Three Waters Reform Programme, proposing the establishment of four water services entities. These arrangements have now been repealed and replaced by the [Local Water Done Well](#) (LWDW) Reform Programme.
- 4.1.4 Council is currently in the establishment phase of the Stratford Waters Internal Business Unit (SWIBU) under the auspices of LWDW.
- 4.1.5 On 26 August 2025, Council approved the [Water Services Delivery Plan](#) (WSDP), pursuant to the [Local Government \(Water Services Preliminary Arrangements\) Act 2024](#). The WSDP outlined Council's preferred water service delivery model, the financially ring-fenced SWIBU, and a plan to implement it by 1 July 2027.
- 4.1.6 This report presents the scale and character of obligations that will apply to the SWIBU once established. Furthermore, this highlights the shift from operating water services in Council, governed predominantly by the [Local Government Act 2002](#), to a market regulated water services provider within Council and its implications on the operating model of the SWIBU.

4.2 Governing Legislation – Local Water Done Well

- 4.2.1 The key legislative drivers, underpinning primary legislation, and regulators are summarised to demonstrate the relationship between the intended outcome, the enabling law, and the respective monitor ([Table 1](#)).

Table 1: Relationship between legislation, purpose, and regulator

Legislative Driver	Legislation	Crown Regulator
Establishment of an independent water services regulator	Water Services Authority— Taumata Arowai Act 2020	Taumata Arowai
Public health outcomes through safe, reliable, and transparent water services	Water Services Act 2021	Ministry for Cities, Environment, Regions and Transport (MCERT)
Framework for LWDW, different delivery models, and financial principles	Local Government (Water Services) Act 2025	MCERT
Economic regulation, information disclosures, and consumer protection	Commerce Act 1986	Commerce Commission

5. Information Summary

5.1 High Level Planning and Reporting Requirements

- 5.1.1 The legislative architecture, whilst evolving, is largely in place and establishes the structural, financial, and accountability framework for the water services sector. This fundamental shift in the planning, funding, delivery, and reporting arrangements for water services providers is summarised by the [Regulatory Requirements Roadmap \(Attachment 1\)](#).
- 5.1.2 The relationship between key infrastructure planning, asset management, and financial planning documents required for Day 1 of the SWIBU has been summarised ([Figure 1](#)).

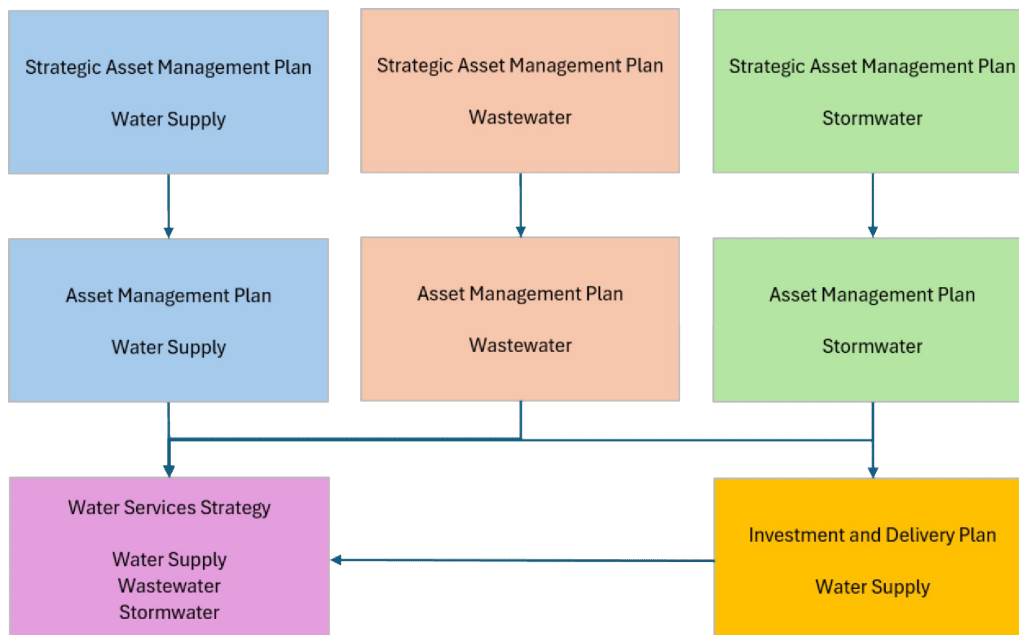


Figure 1: Interplay between infrastructure and financial planning documents required for a water services provider

5.2 Detailed Statutory Obligations Register

- 5.2.1 Whilst the reporting and documentation requirements are well canvassed in the industry, this is not a true reflection of the level of scrutiny and obligations that SWIBU will be subject to under governing legislation.
- 5.2.2 To this effect, a Statutory Obligations Register (SOR) has been developed (**Attachment 2**), which is an operational document annexed to the Establishment Programme. This is an intentional contiguity, reflecting that the Establishment Programme has been constructed in response to and as a function of statutory requirements and corresponding timeframes.
- 5.2.3 In contrast to the Regulatory Requirements Roadmap (**Attachment 1**), the SOR demonstrates the full breadth of operational and management controls that must be concurrently designed and delivered during the establishment phase and further maintained or improved during the operational phase of the SWIBU.
- 5.2.4 As of 15 September 2026, the Statutory Obligations Register contains 177 obligations ([Table 2](#)).

Table 2: Summary of obligations arising out of applicable primary or secondary legislation

Source	Count	Objective
Water Services Act 2021	32	Existing drinking water, network, monitoring, records, competence, and operational obligations.
Preliminary Arrangements Act 2024	1	Requirement to give effect to the accepted Water Services Delivery Plan.
Local Government (Water Services) Act 2025	85	Provider objectives, financial principles, planning, reporting, and operational obligations.
Water Services Information Disclosure Determination 2026	56	Financial, investment, delivery, and asset management publication requirements.
Funding Impact Statement Regulations 2026	3	Prescribed forms for the strategy, annual budget, and annual report.
TOTAL	177	

- 5.2.5 The integration of the SOR and the Establishment Programme provides Council with line of sight between each requirement and the establishment workstream responsible for it, due date for completion, and a tangible deliverable, where applicable.
- 5.2.6 Analysis demonstrates that 98 of the 177 obligations are attributed to either the Finance and Commercial or Strategy, Planning, and Reporting workstreams, tantamount to 55% of the workload from a statutory compliance lens ([Table 3](#)).

Table 3: Summary of obligations against each workstream

Workstream	Number of obligations	Percentage (%)
Finance and Commercial	63	36
Operations and Service Delivery	41	22

Strategy, Planning, and Reporting	35	20
Communications and Customer	18	10
Legal and Statutory Compliance	10	6
People and Workforce	5	3
Programme and Risk Management	5	3
TOTAL	177	100

5.3 Delivery Methodology

- 5.3.1 A published plan or report is the visible endpoint. Each material obligation creates an end-to-end control lifecycle that often intersects multiple functions, requiring analysis, remediation, synthesis of data, and the development of a defensible framework, boundary conditions, and assumptions that is auditable. To this end, Officers have developed a delivery methodology for the statutory obligations ([Figure 2](#)).

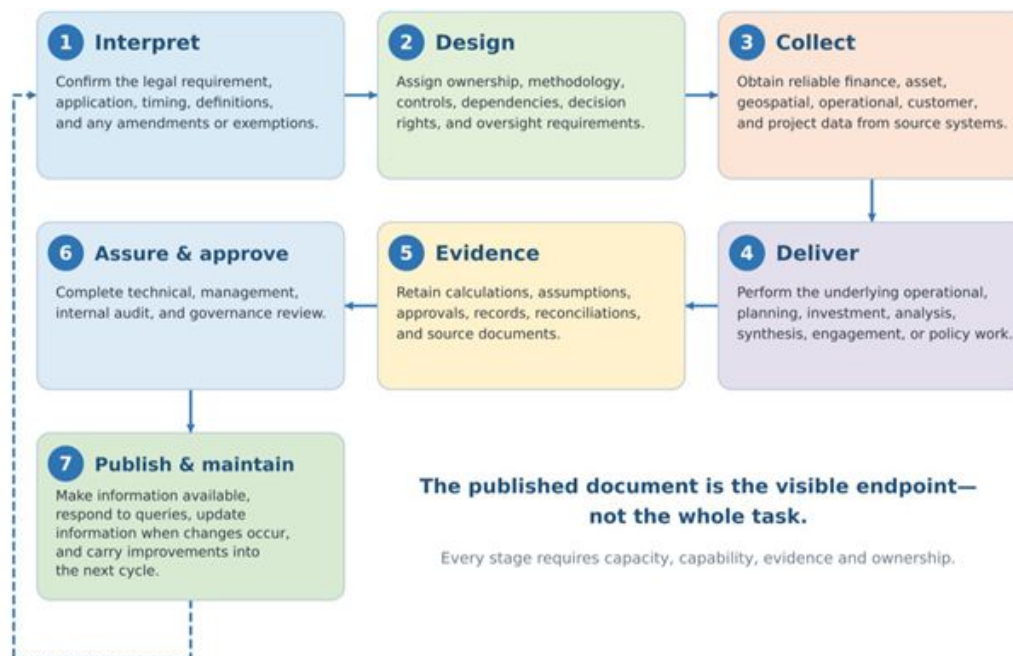


Figure 2: Statutory obligations delivery methodology

5.4 Compressed Delivery Calendar

- 5.4.1 Whilst the obligations are staged, the runway from the date of this meeting to Day 1 of the SWIBU is 181 working days.
- 5.4.2 The highest establishment workload and the first major statutory outputs fall within the same period, notwithstanding that several deadlines rely on the same underlying finance, asset, GIS, customer, and operational data.
- 5.4.3 This creates an interdependency concentration risk whereby a delay in one task could impact multiple deliverables ([Table 4](#)).

Table 4: Indicative timeframes and deliverables

Deadline	Deliverable Cluster	Deliverable Details
1 August 2026	Initial information disclosures	Dividends policy, funding for growth policy, charges, and any Infrastructure Funding and Financing Act levy information. These also require prompt updates when changed.
30 June 2027	Strategy and Day 1 foundational documents	Adopt the first Water Services Strategy and prescribed funding impact statement; complete financial separation and SWIBU operational readiness.
31 July 2027	First major Commerce Commission package	Basic 10-year forecast financial information, 30-year capital forecast, Strategic Asset Management Plan, Asset Management Plan, and Investment and Delivery Plan.
30 November 2027	First actual information package	Actual 2026/27 financial information, supported by records, assurance, and certification.
August 2027	Bylaws	Trade Waste Discharge Plan and review of existing water services bylaws, consultation and follow-up implementation where change is required.
2028-2029	Further enduring plans and assessments	Annual Delivery Report, stormwater network risk management plan, assessment of wastewater services, assessment of stormwater services, network and capacity utilisation information.
Recurring cycles	Annual, triennial, and enduring obligations	Annual budgets, annual reports and disclosures, periodic strategies and plans, assessments, reviews, register maintenance, audits, and continuous improvement.

5.5 Resourcing

5.5.1 Three concurrent workloads are being delivered by existing resources ([Table 5](#)).

Table 5: Summary of concurrent workstreams and ability for resource smoothing

Workload	Example	Ability for Resource Smoothing
Business as usual	Operate drinking water, wastewater, and stormwater services. Maintain compliance, respond to incidents and customers, manage consents, maintenance, renewals, contracts, and projects.	Cannot be paused without levels of service and public health consequences.
Establishment Programme	Complete 138 scheduled tasks covering governance, financial separation and ring-fencing, systems, workforce and infrastructure reviews, service level agreements, data remediation, policies, communications, and Day 1 readiness. The Programme peaks at 67 concurrently scheduled tasks in August 2026 and 66 in September 2026.	Time-limited and concentrated around Day 1.
Statutory Obligations	Deliver the 177 current register line items through recurring plans, disclosures, evidence, assurance, publication, reviews, and improvement actions.	Fixed resource requirements require specialist skills.

