

Kaunihera | Council

Kaupapataka Wātea | Open Agenda



Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Ko te rā | Date: Wednesday 30 April 2025
Wā | Time: 09:00
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Manuhuia | Mayor

Adrienne Wilcock, JP (Chair)

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Caleb Ansell

Sarah-Jane Bourne

Sharon Dean

Bruce Dewhurst

Dayne Horne

Peter Jager

James Sainsbury

Russell Smith

Kevin Tappin

Gary Thompson

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Ā-TIKANGA | PROCEDURAL

1	Whakatūwheratanga o te hui Meeting Opening	3
2	Ngā whakapāha/Tono whakawātea Apologies/Leave of Absence	3
3	Panui i Ngā Take Ohorere Anō Notification of Urgent/Additional Business	3
4	Whākī pānga Declarations of Interest	3
5	Whakaaentanga mēneti Confirmation of Minutes	3
6	Papa ā-iwi whānui Public Forum	3

NGĀ PŪRONGO A NGĀ ĀPIHA | OFFICER REPORTS

7	Pūrongo me whakatau Decision Reports	
7.1	Local Water Done Well Options and Consultation Document	4
7.2	2025 LGNZ Conference Attendance	135
7.3	Plan Change 61 - Approval sought to publicly notify the Plan Change	137
7.4	Delegations under Fast-track legislation	144
8	Ngā Pūrongo Whakamārama Information Reports	
8.1	Civil Defence Emergency Management (CDEM)	149
8.2	February 2025 Finance Report	156
8.3	Chief Executive Officer's Report	171

TAKE MATATAPU | PUBLIC EXCLUDED

9	Mōtini he aukati i te whānui Procedural motion to exclude the public	181
C1	Approval sought for actions undertaken under Fast-track legislation	
C2	Re-Appointment of Board Chair - Waikato Regional Airport Limited (WRAL)	

1 Whakatūwheratanga o te hui | Meeting Opening

2 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

At the close of the agenda no apologies had been received.

3 Pānui i Ngā Take Ohore Anō | Notification of Urgent/Additional Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
 - (iii) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

4 Whākī pānga | Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Whakaaetanga mēneti | Confirmation of Minutes

Minutes, as circulated, of the ordinary meeting of Matamata-Piako District Council, held on 26 March 2025

6 Papa ā-iwi whānui | Public Forum

At the close of the agenda there were no speakers scheduled to the public forum.

7 Pūrongo me whakataurua | Decision Reports

7.1 Local Water Done Well Options and Consultation Document

CM No.: 3018328

Te Kaupapa | Purpose

The purpose of this report is to:

1. Provide background to the *Local Water Done Well* programme and the steps Council has taken to date to identify and assess options, and develop a preferred option for delivering water services into the future.
2. Present an Options Assessment of the two most viable water services delivery options, namely:
 - (i) An Internal Business Unit (enhanced status quo)
 - (ii) A Multi-Council Owned Water Organisation (*Waikato Water Done Well Council Controlled Organisation (CCO)*)
3. Seek Council's confirmation of its preferred service delivery option and associated consultation arrangements.

Rāpopotonga Matua | Executive Summary

Local Water Done Well - Decision on Future Water Services Delivery Model

Matamata-Piako District Council (MPDC) is faced with making a legacy decision on the future model for delivering essential water services across the district. This decision will shape how drinking water, wastewater, and stormwater services are managed for generations to come—impacting public health, environmental protection, infrastructure resilience, and financial sustainability.

Context and Legislative Imperative

The Government has been involved in water reform for over two decades. Following the Havelock North Inquiry (2016–2018), the **Three Waters Reform Programme** (2018–2023) was launched, aiming to centralise water services under four national entities. MPDC actively engaged in this process, preparing for the transfer of staff and responsibilities to Entity B by July 2024.

A significant policy shift occurred in 2023 with the introduction of the **Local Water Done Well** framework. This replaced the centralised model with a council-led, collaborative system that retains local ownership while encouraging regional partnerships. Under this framework, councils are required to prepare and submit a **Water Services Delivery Plan (WSDP)** to the Department of Internal Affairs by 3 September 2025. The plan must demonstrate how each council will deliver safe, affordable, and compliant water services long-term.

Options Considered and Evaluation Process

Council has reviewed five potential service delivery models. Three options—including single-council or trust-based water organisations—have been set aside due to limited scale, higher costs, and lack of access to borrowing mechanisms.

Two viable options remain under formal consideration:

1. **Enhanced Internal Business Unit (IBU)** – Builds on the existing in-house model with improved separation, reporting, and compliance capability, but remains under Council governance.
2. **Waikato Water Done Well Council Controlled Organisation (CCO)** – A multi-council entity designed to provide dedicated, scalable, and financially sustainable water services across the region.

A qualitative assessment of each model was conducted across six key evaluation areas:

- Transparency and Accountability
- Regulatory Compliance
- Financial Sustainability
- Operational Capability and Capacity
- Collaboration and Regional Alignment
- Community and Customer Engagement

This evaluation, supported by financial analysis, risk review, legislative guidance, and governance implications, provides a well-rounded basis for Council's decision-making.

Key Insights

Waikato Water Done Well CCO emerges as the preferred model, offering:

- **Greater financial sustainability** through access to Local Government Funding Agency debt (up to 500% of revenue), enabling investment in infrastructure without overburdening rates.
- **Economies of scale** and operational efficiencies, projected to deliver ~\$96M in savings by 2