6. Strategic Alignment

6.1 Direction

- 6.1.1 In the Programme and Risk Management workstream, the core risk that Simplifying Local Government creates is deliverable uncertainty, which can lead to scope creep, exacerbate resource constraints and programme slippage.
- 6.1.2 Council is required to deliver the Establishment Programme outlined in the WSDP pursuant to [part 2, section 22 of the Local Government \(Water Services Preliminary Arrangements\) Act 2024](#). In contrast, Simplifying Local Government must survive General Elections 2026. From a Legal and Statutory Compliance workstream perspective, there is a clear mandate to progress with the Establishment Programme as planned.
- 6.1.3 In the People and Workforce workstream, the recent history of water reforms and pivots driven by changing government priorities warrants acknowledgment. The consequential risk this creates is uncertainty for current staff and pressure to deliver on additional work whilst maintaining BAU.
- 6.1.4 The uncertainty in the waters sector has demonstrably inhibited the ability to attract and retain talent despite high unemployment rates, which is further exacerbated by the uncertainty in the local government sector and competition arising from water services council-controlled organisations that are going live. At a strategic and sector level, this presents a wider risk when considered against an ageing workforce.

6.2 Legal Implications

- 6.2.1 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

Attachment 1 Regulatory Requirements Roadmap

(Courtesy of Wai Mana Collective)

Attachment 2 Statutory Obligations Register



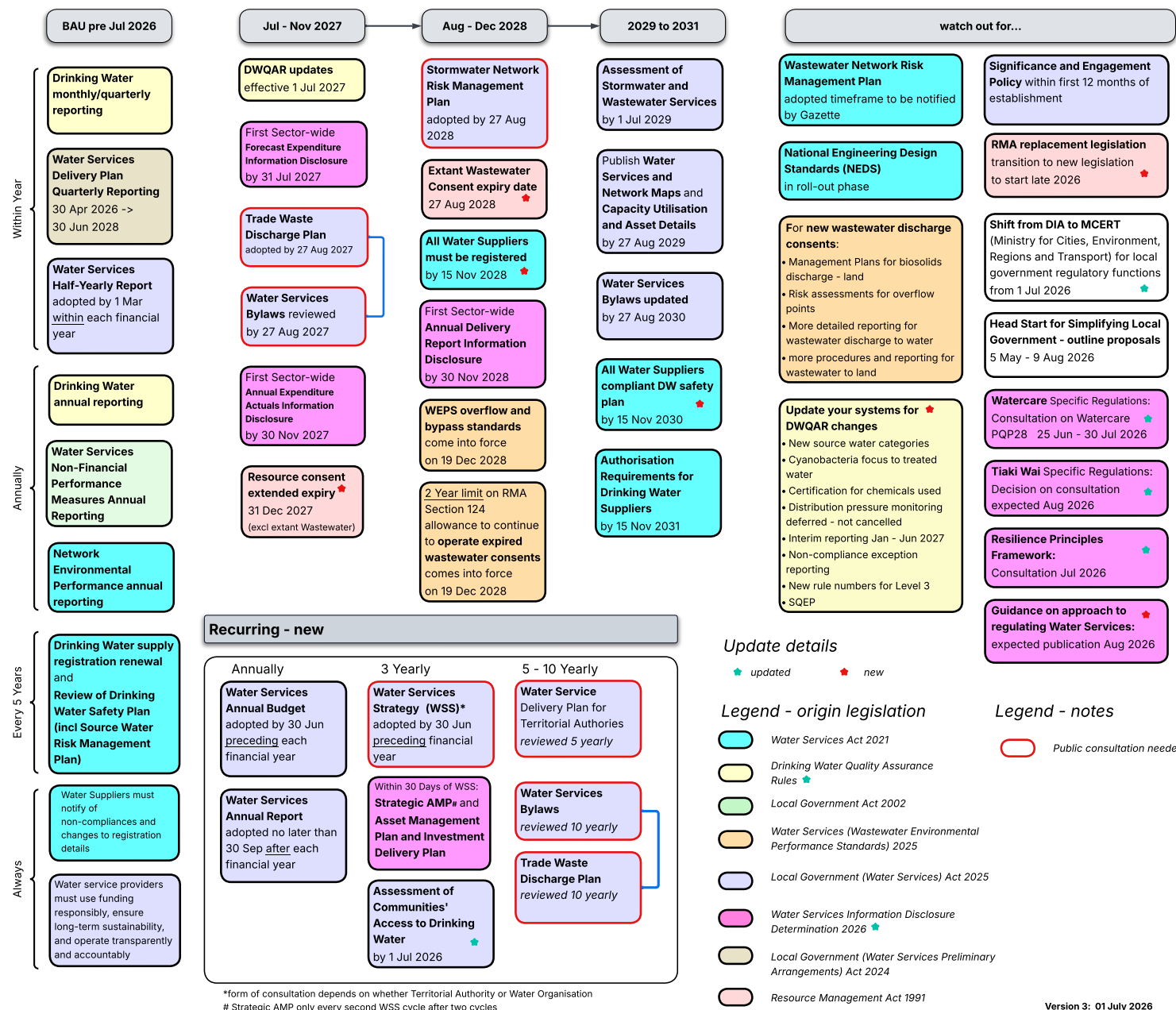
Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 26 September 2026

Water Services Providers (Territorial Authorities & WSCCOs) Regulatory Requirements Roadmap



Agenda – Water Services Committee – October 2026 - Information Report - Stratford Waters Internal Business Unit – Statutory Obligations

Attachment 2

Statutory Obligations Register

#	Requirement	Source	Page	Clause	Due Date	Lead Workstream	Deliverable
1	A drinking water supplier must ensure that the drinking water supplied by the supplier is safe	Water Services Act 2021	28	Part 2, Section 21, Subsection 1	4/10/2021	Operations and Service Delivery	
2	A drinking water supplier must ensure that the drinking water supplied by the supplier complies with the drinking water standards	Water Services Act 2021	29	Part 2, Section 22, Subsection 1	4/10/2021	Operations and Service Delivery	Monitoring Results
3	The owner of a drinking water supply must ensure that the supply is registered in accordance with the requirements of subpart 7	Water Services Act 2021	29	Part 2, Section 23, Subsection 2	4/10/2021	Operations and Service Delivery	Hinekorako
4	A drinking water supplier must take all reasonably practicable steps to supply drinking water that complies with aesthetic values issued by the Water Services Authority under section 48	Water Services Act 2021	29	Part 2, Section 24	4/10/2021	Operations and Service Delivery	Monitoring Results
5	A drinking water supplier (other than a water carrier) must ensure that a sufficient quantity of drinking water is provided to each point of supply to which that supplier supplies drinking water	Water Services Act 2021	30	Part 2, Section 25, Subsection 1	4/10/2021	Operations and Service Delivery	
6	In any event where the restriction or interruption of the supply of drinking water exceeds 8 hours, the drinking water supplier must make arrangements to ensure that a sufficient quantity of drinking water is available to affected consumers through an alternative supply (for example, by water carrier)	Water Services Act 2021	31	Part 2, Section 25, Subsection 6	4/10/2021	Operations and Service Delivery	
7	If a drinking water supply includes reticulation, the drinking water supplier must ensure that the supply arrangements protect against the risk of backflow	Water Services Act 2021	32	Part 2, Section 27, Subsection 1	4/10/2021	Operations and Service Delivery	Backflow Prevention Device
8	If a drinking water supply includes end-point treatment, the drinking water supplier is responsible for the installation, maintenance, and ongoing testing of an end-point treatment device	Water Services Act 2021	33	Part 2, Section 28, Subsection 2	4/10/2021	Operations and Service Delivery	
9	If a drinking water supplier has a duty under a legislative requirement, every officer, employee, and agent of the drinking water supplier must exercise due diligence to ensure that the drinking water supplier complies with that duty	Water Services Act 2021	33	Part 2, Section 29, Subsection 1	4/10/2021	Operations and Service Delivery	
10	An owner of a drinking water supply that supplies more than 25 consumers must prepare a drinking water safety plan in relation to the owner's supply that complies with legislative requirements	Water Services Act 2021	34	Part 2, Section 30, Subsection 1A	4/10/2021	Operations and Service Delivery	Drinking Water Safety Plan
11	A drinking water supplier must, immediately after becoming aware that a notifiable risk or hazard exists, identify and implement measures required to ensure that the notifiable risk or hazard does not reoccur	Water Services Act 2021	39	Part 2, Section 35, Subsection 2(f)	4/10/2021	Operations and Service Delivery	
12	A drinking water supplier must notify the Water Services Authority, and every territorial authority whose district contains consumers or drinking water suppliers supplied by the supplier, of the supplier's intention or proposal to cease or reduce supply of drinking water supplied to consumers	Water Services Act 2021	41	Part 2, Section 36, Subsection 1	4/10/2021	Operations and Service Delivery	
13	A drinking water supplier must notify the Water Services Authority of instances known to the supplier of persons being supplied drinking water from an unregistered drinking water supply	Water Services Act 2021	41	Part 2, Section 36, Subsection 3(a)	4/10/2021	Operations and Service Delivery	
14	A drinking water supplier must keep and maintain records of the supplier's drinking water supply, its operation, and its compliance with legislative requirements	Water Services Act 2021	42	Part 2, Section 37, Subsection 1(a)	4/10/2021	Operations and Service Delivery	Accurate Records
15	A drinking water supplier must keep and maintain records of the results of any monitoring to ensure that drinking water is safe and complies with legislative requirements	Water Services Act 2021	42	Part 2, Section 37, Subsection 1(b)	4/10/2021	Operations and Service Delivery	Accurate Records

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Attachment 2

Statutory Obligations Register

16	A drinking water supplier must, in accordance with regulations that apply to the supplier establish, maintain, and administer a consumer complaints process	Water Services Act 2021	42	Part 2, Section 38, Subsection 1(b)	4/10/2021	Operations and Service Delivery	Consumer Complaints Process
17	A drinking water supplier must prepare and implement a source water risk management plan based on the scale, complexity, and risk of the drinking water supply	Water Services Act 2021	44	Part 2, Section 43, Subsection 1	4/10/2021	Operations and Service Delivery	Source Water Risk Management Plan
18	A drinking water supplier must monitor the quality of the supplier's source water at the abstraction point in accordance with a programme set out in the supplier's drinking water safety plan	Water Services Act 2021	46	Part 2, Section 44, Subsection 1	4/10/2021	Operations and Service Delivery	Source Water Monitoring Programme
19	Local authorities must inform the Water Services Authority of any inaccuracies they consider exist in the information on the location of drinking water abstraction points	Water Services Act 2021	46	Part 2, Section 45, Subsection 2	4/10/2021	Operations and Service Delivery	
20	The owner of a registered drinking water supply must, in each 5-year period, during a month allocated for the purpose by the Water Services Authority, apply for a renewal of registration of the owner's supply	Water Services Act 2021	63	Part 2, Section 56, Subsection 1	4/10/2026	Operations and Service Delivery	Hinekorako
21	A person must not operate a drinking water supply, a wastewater network, or a class of drinking water supply or wastewater network if the person is not authorised in accordance with the regulations	Water Services Act 2021	65	Part 2, Section 68, Clause (b)		People and Workforce	
22	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, a wastewater network, or a class of drinking water supply or wastewater network if regulations require that, in order to do so, the person must have prescribed skills, qualifications, or experience and the person does not have the prescribed skills, qualifications, or experience	Water Services Act 2021	65	Part 2, Section 69, Clause (a)		People and Workforce	
23	A person must not sample source water, raw water, or drinking water if regulations require that, in order to do so, the person must have prescribed skills, qualifications, or experience and the person does not have the prescribed skills, qualifications, or experience	Water Services Act 2021	66	Part 2, Section 70, Clause (a)		People and Workforce	
24	A drinking water supplier must use an accredited laboratory to analyse source water, raw water, and drinking water as part of any monitoring requirements in compliance rules or a drinking water safety plan	Water Services Act 2021	67	Part 2, Section 73, Subsection 1		Operations and Service Delivery	
25	A water service provider must not accept a transfer of ownership of water services infrastructure from any person unless the infrastructure meets the design, construction, and operational performance requirements in the NEDS	Water Services Act 2021	84	Part 3, Section 97K, Subsection 1		Operations and Service Delivery	
26	A water service provider must not connect, or allow any other person to connect, water services infrastructure to a water services network for which the provider is responsible unless the infrastructure meets the design, construction, and operational performance requirements in the NEDS	Water Services Act 2021	84	Part 3, Section 97L, Subsection 1(a)		Operations and Service Delivery	
27	A water service provider must not connect, or allow any other person to connect, water services infrastructure to a water services network for which the provider is responsible unless the connection is made in accordance with connection requirements in the NEDS	Water Services Act 2021	84	Part 3, Section 97L, Subsection 1(b)		Operations and Service Delivery	
28	A water service provider must not connect, or allow any other person to connect, water services infrastructure to a water services network for which the provider is responsible unless the connection is made in accordance with any applicable water services bylaw	Water Services Act 2021	84	Part 3, Section 97L, Subsection 1(c)		Operations and Service Delivery	Water Services Bylaw
29	A water service provider must ensure that water services infrastructure that it constructs complies with the NEDS	Water Services Act 2021	85	Part 3, Section 97M		Operations and Service Delivery	

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Statutory Obligations Register

30	A water service provider that is carrying out work repairing, upgrading, replacing, renewing, maintaining, or decommissioning the whole or any part of any water services infrastructure must comply with the NEDS	Water Services Act 2021	85	Part 3, Section 97N, Subsection 1		Operations and Service Delivery	
31	A wastewater network operator must prepare and implement a risk management plan for the operator's wastewater network	Water Services Act 2021	110	Part 3, Section 139, Subsection 1		Operations and Service Delivery	Wastewater Network Risk Management Plan
32	Despite section 68, every local authority and water organisation that operates a drinking water supply must be authorised, or have its drinking water supply operated by an authorised supplier, within 10 years after the commencement date	Water Services Act 2021	154	Schedule 1, Part 1, Section 7		People and Workforce	
33	Territorial authority must give effect to water services delivery plan	Local Government (Water Services Preliminary Arrangements) Act 2024	23	Part 2, Section 22	1/07/2026	Programme and Risk Management	
34	Water services delivered in compliance with LGWSA 2025	Local Government (Water Services) Act 2025	25	Part 2, Section 9, Subsection 1	25/08/2025	Programme and Risk Management	
35	Mechanisms for providing water services	Local Government (Water Services) Act 2025	25	Part 2, Section 10, Subsection 1(a)	1/07/2026	Programme and Risk Management	
36	Transport corridor stormwater infrastructure	Local Government (Water Services) Act 2025	26	Part 2, Section 11, Subsection 2		Legal and Statutory Compliance	
37	Water services are reliable	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(a)(i)		Operations and Service Delivery	
38	Water services are resilient to external factors, for example, climate change and natural hazards	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(a)(ii)		Operations and Service Delivery	
39	Water services are of a quality that meets consumer expectations	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(a)(iii)		Communications and Customer	
40	Water services meet all regulatory requirements, including, if the water service provider is responsible for water supply services, providing drinking water that is safe for consumers	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(a)(iv)		Legal and Statutory Compliance	
41	Provides water services in a cost-effective and financially sustainable manner	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(b)		Finance and Commercial	
42	Planning effectively to manage water services infrastructure used to provide water services in the future	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(b)(i)		Strategy, Planning, and Reporting	
43	Sharing the benefits of efficiency gains with consumers, including when setting charges for water services	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(b)(ii)		Finance and Commercial	
44	Using water resources efficiently when providing water supply services	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(b)(iii)		Operations and Service Delivery	
45	Perform its functions as a water service provider in an open, transparent, and accountable manner	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(c)(i)		Communications and Customer	
46	Perform its functions as a water service provider in accordance with sound business practice	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(c)(ii)		Operations and Service Delivery	
47	Act in the best interests of current and future consumers	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(d)		Communications and Customer	

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Statutory Obligations Register

48	Support housing growth and, if applicable, urban development in its service area	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(e)	Strategy, Planning, and Reporting	
49	Be a good employer	Local Government (Water Services) Act 2025	30	Part 2, Section 17, Subsection 1(f)	People and Workforce	
50	Spend the revenue it receives from, and funding it receives for, providing water services on the water services it provides (including on maintenance, improvements, infrastructure renewal, servicing debt relating to the services it provides, and providing for growth)	Local Government (Water Services) Act 2025	31	Part 2, Section 18, Subsection 1(a)	Finance and Commercial	
51	Ensure that the revenue and funding it applies to providing water services is sufficient to sustain the provider's long-term investment in its water services while meeting all regulatory requirements	Local Government (Water Services) Act 2025	31	Part 2, Section 18, Subsection 1(b)	Finance and Commercial	
52	Revenue and funding (including from charges), expenses, and dividends (if applicable) must be transparent to the public	Local Government (Water Services) Act 2025	31	Part 2, Section 18, Subsection 1(c)	Finance and Commercial	Funding and Financing Policy
53	A water service provider must not use the assets of its water services networks as security for any purpose	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 1(a)	Finance and Commercial	
54	A water service provider must not transfer its ownership of water services infrastructure or of any other interest in a water service	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 1(b)	Programme and Risk Management	
55	A water service provider must not lose control of, sell, or otherwise dispose of the significant water services infrastructure necessary for providing water services in its service area, unless it retains its capacity to meet its obligations	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 1(c)	Programme and Risk Management	
56	A water service provider must not in relation to a property to which the provider supplies water, restrict the water supply, unless section 214 applies	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 1(d)(i)	Operations and Service Delivery	
57	A water service provider must not stop the water supply unless section 25(3) of the Water Services Act 2021 applies	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 1(d)(ii)	Operations and Service Delivery	
58	A water service provider may use a charge or rate that relates to providing water services as security	Local Government (Water Services) Act 2025	32	Part 2, Section 20, Subsection 2	Finance and Commercial	
59	Franchises and concession agreements prohibited	Local Government (Water Services) Act 2025	33	Part 2, Section 21, Subsection 1	Finance and Commercial	
60	Contracts for providing water services cannot exceed 50 years, except if with another water services provider	Local Government (Water Services) Act 2025	33	Part 2, Section 22, Subsection 3	Finance and Commercial	
61	When considering and negotiating a contract under section 22, determine whether the proposed contract is a significant contract under section 24	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 1(a)	Finance and Commercial	

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Statutory Obligations Register

62	When considering and negotiating a contract under section 22, consider all current and anticipated future regulatory requirements in relation to the water services to which the proposed contract relates	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 1(b)	Finance and Commercial	
63	When considering and negotiating a contract under section 22, consider whether the contract should provide for compliance with those requirements	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 1(c)	Finance and Commercial	
64	Before entering into a contract that a provider determines to be a significant contract, identify and assess options and undertake consultation in accordance with sections 30 to 32	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 2(a)	Communications and Customer	
65	Before entering into a contract that a provider determines to be a significant contract because it will create a public-private partnership, a water service provider must have regard to any relevant procurement rules and guidance issued by central government	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 3(a)	Legal and Statutory Compliance	
66	Before entering into a contract that a provider determines to be a significant contract because it will create a public-private partnership, a water service provider must obtain advice from any central government agency whose role includes advising on public-private partnerships (if its role is applicable to water service providers)	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 3(b)(i)	Finance and Commercial	
67	Before entering into a contract that a provider determines to be a significant contract because it will create a public-private partnership, a water service provider must obtain advice from appropriate experts in the private sector	Local Government (Water Services) Act 2025	34	Part 2, Section 23, Subsection 3(b)(i)	Finance and Commercial	
68	After entering into a significant contract, the provider must ensure that its water services annual report specifies the performance indicators that the provider is using to monitor and assess the performance of the contracted party	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 2(a)	Finance and Commercial	Water Services Annual Report
69	After entering into a significant contract, the provider must ensure that its water services annual report sets out how the contracted party has performed against those indicators during the relevant period	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 2(b)	Finance and Commercial	Water Services Annual Report
70	The provider must ensure that its significance and engagement policy addresses all matters necessary for determining whether a proposed contract under section 22 is a significant contract	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 3(a)	Communications and Customer	Significance and Engagement Policy
71	The provider must ensure that its significance and engagement policy addresses all matters necessary for determining how to undertake engagement in relation to proposed significant contracts in a way that is consistent with sections 31 and 32	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 3(b)	Communications and Customer	Significance and Engagement Policy

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Statutory Obligations Register

72	The significance and engagement policy must contain all criteria needed for determining whether a proposed contract is a significant contract, and those criteria must include whether the proposed contract is of high value relative to the revenue that the provider receives from providing the water service to which the contract relates	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 4(a)	Communications and Customer	Significance and Engagement Policy
73	The significance and engagement policy must contain all criteria needed for determining whether a proposed contract is a significant contract, and those criteria must include whether the proposed contract will create a public-private partnership	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 4(b)	Communications and Customer	Significance and Engagement Policy
74	The significance and engagement policy must contain all criteria needed for determining whether a proposed contract is a significant contract, and those criteria must include all matters that are essential to the provider's ability to meet its obligations under this Act in relation to the water service to which the contract relates	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 4(c)	Communications and Customer	Significance and Engagement Policy
75	The significance and engagement policy must contain all criteria needed for determining whether a proposed contract is a significant contract, and those criteria must include any relevant thresholds (for example, the value of the contract)	Local Government (Water Services) Act 2025	35	Part 2, Section 24, Subsection 4(d)	Communications and Customer	Significance and Engagement Policy
76	A territorial authority must amend its significance and engagement policy to suit the authority's role, and any changes to its role as a water service provider	Local Government (Water Services) Act 2025	42	Part 2, Section 34, Clause a(i)	Communications and Customer	Significance and Engagement Policy
77	A territorial authority may not transfer any responsibility for providing water services in its district to the regional council for the region in which that district is located	Local Government (Water Services) Act 2025	47	Part 2, Section 41, Subsection 2	Legal and Statutory Compliance	
78	A territorial authority must inform itself about the access that each community in its district has to drinking water services by conducting an assessment of drinking water services in accordance with this section	Local Government (Water Services) Act 2025	61	Part 2, Section 69, Subsection 1	Strategy, Planning, and Reporting	Assessment of Drinking Water Services
79	A territorial authority must conduct its first assessment by 1 July 2026	Local Government (Water Services) Act 2025	62	Part 2, Section 69, Subsection 3(a)	Strategy, Planning, and Reporting	Assessment of Drinking Water Services
80	A territorial authority must conduct later assessments at least once every 3 years after the completion of the first assessment	Local Government (Water Services) Act 2025	62	Part 2, Section 69, Subsection 3(b)(i)	Strategy, Planning, and Reporting	Assessment of Drinking Water Services
81	A territorial authority must also notify the Water Services Authority about any drinking water suppliers that are, or appear to be, failing to meet the supplier's obligations under the Water Services Act 2021 or are at risk of doing so	Local Government (Water Services) Act 2025	63	Part 2, Section 70, Subsection 2(a)	Strategy, Planning, and Reporting	
82	A territorial authority must also consider the findings and implications of the assessment in relation to the territorial authority's water services strategy under section 230	Local Government (Water Services) Act 2025	63	Part 2, Section 70, Subsection 2(a)	Strategy, Planning, and Reporting	Water Services Strategy
83	A territorial authority must also consider the findings and implications of the assessment in relation to the territorial authority's district plan prepared under the Resource Management Act 1991	Local Government (Water Services) Act 2025	63	Part 2, Section 70, Subsection 2(c)	Strategy, Planning, and Reporting	District Plan
84	A territorial authority must assess the provision within its district of stormwater services	Local Government (Water Services) Act 2025	63	Part 2, Section 71, Subsection 1(a)	Strategy, Planning, and Reporting	Assessment of Stormwater Services
85	A territorial authority must assess the provision within its district of wastewater services	Local Government (Water Services) Act 2025	63	Part 2, Section 71, Subsection 1(b)	Strategy, Planning, and Reporting	Assessment of Wastewater Services
86	A territorial authority must conduct its first assessment by 1 July 2029	Local Government (Water Services) Act 2025	64	Part 2, Section 71, Subsection 5(a)	Strategy, Planning, and Reporting	Assessment of Stormwater Services Assessment of Wastewater Services

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87	A territorial authority must conduct later assessments at least once every 3 years after the completion of the first assessment	Local Government (Water Services) Act 2025	64	Part 2, Section 71, Subsection 5(b)		Strategy, Planning, and Reporting	Assessment of Stormwater Services Assessment of Wastewater Services
88	A territorial authority must also consider the findings and implications of the assessment in relation to the territorial authority's water services strategy under section 230	Local Government (Water Services) Act 2025	64	Part 2, Section 70, Subsection 7(a)		Strategy, Planning, and Reporting	Water Services Strategy
89	A territorial authority must also consider the findings and implications of the assessment in relation to the territorial authority's district plan prepared under the Resource Management Act 1991	Local Government (Water Services) Act 2025	64	Part 2, Section 70, Subsection 7(c)		Strategy, Planning, and Reporting	District Plan
90	If a water service provider with responsibility for water supply services becomes aware that a drinking water supplier operating in the provider's service area is facing a significant problem or potential problem in relation to any of its drinking water supplies— The water service provider must, as the circumstances allow and within a time frame determined by the Water Services Authority ensure that drinking water is supplied to the affected consumers on a temporary or permanent basis if the supplier is unable to continue to provide a supply that meets the requirements under the Water Services Act 2021	Local Government (Water Services) Act 2025	65	Part 2, Section 72, Subsection 1(a)(i) Part 2, Section 72, Subsection 2(b)(i)		Operations and Service Delivery	
91	A relevant territorial authority must, on each relevant day, submit a water services delivery plan to the Secretary	Local Government (Water Services) Act 2025	69	Part 2, Section 77, Subsection 2(a) Part 2, Section 77, Subsection 2(b) Part 2, Section 78, Subsection 1		Strategy, Planning, and Reporting	Water Services Delivery Plan
92	If a territorial authority makes water services bylaws for its district for the purposes of regulating connections to water services networks, then this must provide for a process for a water service provider to approve connections to water services networks	Local Government (Water Services) Act 2025	108	Part 3, Section 147, Subsection 2(b)		Legal and Statutory Compliance	Water Services Bylaw
93	A water service provider must, no later than 4 years after this section comes into force publish all capacity utilisation and asset details known to the water service provider in relation to its water services networks	Local Government (Water Services) Act 2025	112	Part 3, Section 158, Subsection 1(b)	26/08/2029	Strategy, Planning, and Reporting	Network and Capacity Utilisation Map
94	Before a water service provider enters land and carries out any work specified in section 161(1), it must notify the owner of the land of its intention to enter the land and carry out the work.	Local Government (Water Services) Act 2025	115	Part 3, Section 162, Subsection 1		Communications and Customer	Notice of Works
95	Before working on any road, a water service provider must give notice of the intention to enter and carry out the work to the local authority or other person with jurisdiction over the road	Local Government (Water Services) Act 2025	122	Part 3, Section 173, Subsection 1(a)		Communications and Customer	Notice of Works
96	Before working on any road, a water service provider must give notice of the intention to enter and carry out the work to any utility operator whose infrastructure (including pipes and lines) is likely to be affected by the work	Local Government (Water Services) Act 2025	123	Part 3, Section 173, Subsection 1(b)		Communications and Customer	Notice of Works
97	The provider must take all reasonable steps to negotiate consent to the proposed entry and work with the level crossing owner	Local Government (Water Services) Act 2025	123	Part 3, Section 176, Subsection 2		Communications and Customer	Notice of Works
98	An owner of land on, over, or under which any existing water services infrastructure owned by a water service provider is placed is not required by this Act to maintain the infrastructure, or to maintain tracks for the purpose of providing the water service provider with access to the infrastructure	Local Government (Water Services) Act 2025	126	Part 3, Section 182, Subsection 1		Operations and Service Delivery	
99	A territorial authority must prepare and issue a trade waste discharge plan no later than 2 years after the date on which this section comes into force	Local Government (Water Services) Act 2025	127	Part 3, Section 185, Subsection 1	26/08/2027	Strategy, Planning, and Reporting	Trade Waste Discharge Plan
100	Territorial authority must consult on proposed trade waste discharge plan	Local Government (Water Services) Act 2025	128	Part 3, Section 186, Subsection 1		Communications and Customer	Trade Waste Discharge Plan

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101	Consultation on a trade waste discharge plan must also include any consultation required under section 188 on a proposed or recommended trade waste bylaw	Local Government (Water Services) Act 2025	128	Part 3, Section 186, Subsection 2		Communications and Customer	Trade Waste Bylaw
102	A territorial authority must review each trade waste discharge plan that relates to the territorial authority's district no later than 10 years after the date on which it makes the plan or bylaw	Local Government (Water Services) Act 2025	130	Part 3, Section 189, Subsection 1(a) Part 3, Section 189, Subsection 2(a)		Strategy, Planning, and Reporting	Trade Waste Discharge Plan
103	A territorial authority must review each trade waste bylaw that is made following a recommendation or proposal in a trade waste discharge plan no later than 10 years after the date on which it makes the plan or bylaw	Local Government (Water Services) Act 2025	130	Part 3, Section 189, Subsection 1(b) Part 3, Section 189, Subsection 2(b)		Strategy, Planning, and Reporting	Trade Waste Bylaw
104	A water service provider that is responsible for managing a stormwater network in its service area must develop a stormwater network risk management plan for the provider's service area in accordance with sections 203 and 204	Local Government (Water Services) Act 2025	135	Part 3, Section 201, Subsection 1(a) Part 3, Section 201, Subsection 1(b)	26/08/2028	Strategy, Planning, and Reporting	Stormwater Network Risk Management Plan
105	A water service provider must review and, as necessary, revise its stormwater network risk management plan at least once every 10 years	Local Government (Water Services) Act 2025	138	Part 3, Section 205, Subsection 1		Strategy, Planning, and Reporting	Stormwater Network Risk Management Plan
106	A water service provider must enter into a service agreement with any corridor manager in relation to local roads located within the provider's service area	Local Government (Water Services) Act 2025	141	Part 3, Section 211, Subsection 1(a)		Legal and Statutory Compliance	Service Level Agreement - Road
107	In every part of a water service provider's service area where the provider is responsible for providing water supply services, the provider must attach fire hydrants to the main pipes of the water supply network other than trunk mains	Local Government (Water Services) Act 2025	143	Part 3, Section 215, Subsection 1		Operations and Service Delivery	
108	A territorial authority must place a notice or mark near each fire hydrant in its district to show the location of the fire hydrant	Local Government (Water Services) Act 2025	144	Part 3, Section 216, Subsection 1		Operations and Service Delivery	
109	A water service provider must, at all times, keep the pipes, to which fire hydrants are attached under section 215, filled with water	Local Government (Water Services) Act 2025	144	Part 3, Section 217, Subsection 1		Operations and Service Delivery	
110	A water service provider must allow any person to take and use water, free of charge, from any waterworks or water race for the purpose of extinguishing a fire	Local Government (Water Services) Act 2025	144	Part 3, Section 217, Subsection 3		Operations and Service Delivery	
111	A water service provider must prepare a water services strategy	Local Government (Water Services) Act 2025	152	Part 4, Section 230, Subsection 1(a)	30/6/2027	Strategy, Planning, and Reporting	Water Services Strategy
112	A territorial authority that is a water service provider must in addition to preparing a draft water services strategy under this subpart, prepare a summary of the major matters in the draft water services strategy	Local Government (Water Services) Act 2025	155	Part 4, Section 235, Subsection 1(a)	30/6/2027	Communications and Customer	Water Services Strategy - Summary Document
113	A water service provider must, for each financial year that is not the first financial year to which the provider's water services strategy relates, prepare a water services annual budget	Local Government (Water Services) Act 2025	160	Part 4, Section 240, Subsection 1		Finance and Commercial	Water Services Annual Budget
114	A water service provider that is a territorial authority must, in relation to each financial year, prepare and adopt by resolution a water services annual report that reports on the territorial authority's water services operations during that financial year	Local Government (Water Services) Act 2025	163	Part 4, Section 245, Subsection 1		Strategy, Planning, and Reporting	Water Services Annual Report
115	The territorial authority must review each water services bylaw no later than the date that is 2 years after the date on which this section comes into force	Local Government (Water Services) Act 2025	173	Part 5, Section 263, Subsection 3	25/08/2027	Legal and Statutory Compliance	Water Services Bylaw Trade Waste Bylaw Wastewater Bylaw Stormwater Bylaw
116	As part of the review of a bylaw under this section, the territorial authority must if it decides a bylaw should be amended, revoked, or revoked and replaced, develop a plan for doing so	Local Government (Water Services) Act 2025	173	Part 5, Section 263, Subsection 4(d)	25/08/2027	Legal and Statutory Compliance	Bylaw Review Plan
117	A territorial authority must review a water services bylaw it has made under this Act or under any other Act no later than 10 years after the date on which it makes the bylaw	Local Government (Water Services) Act 2025	174	Part 5, Section 264, Subsection 1(a)		Legal and Statutory Compliance	Water Services Bylaw Trade Waste Bylaw Wastewater Bylaw Stormwater Bylaw

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118	A territorial authority or water organisation must give each compliance officer it appoints an identity card that states the person's name and appointment as a compliance officer.	Local Government (Water Services) Act 2025	178	Part 5, Section 279, Subsection 1	25/08/2025	Operations and Service Delivery	
119	Funding impact statement for water services strategy	Local Government (Water Services) (Form of Funding Impact Statements) Regulations 2026	5	Schedule 2, Form 1	30/06/2027	Finance and Commercial	
120	Funding impact statement for water services annual report	Local Government (Water Services) (Form of Funding Impact Statements) Regulations 2026	8	Schedule 2, Form 2	30/06/2027	Finance and Commercial	
121	Funding impact statement for water services annual budget	Local Government (Water Services) (Form of Funding Impact Statements) Regulations 2026	10	Schedule 2, Form 3	30/06/2027	Finance and Commercial	
122	Annual disclosure of forecast information	Water Services Information Disclosure Determination 2026	21	Part 3, Clause 3.1	31/07/2027	Finance and Commercial	Annual Disclosure - Forecast Information
123	Annual disclosure of actual information	Water Services Information Disclosure Determination 2026	21	Part 3, Clause 3.2	30/11/2027	Finance and Commercial	Annual Disclosure - Actual Information
124	Periodic disclosure of forecast information	Water Services Information Disclosure Determination 2026	22	Part 3, Clause 3.3	31/07/2027	Finance and Commercial	Periodic Disclosure - Forecast Information
125	Periodic disclosure of strategic asset management plan	Water Services Information Disclosure Determination 2026	23	Part 3, Clause 3.4	31/07/2027	Strategy, Planning, and Reporting	Strategic Asset Management Plan
126	Periodic disclosure of asset management plan	Water Services Information Disclosure Determination 2026	23	Part 3, Clause 3.5	31/07/2027	Strategy, Planning, and Reporting	Asset Management Plan
127	Periodic disclosure of investment and delivery plan	Water Services Information Disclosure Determination 2026	23	Part 3, Clause 3.6	31/07/2027	Finance and Commercial	Investment and Delivery Plan
128	Annual disclosure of annual delivery report	Water Services Information Disclosure Determination 2026	24	Part 3, Clause 3.7	30/11/2028	Finance and Commercial	Annual Delivery Report
129	Transfer agreement	Water Services Information Disclosure Determination 2026	25	Part 4, Clause 4.1	Within 10 working days	Legal and Statutory Compliance	Transfer Agreement
130	Value of assets and liabilities	Water Services Information Disclosure Determination 2026	25	Part 4, Clause 4.2	Within 30 working days	Finance and Commercial	
131	Date on which person becomes regulated supplier	Water Services Information Disclosure Determination 2026	26	Part 4, Clause 4.3	Within 10 working days	Strategy, Planning, and Reporting	
132	Date on which regulated supplier ceases to be regulated supplier	Water Services Information Disclosure Determination 2026	26	Part 4, Clause 4.4	Within 5 working days	Strategy, Planning, and Reporting	
133	Taking over the drinking water supply of another provider	Water Services Information Disclosure Determination 2026	26	Part 4, Clause 4.5	Within 10 working days	Strategy, Planning, and Reporting	
134	Dividends policy	Water Services Information Disclosure Determination 2026	26	Part 4, Clause 4.6	1/08/2026	Finance and Commercial	Dividends Policy
135	Policy for funding growth	Water Services Information Disclosure Determination 2026	26	Part 4, Clause 4.7	1/08/2026	Finance and Commercial	Growth Funding Policy

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136	Information about charges and IFF levies	Water Services Information Disclosure Determination 2026	27	Part 4, Clause 4.8	1/08/2026	Finance and Commercial	
137	Content of information about charges	Water Services Information Disclosure Determination 2026	27	Part 4, Clause 4.9	1/08/2026	Finance and Commercial	
138	Content of information about IFF levies	Water Services Information Disclosure Determination 2026	28	Part 4, Clause 4.10	1/08/2026	Finance and Commercial	
139	Minor aspect supplier	Water Services Information Disclosure Determination 2026	28	Part 4, Clause 4.11	Within 5 working days	Strategy, Planning, and Reporting	
140	Date on which regulated supplier becomes minor aspect supplier	Water Services Information Disclosure Determination 2026	29	Part 4, Clause 4.12	Within 5 working days	Strategy, Planning, and Reporting	
141	Revenue – total revenue	Water Services Information Disclosure Determination 2026	30	Part 5, Clause 5.1		Finance and Commercial	Annual Disclosure - Actual Information
142	Revenue – usage charges	Water Services Information Disclosure Determination 2026	30	Part 5, Clause 5.2		Finance and Commercial	Annual Disclosure - Actual Information
143	Revenue – connection charges and growth charges	Water Services Information Disclosure Determination 2026	31	Part 5, Clause 5.3		Finance and Commercial	Annual Disclosure - Actual Information
144	Revenue – development contributions	Water Services Information Disclosure Determination 2026	32	Part 5, Clause 5.4		Finance and Commercial	Annual Disclosure - Actual Information
145	Other income	Water Services Information Disclosure Determination 2026	32	Part 5, Clause 5.5		Finance and Commercial	Annual Disclosure - Actual Information
146	IFF levies	Water Services Information Disclosure Determination 2026	33	Part 5, Clause 5.6		Finance and Commercial	Annual Disclosure - Actual Information
147	Operating expenditure	Water Services Information Disclosure Determination 2026	33	Part 5, Clause 5.7		Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
148	Operating expenditure – network	Water Services Information Disclosure Determination 2026	33	Part 5, Clause 5.8		Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
149	Operating expenditure – non-network	Water Services Information Disclosure Determination 2026	33	Part 5, Clause 5.9		Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
150	Operating expenditure – variances from forecast	Water Services Information Disclosure Determination 2026	34	Part 5, Clause 5.10		Finance and Commercial	Annual Disclosure - Actual Information
151	Depreciation	Water Services Information Disclosure Determination 2026	34	Part 5, Clause 5.11		Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information

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152	Financing costs	Water Services Information Disclosure Determination 2026	34	Part 5, Clause 5.12	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
153	Impairment of network and non-network assets	Water Services Information Disclosure Determination 2026	34	Part 5, Clause 5.13	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
154	Capital expenditure	Water Services Information Disclosure Determination 2026	34	Part 5, Clause 5.14	Strategy, Planning, and Reporting	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
155	Capital expenditure – network assets	Water Services Information Disclosure Determination 2026	35	Part 5, Clause 5.15	Strategy, Planning, and Reporting	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
156	Capital expenditure – non-network assets	Water Services Information Disclosure Determination 2026	36	Part 5, Clause 5.16	Strategy, Planning, and Reporting	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
157	Capital expenditure – variances from forecast	Water Services Information Disclosure Determination 2026	36	Part 5, Clause 5.17	Finance and Commercial	Annual Disclosure - Actual Information
158	Capital expenditure – material projects and programmes	Water Services Information Disclosure Determination 2026	36	Part 5, Clause 5.18	Finance and Commercial	Annual Disclosure - Actual Information
159	Capital expenditure – unit cost of replacement	Water Services Information Disclosure Determination 2026	36	Part 5, Clause 5.19	Strategy, Planning, and Reporting	Annual Disclosure - Actual Information
160	Value of vested assets	Water Services Information Disclosure Determination 2026	38	Part 5, Clause 5.20	Strategy, Planning, and Reporting	Annual Disclosure - Actual Information
161	Asset values – network asset values roll-forward	Water Services Information Disclosure Determination 2026	38	Part 5, Clause 5.21	Finance and Commercial	Annual Disclosure - Actual Information
162	Asset values – carrying value of work in progress	Water Services Information Disclosure Determination 2026	38	Part 5, Clause 5.22	Finance and Commercial	Annual Disclosure - Actual Information
163	Asset values – capitalised borrowing costs	Water Services Information Disclosure Determination 2026	38	Part 5, Clause 5.23	Finance and Commercial	Annual Disclosure - Actual Information
164	Cost allocation	Water Services Information Disclosure Determination 2026	38	Part 5, Clause 5.24	Finance and Commercial	Annual Disclosure - Actual Information
165	Approach to revenue and funding allocation	Water Services Information Disclosure Determination 2026	39	Part 5, Clause 5.25	Finance and Commercial	Annual Disclosure - Actual Information
166	Allocation of assets and liabilities	Water Services Information Disclosure Determination 2026	39	Part 5, Clause 5.26	Finance and Commercial	Annual Disclosure - Actual Information
167	Charges to entities	Water Services Information Disclosure Determination 2026	40	Part 5, Clause 5.27	Finance and Commercial	Annual Disclosure - Actual Information

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168	Related party transactions	Water Services Information Disclosure Determination 2026	40	Part 5, Clause 5.28	Finance and Commercial	Annual Disclosure - Actual Information
169	Ring-fencing of revenue	Water Services Information Disclosure Determination 2026	41	Part 5, Clause 5.29	Finance and Commercial	Annual Disclosure - Actual Information
170	Investment indicators	Water Services Information Disclosure Determination 2026	42	Part 5, Clause 5.30	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
171	Revenue and funding indicators – average total charges for household	Water Services Information Disclosure Determination 2026	42	Part 5, Clause 5.31	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
172	Revenue and funding indicators – operating surplus ratio and operating cash ratio	Water Services Information Disclosure Determination 2026	42	Part 5, Clause 5.32	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
173	Revenue and funding indicators – revenue from charges and rates	Water Services Information Disclosure Determination 2026	43	Part 5, Clause 5.33	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
174	Financing indicators	Water Services Information Disclosure Determination 2026	43	Part 5, Clause 5.34	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
175	Financial sustainability indicators – variances from forecast	Water Services Information Disclosure Determination 2026	45	Part 5, Clause 5.35	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
176	Financial sustainability indicators – assumptions, methodologies, and sources	Water Services Information Disclosure Determination 2026	45	Part 5, Clause 5.36	Finance and Commercial	Annual Disclosure - Forecast Information Annual Disclosure - Actual Information
177	Financing and funding arrangements	Water Services Information Disclosure Determination 2026	45	Part 5, Clause 5.37	Finance and Commercial	Annual Disclosure - Actual Information

INFORMATION REPORT



F25/96/004 – D26/37196

To: Water Services Committee
From: General Manager - Water Services
Date: 06 October 2026
Subject: Water Services Delivery Plan - Quarterly Update 3

Recommendations

THAT the report be received.

Recommended Reason

The report informs the Committee of progress against the implementation milestones in Council's accepted Water Services Delivery Plan and identifies changes requiring continued oversight.

/_____
Moved/Seconded

1. Purpose of Report

- 1.1 The purpose of this report is to provide the Committee with a governance level assessment of Council's implementation of the Water Services Delivery Plan (WSDP) for the quarter ending 30 September 2026, which is congruent with the quarterly reporting provided to the Ministry of Cities, Environment, Regions and Transport (MCERT).
- 1.2 A separate establishment update on this agenda describes the activities being undertaken to stand up the Stratford Waters Internal Business Unit (SWIBU). This report considers the establishment activities against the timetable and commitments in the accepted WSDP.

2. Executive Summary

- 2.1 Council's [Water Services Delivery Plan](#) sets out an indicative implementation pathway towards commencement of the SWIBU by 1 July 2027. Officers report quarterly to the Ministry for Cities, Environment, Regions and Transport on progress against that pathway. This paper extracts salient matters relevant to the Committee's oversight.
- 2.2 The governance bodies described in the implementation pathway are now operational, which include the Water Services Steering Group and the Water Services Committee, providing operational and governance oversight of the establishment programme, respectively. Appointments to the Committee's independent positions remain in progress.
- 2.3 The resource and infrastructure review is starting later than originally planned but is anticipated to be delivered by original December 2026 milestone. Officers will review the remaining timetable and the dependencies between the review, any workplace change process, staff preparation and Day 1 readiness.
- 2.4 There is currently no proposal to change the 1 July 2027 commencement date or Council's approved in-house delivery model. The Water Services Steering Group will continue to test the programme against that date and escalate any material changes to the Committee.

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 Water services fit the criteria of core services stipulated in [section 11A of the Local Government \(System Improvements\) Amendment Act 2026](#). Monitoring delivery of the accepted WSDP supports Council's oversight of arrangements intended to meet the current and future needs of the community.

4. Background

4.1 Water Services Delivery Plan

- 4.1.1 Pursuant to [Part 2 of 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 Secretary for Local Government accepted Council's approved WSDP on 29 October 2025.
- 4.1.3 The Ministry for Cities, Environment, Regions and Transport (MCERT) monitors Council's progress against the WSDP through mandatory quarterly reporting. The next quarterly report is due on 31 October 2026, which is covered in this report.
- 4.1.4 The WSDP describes seven implementation workstreams with indicative timeframes. The nine workstreams in the current Establishment Programme provide a more detailed management structure for delivering that commitment. They do not, by themselves, change the approved delivery model as this is the delivery arm to operationalise the WSDP.
- 4.1.5 Quarterly monitoring records progress against the accepted implementation pathway, issues and mitigations, and activities planned for the following quarter. It also addresses matters identified by the Secretary for Local Government when the WSDP was accepted. This report concentrates on changes to the implementation timetable and matters that may require governance attention.

4.2 Progress against the WSDP implementation plan

- 4.2.1 **Governance arrangements:** The WSDP allocated January to March 2026 for establishing governance arrangements. Both were established within the timeframe. The Water Services Committee held its first meeting on 30 June 2026 and the Water Services Steering Group commenced on 1 July 2026. These bodies are now operating. Recruitment of the Committee's independent Chair and mana whenua representative is underway.
- 4.2.2 **Resource and infrastructure review:** The WSDP identifies April to December 2026 as the indicative period for this review. Initiation of this activity was deferred while Council considered the potential implications of the Head Start pathway. Following the Government's decision to take more time to consider Head Start proposals, Officers intend to begin the review at the end of October. The December completion date and its effect on subsequent activities will need to be reassessed in detail but is anticipated to be on track for delivery.
- 4.2.3 **Operational integration:** The WSDP provides for operational development and integration through to June 2027. Work under this part of the pathway is in progress. The principal test for the remainder of the programme will be whether responsibilities, people, systems and operating processes can be confirmed and tested in sufficient time for Day 1.

4.3 Changes to the implementation environment

- 4.3.1 Recent changes to the Local Government Act 2002 will affect voting and quorum rights for non-elected council committee members from mid-March 2027, subject to applicable exceptions. The Committee's membership and Terms of Reference will be reviewed during the transition period.
- 4.3.2 The outcome of the Government's Head Start process and wider Simplifying Local Government reform programme also remains uncertain and will be monitored for any interdependencies with the establishment pathway. Officers deferred the resource and infrastructure review in anticipation of the September 2026 announcement on Council's preferred option for the Head Start pathway to align the review, reduce duplication of effort and potential change fatigue on staff. Whilst the Government's inability to make a decision has consumed valuable time, Officers are confident there is sufficient flexibility in the implementation plan to deliver on track.

4.4 Changes to the implementation environment

- 4.4.1 For the next quarterly update, Officers will assess the effect of any changes on WSDP milestones and provide a clearer view of confidence in the 1 July 2027 commencement date.
- 4.4.2 Material changes to the accepted delivery model, commencement date or governance arrangements will be brought through the appropriate Council decision-making process.

5. Strategic Alignment

5.1 Direction

- 5.1.1 The recommendation associated with this report are congruent with Council's Infrastructure Strategy and WSDP. No change to the approved in-house delivery model is sought.

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.
- 5.2.2 Council provides quarterly implementation information under the statutory WSDP monitoring process. This information report seeks no approval of the operational quarterly return and makes no decision on changes to the accepted WSDP.



Deron Sharma
General Manager – Water Services



[Approved by]
Sven Hanne
Chief Executive

Date 26 September 2026

Quarterly Monitoring Report 3 Water Services Delivery Plan

Stratford Waters In-House Business Unit



DATE SUBMITTED: 31 OCTOBER 2026
REPORTING PERIOD: 1 JULY 2026 - 30 SEPTEMBER 2026



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

D26/37197

Part A: Progress updates

Quarterly Report 3 – In Progress

Reporting Period: 1 July 2026 – 30 September 2026

Workstream and Indicative Timeframes	Objectives	Commentary	Key Actions	Expected Completion Date	On track to meet timeframe?	Issues, risks and mitigations (if any)
Workstream 1 Governance Structure (3 months) Jan 2026 – Mar 2026	To establish robust governance arrangements to ensure clear decision-making, risk ownership and compliance oversight throughout the transition and beyond.	SDC will establish a Water Services Steering Group to provide strategic oversight throughout the transition period. This group, chaired by the Chief Executive, will include Directors from Assets, Corporate Services, and Community Services, and will report quarterly to the Policy and Services Committee.	Define internal and political accountability for the new business unit.	March 2026	COMPLETE - The Water Services Committee (Committee) held its inaugural meeting on 30 June 2026, with future meetings planned on a six-weekly cycle pursuant to the Terms of Reference (ToR) of the Committee. - Recruitment planning for the independent members of the Committee is underway, including an independent chair and a mana whenua representative. The Mayor continues to chair the Committee until an independent chair is appointed. Water Services Steering Group held its inaugural meeting on 1 July 2026 and convenes fortnightly to provide operational oversight of the SWIBU Establishment Programme. - The General Manager – Water Services has been appointed and is responsible for delivering on the SWIBU Establishment Programme in addition to supporting the Director – Assets in providing operational responsibility for the Three Waters functions.	Risk: The constitution of the Water Services Committee is incongruent with section 31A of the Local Government (System Improvements) Amendment Act 2026. Mitigation: SDC will follow an appropriate selection and appointment process for each independent member but will ensure that the quorum of the Committee provides for sufficient elected member representation to enable fair and transparent decision making. Should the risk eventuate, amendments to the Committee ToR will be sought by Council resolution. The risk is assessed to be low. This approach will ensure organisational stability, maintain progress on priority workstreams and reduce operational risk during the transitional period.
		The General Manager – Water Services, reporting directly to the Chief Executive, will assume operational responsibility for all Three Waters functions and be the key interface with Taumata Arowai and other regulatory agencies.	Develop clear escalation and reporting mechanisms to Council.	March 2026		
		Clearly define responsibilities for governance (Council), operations (management), delivery (staff), and regulatory interface (external), to ensure appropriate separation of oversight and operations, consistent with the Water Services Delivery Plan (WSDP).	Embed risk and compliance tracking within governance reports.	March 2026		

Workstream 2 Financial Ringfencing Planning and Implementation (15 months) Concurrent with Workstreams 3, 4 & 5 Apr 2026 – Jul 2027	To establish a transparent and legally compliant separate financial structure and general ledger that separates water services financial activities from SDC.	SWIBU's financial ringfencing will be implemented through a new and separate balance sheet and general ledger "entity" within the current SDC Enterprise Management System, Authority. This separate financial structure will: - Prevent cross-subsidisation between water and non-water services - Enhance transparency for ratepayers and regulatory bodies - Provide a basis for benchmarking and future investment planning - Ensure adequate funding is available for infrastructure investment. Quarterly financial reporting will include actuals vs budget, CAPEX progress, and commentary on key drivers. SDC will engage with its external auditor to verify the integrity of its ringfenced accounting framework prior to Day 1. Separate SWIBU business bank accounts, procurement, invoicing and loan accounts will be implemented from 1 July 2027 to ensure financial transactions are run independently and recorded accurately. Separation of the stormwater revenue from other UAGC revenue, through a new district-wide stormwater fixed rate per SUIP is to be implemented through the 2027-37 LTP process.	Create a separate general ledger and accounting structures "entity" for SWIBU within Authority.	July 2027	ON TRACK - The Finance and Commercial workstream of the Establishment Programme is responsible for delivering Workstream 2. - Early planning for financial separation has commenced as part of the 2027-37 LTP process, which aligns with the 1 July 2027 SWIBU Go Live date (Day 1). - Final opening balances can only be confirmed at end of financial year (EOFY). However, the reconciliation scope is being defined. This will include assets and depreciation, debt, reserves, cash, revenue and debtors, creditors, accruals, provisions and other opening balance adjustments. Trial reconciliations will be required before Day 1. - Planning for financial separation of stormwater services has commenced. This requires a change to the rating regime which will likely trigger community consultation through the 2027-37 LTP process. - SDC's Revenue and Financing Policy and Treasury Management Policy will be reviewed during the 2027-37 LTP process and updated to accommodate changes required as a result of the SWIBU. This will include funding, borrowing, debt, reserves, internal charging and the proposed separation of stormwater revenue. - SDC's investment plans and funding sources are also being reviewed in view of the Investment and Delivery Plan required under Clause 3.6 to Part 3 of the Water Services Information Disclosure Determination 2026 (Determination) to ensure that reporting remains fit for purpose with Commerce Commission expectations.	Risk 1: Treatment of transactions crossing both Council and SWIBU activities. Mitigation 1: A cutover date has been set in advance of Day 1, with reconciliations planned for EOFY. Processes and testing procedures are planned to assist with confirmation of opening balances. Risk 2: Wellbeing and capacity of Finance team while 2027–37 LTP is being concurrently developed. Mitigation 2: SDC is intending on deploying a dedicated Finance resource to support the SWIBU Finance and Commercial workstream. This will ensure that tasks on the critical path of the Establishment Programme remain on track without adding undue pressure to the existing Finance Team during a critical time. Risk 3: Investment programme remains sensitive to asset data quality, modelling/planning assumptions, compliance requirements, and debt headroom. Mitigation 3: Network models are being recalibrated, and asset data quality issues are slowly being identified, validated, and resolved. An Optimised Decision Making (ODM) tool is being developed to assist with investment prioritisation. Risk 4: The level of Planning and Reporting required exceeds SDC's capacity to deliver within the timeframes required. Mitigation 4.1: Lodge disclosure exemption application to Commerce Commission by October 2026. Mitigation 4.2: Bring forward a Day 1 role and recruit for a planning position. However, this will likely require training and onboarding in a time-constrained environment. Additionally, the effectiveness depends on the caliber of the appointee, which currently cannot be measured.
		Develop the full range of financial reporting required to monitor and disclose financial performance, position and cashflows.		July 2027		
		SDC will implement the financial plans and SWIBU's financial ringfencing from 1 July 2027 to align with the timing of the 2027-37 LTP and avoid the additional costs of an LTP amendment. The revenue and financial strategies will focus on full cost recovery over the long term, sufficient resources and financing availability for the planned infrastructure projects, and retaining affordability for the community. A separate Financial Strategy, Revenue and Financing and Treasury Policy will be developed for the SWIBU to support and guide its primary financial goals and purpose.	Review existing investment plans and funding sources. Update the Council's and develop SWIBU's Revenue and Financing Policy, Financial Strategy, and Treasury Policies. Integrate and adopt SWIBU's ringfenced finances into SDC's 2027-37 LTP.	July 2027 July 2027 July 2027		
Workstream 3 Review and implement Revenue, Investment and Financing Program Review and implement Revenue, Investment and Financing Programme Concurrent with Workstream 2, 4 & 5 Apr 2026 – Jul 2027	To establish a financially sustainable model that supports long-term investment in water infrastructure while remaining affordable for ratepayers.				RISK A draft structure for the Investment and Delivery Plan, however concerns around deliverability within the required timeframe and current resources are emerging.	

Workstream 4 Resource & Infrastructure Review (6 - 9 months) Concurrent with Workstream 5 Apr 2026 – Dec 2026	Build the organisational, system, and infrastructure capability required to operate an in-house water services business unit under new regulatory standards	To support this transition, SDC will establish a dedicated team with the skills and capacity to meet the performance and compliance expectations under the new legislative framework. SWIBU will be supported by shared services from Finance, IT, and Communications, and will have access to specialist consultants as needed. Recruitment will be phased, beginning with key managerial roles in late 2025. A training programme will ensure that all staff understand the legislative framework, new SOPs, risk management, customer engagement protocols and systems (e.g. Assetfinda, SCADA).	Recruit staff.	March 2027	ON TRACK - The General Manager – Water Services was appointed and commenced in April 2026. A current-state resource and capability review is being undertaken to define the future operating model, required capacity, and role accountabilities. This will be used to identify an appropriate balance between dedicated SWIBU positions, Council shared services and specialist external support. Wider recruitment will follow confirmation of the target operating model. - The GIS position identified in the WSDP has been filled in advance of SWIBU establishment due to data reconciliation requirements. - A planning role initially marked for Day 1 has been brought forward to assist with establishment planning and reporting requirements. - The resource and infrastructure review was deferred on account of the Head Start Pathway, which did not eventuate any material outcomes. This will commence in October and remains on track against WSDP milestones. OFF TRACK - SDC intended on approaching the market in August 2026 for a resource to support the Finance and Commercial workstream. However, this has been delayed and will likely commence in Quarter 4 of the WSDP Reporting Period.	Risk: Limited recruitment period and availability of specialist skills in the Three Waters sector. Mitigation: Approaching the market as early as reasonably practicable for specialist skills required to support mission-critical Day 1 outcomes.
			Train existing and new staff in regulatory and operational expectations.	December 2026	ON TRACK Required competencies are being identified across the legislative and regulatory framework, standard operating procedures, risk and incident management, customer protocols, asset management, financial processes, and data governance. A SWIBU competency matrix and training programme will be developed following the resource review.	Risk: The target date creates a relatively short period to assess gaps and deliver priority training whilst responding to a new regulatory framework. Mitigation: Prioritising mission critical Day 1 outcomes and concomitant training requirements and involving current staff in current work packages for exposure. Staging training, aligning with sector guidance, and seeking opportunities for shared training across other water organisations in Taranaki to ensure the appropriate competencies are being prioritised at the right time.
			Ensure tools, systems, are in place to support compliance and customer service.	December 2026	ON TRACK Key system interfaces have been identified, including the Enterprise Management System, Asset Management Information System, GIS, and OT. SWIBU will use the systems and tools currently utilised by SDC.	Risk: Data quality, system integration, access controls, and testing capacity are material risks particularly because SDC is currently undergoing significant back-end IT upgrades. Mitigation: Clear data governance arrangements with data ownership, standards, and processes will partially

					Data cleansing is currently underway. Once data quality is substantially resolved, data governance, standards, and processes are planned to be implemented.	mitigate these risks. Structured data cleansing, clear testing environments, and cutover arrangements will also ensure business continuity during a period of change.
			Engage the community to ensure needs are met and changes communicated effectively.	December 2026	ON TRACK - The Communications and Customer workstream of the Establishment Programme is responsible for delivering Workstream 4. - Planned activity includes public updates, mana whenua and stakeholder engagement through established channels, customer-channel readiness, water education, and plain-language material explaining service changes. The public website has been updated and an education campaign on how water is delivered from source to tap is planned.	Risk 1: Mixed messages or mistimed communication creating confusion or unrealistic expectations. Mitigation 1: Staged communications plan aligned with programme decisions. Tactics will include a mix of general consultation and targeted engagement as appropriate. Risk 2: SDC consulting on multiple high significance matters in a short span of time creating consultation fatigue. Mitigation 2: Planned consultative periods will be used for any public consultation required for the SWIBU, such as changes to stormwater charging regime being included in LTP consultation.
Workstream 5 Operational Development and Integration (9 – 15 months) Concurrent with Workstream 4 Apr 2026 – Jun 2027	To develop the operational systems, internal relationships, and frameworks required to integrate the new water services unit with broader SDC functions and ensure seamless service delivery.	- SDC Integration: Ensure compatibility with core systems and processes, including finance (billing, procurement), GIS, HR, Finance, and asset management tools. - Service Delivery Framework: A written framework will define roles and responsibilities across teams, escalation procedures, customer service protocols, shared resource use.	Embed SWIBU processes with existing SDC functions.	June 2027	ON TRACK - SWIBU will use the established systems, tools, and processes currently utilised by SDC. - Relevant SDC policies will be reviewed to ensure that they are fit for purpose for the SWIBU.	Risk: Charging methodology does not meet expectations of Commerce Commission. Mitigation: Advice to be sought directly from Commerce Commission around expectations, timing, and level of detail required in charging methodology.
		- Community & Stakeholder Engagement: A strategic communications and engagement plan will support the transition. This includes Public updates via SDC newsletters, website, social media, hui and briefings with mana whenua and key community stakeholders, development of customer-facing materials on service changes and water conservation. - Infrastructure Alignment: Prioritise infrastructure renewals and upgrades that support effective operational integration and minimise service disruption. - Quality Assurance and	Develop internal service level agreements (SLAs) and workflows to support cross-department collaboration.	June 2027	COMPLETE 13 SLAs between SWIBU and SDC departments are complete and included in budget models, including: - Finance - Governance - Human Resources - Health and Safety and Emergency Management - IT and Information Management - Communications - Customer Services - Contracts and Procurement - Development Controls - Property and Facilities - Parks and Reserves	

		Compliance: SOPs and service-level tracking systems will ensure that operational performance is monitored, with corrective actions taken where needed. This includes incident response protocols, audit schedules, staff performance dashboards, and environmental compliance trackers.			○ Wai O Rua – Stratford Aquatic Centre ○ Fixed Management.	
			Establish a formal service delivery framework.	June 2027	ON TRACK • The intended framework will encompass roles and responsibilities, escalation pathways, customer-service protocols, shared-resource arrangements, incident response, compliance monitoring, contractor interfaces and business-continuity requirements. • Operational continuity arrangements are in place. The Establishment Programme is identifying the readiness activities required for staff, contractors, elected members, and communities.	• Risk: Simplifying Local Government will likely impact the operating model and Establishment Programme of SWIBU. • Mitigation: Subject to Government acceptance of SDC's preferred Head Start Proposal and General Elections 2026, SDC will review the WSDP and explore opportunities for reprioritising the Establishment Programme to focus efforts on value-add work. SDC may also review whether an amendment to the WSDP is required.
			Prepare operational teams and the community for the service transition	June 2027		

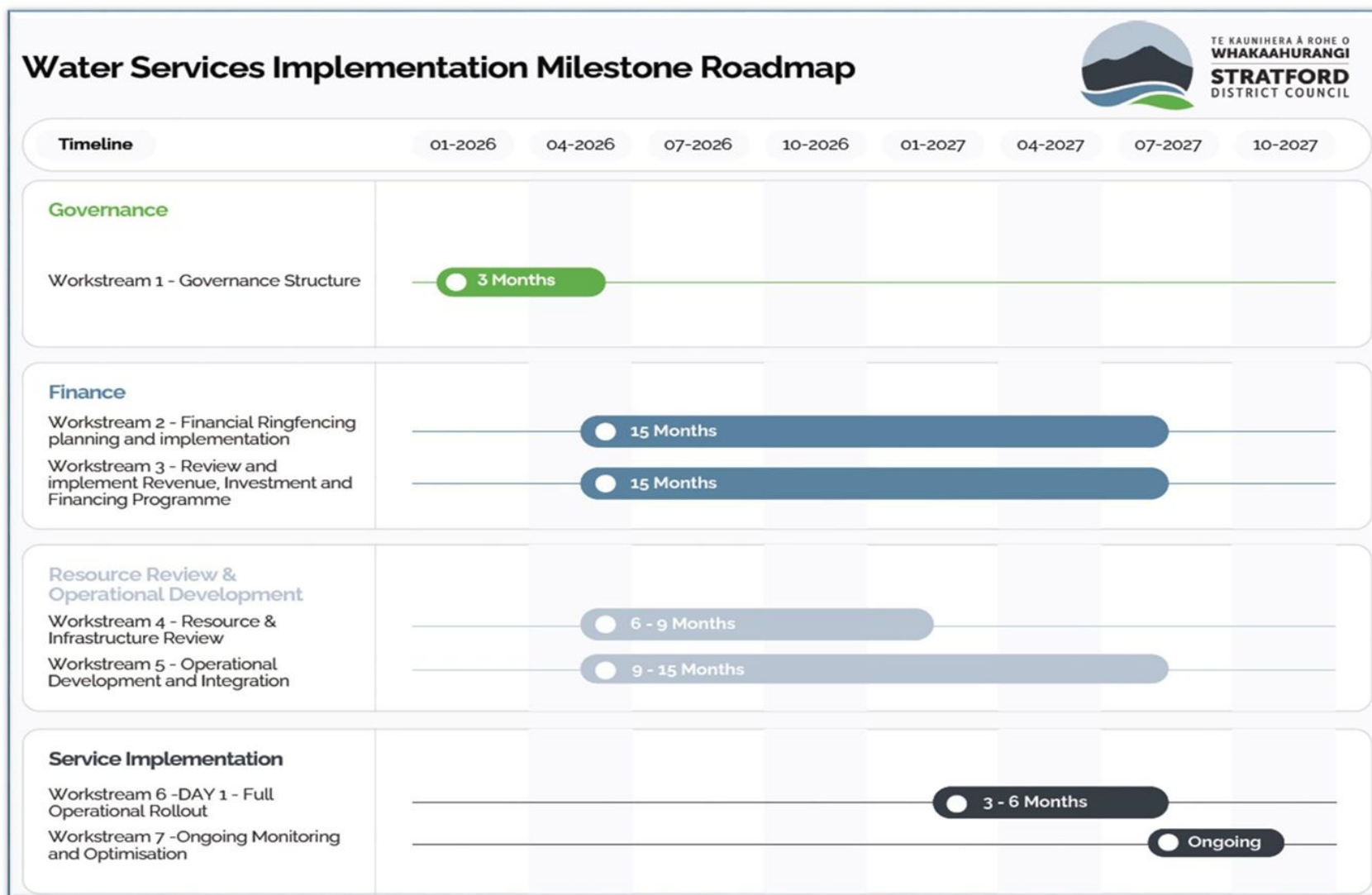


Figure 1: Water Services Implementation Milestone Chart

Part B: Additional monitoring information - items noted in letters of acceptance

Items noted in letters of acceptance		Progress update
1	Monitoring the implementation of the renewals investment programme.	A comprehensive progress update based on the significant capital projects for Water, Wastewater and Stormwater of the WSDP (Page 71 – 73) has been summarised below (Table 1 – 3). Many projects have been delivered under budget, a reflection of the competitive tendering process engaged in supplier selection. Note also additional projects brought forward from LTP Year 3 to Year 2 (Table 1, Item 7) and LTP Year 4 to Year 2 (Table 2, Item 8). These projects are expected to be substantially complete by the end of the funded FY.
2	Monitoring the implementation of the compliance projects.	
3	Monitoring implementation of capital investment program.	
		Overall, SDC is on track to deliver all LTP projects within their respective timeframes.

Table 1: Drinking Water Significant Capital Projects

Item	A. Drinking Water Projects to Improve Levels of Service	Budget		Renewal	Compliance	Investment	Progress
		LTP	Projected/Actual				
1	Universal Water Metering	\$ 1,593,851	\$ 1,614,180		☑	☑	Complete.
2	Street Work Rider mains	\$ 100,000	\$ 118,276			☑	Complete.
3	Toko Storage Tank	\$ 20,000	\$ 12,622			☑	Complete.
4	Alternative Power Supply for Midhirst and Toko	\$ 50,000	\$ 56,201			☑	Construction - Electrical works underway as part of the design and build contract.
5	Reticulation Modelling	\$ 102,500	\$ 42,095			☑	Complete.
7	Stratford Bore Water Supply	\$ 102,500	\$ 670,000		☑	☑	Investigation complete. Council has brought forward the construction works scheduled for LTP Year 4 to Year 3.
8	Fuel Tank for Generator	\$ 41,000	\$ 18,225			☑	Complete.
10	Midhirst Resource Consent	\$ 50,000	\$ 15,788		☑		Complete.
	Total	\$ 2,059,851	\$ 2,547,387				
	Projects to Replace Existing Assets						
6	Street Work Rider mains	\$ 200,000	\$ 200,901	☑		☑	Complete.
9	Infrastructure Renewal	\$ 440,911	\$ 440,911	☑			Ongoing as replacement is required.
11	Stratford Grit Tanks	\$ 4,120,000	\$ 4,120,000	☑		☑	Construction underway, due for completion in October 2026.
12	Fluoride Plant Upgrade	\$ 300,000	\$ 162,525		☑	☑	Testing and commissioning underway.
13	Stratford Bulk Water Delivery System	\$ 0	\$ 17,360	☑			Complete.
14	Midhirst Reservoir Cleaning	\$ 60,000	\$ 36,072	☑	☑		Complete.
	Membranes	\$ 160,000	\$ 141,500				Complete.
	Total	\$ 5,280,911	\$ 5,119,269				
	Drinking Water Total	\$ 7,340,762	\$ 7,666,656				

Table 2: Wastewater Significant Capital Projects

Item	B. Wastewater	Budget		Renewal	Compliance	Investment	Progress
	Projects to Improve Levels of Service	LTP	Projected/Actual				
5	Treatment Plant Upgrade	\$ 562,500	\$ 423,034		☑	☑	Ongoing. Ultrasonic Algae Destroyers to be installed on all ponds.
1	Wastewater Reticulation Modelling	\$ 0	\$ 43,460			☑	Complete.
2	Pipework Capacity Increase	\$ 100,000	\$ 64,382			☑	Complete.
3	Pipe at Swansea Road Bridge	\$ 157,901	\$ -	☑		☑	Complete, as per Swansea Road Replacement project.
	Total	\$ 820,401	\$ 530,876				
	Projects to Replace Existing Assets						
1	Wastewater Reticulation Modelling	\$ 50,000	\$ 48,038			☑	Complete.
4	Safety Renewals	\$ 207,767	\$ 207,767	☑			Ongoing as replacement is required.
6	Pipe at Swansea Road Bridge	\$ 300,000	\$ 223,872	☑		☑	Complete.
7	Infiltration Renewals	\$ 765,535	\$ 959,535	☑	☑		Co-funding of \$194,000 has been applied from the Better off Funding (BoF). Works are included in the Sewer Lining Maintenance Contract.
8	Desludging Pond	\$ -	\$ 1,800,000	☑	☑		Works underway, for substantial completion in April 2028. Note that this project has been brought forward from LTP Year 4 to Year 2.
9	Step/Aerate Treatment Renewals	\$ 107,719	\$ 91,928	☑	☑		Ongoing - as replacement is required.
10	Campervan Discharge Facility	\$ 10,527	\$ 10,527	☑			Design for replacement in FY2027-28.
	Total	\$ 1,441,548	\$ 3,341,667				
	Wastewater Total	\$ 2,261,949	\$ 3,872,543				

Table 3: Stormwater Significant Capital Projects

Item	C. Stormwater	Budget		Renewal	Compliance	Investment	Progress
	Projects to Improve Levels of Service	LTP	Projected/Actual				
1	Pipework Capacity Increase	\$ 157,901	\$ 157,901			☑	Scheduled for Year 3, following the completion of the Stormwater Modelling Project.
2	Safety Improvements	\$ 50,000	\$ 18,230	☑	☑	☑	Complete.
3	Modelling	\$ 400,000	\$ 112,735			☑	Initial model complete, extra validation being carried out.
	Total	\$ 607,901	\$ 288,866				
	Projects to Replace Existing Assets						
4	Safety Improvements	\$ 21,053	\$ 21,053	☑	☑	☑	Scheduled for Year 3.
5	Reticulation Renewals	\$ 307,767	\$ 307,767	☑			Ongoing, as replacement is required.
	Silt Retention – Victoria Park	\$ 100,000	\$ 159,652				Complete
	Total	\$ 428,820	\$ 136,118				
	Stormwater Total	\$ 1,036,721	\$ 424,984				
	GRAND TOTAL	\$ 10,639,432	\$ 11,964,183				

Expected activities in next quarter(s)

Workstream and Indicative Timeframes	Objectives	Commentary	Key Actions	Expected Completion Date	On track to meet timeframe?	Issues, risks and mitigations (if any)
Workstream 2 Financial Ringfencing Planning and Implementation (15 months) Concurrent with Workstreams 3, 4 & 5 Apr 2026 – Jul 2027	To establish a transparent and legally compliant separate financial structure and general ledger that separates water services financial activities from SDC.	SWIBU's financial ringfencing will be implemented through a new and separate balance sheet and general ledger "entity" within the current SDC Enterprise Management System, Authority. This separate financial structure will: - Prevent cross-subsidisation between water and non-water services - Enhance transparency for ratepayers and regulatory bodies - Provide a basis for benchmarking and future investment planning - Ensure adequate funding is available for infrastructure investment. Quarterly financial reporting will include actuals vs budget, CAPEX progress, and commentary on key drivers. SDC will engage with its external auditor to verify the integrity of its ringfenced accounting framework prior to Day 1. Separate SWIBU's business bank accounts, procurement, invoicing and loan accounts will be implemented from 1 July 2027 to ensure financial transactions are run independently and recorded accurately. Separation of the stormwater revenue from other UAGC revenue, through a new district wide stormwater fixed rate per SUIP is to be implemented through the 2027-37 LTP process.	Create a separate general ledger and accounting structures "entity" for SWIBU within Authority.	July 2027	ON TRACK - The Water Services Strategy (WSS) will be developed in tandem with the 2027 – 2037 LTP to ensure alignment with financial separation, forecasting assumptions, and consultative timeframes. - A draft structure for the WSS have been developed. Early conversations and workshop discussions are progressing with Elected Members to inform asset planning and the development of the WSS. - Work has already commenced on the Asset Management Plan, which will now be transposed against the requirements for a Strategic Asset Management Plan and Investment and Delivery Plan pursuant to the Determination.	
			Reconcile SDC's closing water services balance sheet items for transfer to the new SWIBU's "entity" in Authority from 1 July 2027.	July 2027		
			Develop the full range of financial reporting required to monitor and disclose financial performance, position and cashflows.	July 2027		
Workstream 3 Review and implement Revenue, Investment and Financing Programme (15 months) Concurrent with Workstream 2, 4 & 5 Apr 2026 – Jul 2027	To establish a financially sustainable model that supports long-term investment in water infrastructure while remaining affordable for ratepayers.	SDC will implement the financial plans and SWIBU's financial ringfencing from 1 July 2027 to align with the timing of the 2027-37 LTP and avoid the additional costs of an LTP amendment. The revenue and financial strategies will focus on full cost recovery over the long term, sufficient resources and financing availability for the planned infrastructure projects and retaining affordability for the community. A separate Financial Strategy, Revenue and Financing and Treasury Policy will be developed for the SWIBU to support and guide its primary financial goals and purpose.	Review existing investment plans and funding sources.	July 2027		
			Update the Council's and develop SWIBU's Revenue and Financing Policy, Financial Strategy, and Treasury Policies.	July 2027		
			Integrate and adopt SWIBU's ringfenced	July 2027		

Workstream and Indicative Timeframes	Objectives	Commentary	Key Actions	Expected Completion Date	On track to meet timeframe?	Issues, risks and mitigations (if any)
			finances into SDC's 2027-37 LTP.			
Workstream 4 Resource & Infrastructure Review (6 - 9 months) Concurrent with Workstream 5 Apr 2026 – Dec 2026	Build the organisational, system, and infrastructure capability required to operate an in-house water services business unit under new regulatory standards	To support this transition, SDC will establish a dedicated team with the skills and capacity to meet the performance and compliance expectations under the new legislative framework. SWIBU will be supported by shared services from Finance, IT, and Communications, and will have access to specialist consultants as needed. Recruitment will be phased, beginning with key managerial roles in late 2025. A training programme will ensure that all staff understand the legislative framework, new SOPs, risk management, customer engagement protocols and systems (e.g. Assetfinda, SCADA).	Recruit staff.	March 2027	ON TRACK Subject to the outcomes of the Resource & Infrastructure Review, the General Manager – Water Services will lead a workplace change process to establish the appropriate structure and capability arrangements for the SWIBU.	Risk: The Three Waters sector has been in a state of reform for nearly a decade, which has been compounded by the impacts of Simplifying Local Government. These conditions create noticeable change fatigue, impacting staff wellbeing and the ability for councils to retain talent. Another workplace change process exposes SDC staff to further change fatigue. Mitigation: Initiating the workplace change process early to ensure SDC can conduct a fair and transparent process and affected staff have sufficient time to engage.
			Train existing and new staff in regulatory and operational expectations.	December 2026	ON TRACK - A review of key operational documents and processes will be conducted in consultation with staff, which will provide an opportunity for training. - Appropriate Learning and Development opportunities relevant to statutory or operational expectations will be sought.	
			Ensure tools, systems, are in place to support compliance and customer service.	December 2026	ON TRACK - Planned system and software upgrades will be implemented. - Data cleansing and fault analysis will be concurrently performed to inform the development of improved processes, data governance, and data standards.	Risk: Data quality, system integration, access controls, and testing capacity are material risks particularly because SDC is currently undergoing significant back-end IT upgrades. Mitigation: Clear data governance arrangements with data ownership, standards, and processes will partially mitigate these risks. Structured data cleansing, clear testing environments, and cutover arrangements will also ensure business continuity during a period of change.
			Engage the community to ensure needs are met and changes	December 2026	ON TRACK Planned activity includes public website updates, mana	

Workstream and Indicative Timeframes	Objectives	Commentary	Key Actions	Expected Completion Date	On track to meet timeframe?	Issues, risks and mitigations (if any)
			communicated effectively.		whenua and stakeholder engagement through established channels, ensuring that SDC does not duplicate consultative requirements. An education campaign has been planned to set the scene for water conversations with customers. This will begin with an explanation of how water is sourced, treated, and delivered to customers.	
Workstream 5 Operational Development and Integration (9 – 15 months) Concurrent with Workstream 4 Apr 2026 – Jun 2027	To develop the operational systems, internal relationships, and frameworks required to integrate the new water services unit with broader SDC functions and ensure seamless service delivery.	- SDC Integration: Ensure compatibility with core systems and processes, including finance (billing, procurement), GIS, HR, Finance, and asset management tools. - Service Delivery Framework: A written framework will define roles and responsibilities across teams, escalation procedures, customer service protocols, shared resource use - Community & Stakeholder Engagement: A strategic communications and engagement plan will support the transition. This includes Public updates via SDC newsletters, website, social media, hui and briefings with mana whenua and key community stakeholders, development of customer-facing materials on service changes and water conservation - Infrastructure Alignment: Prioritise infrastructure renewals and upgrades that support effective operational integration and minimise service disruption. - Quality Assurance and Compliance: SOPs and service-level tracking systems will ensure that operational performance is monitored, with corrective actions taken where needed. This includes incident response protocols, audit schedules, staff performance dashboards, and environmental compliance trackers.	Embed SWIBU processes with existing SDC functions.	June 2027	ON TRACK - SWIBU will use the established systems, tools, and processes currently utilised by SDC. - Relevant SDC policies will be reviewed to ensure that they are fit for purpose for the SWIBU.	
			Develop internal service level agreements (SLAs) and workflows to support cross-department collaboration.	June 2027	COMPLETE 13 SLAs between SWIBU and SDC departments are complete.	
			Establish a formal service delivery framework.	June 2027	ON TRACK Continue implementing service delivery framework unless a change to operating conditions or potential improvement necessitates review.	Risk: Simplifying Local Government will likely impact the operating model of SWIBU. Mitigation: Subject to Government acceptance of SDC's preferred Head Start Proposal and General Elections 2026, SDC will review the WSDP and explore opportunities for reprioritising the Establishment Programme to focus efforts on value-add work. SDC may also review whether an amendment to the WSDP is required.



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.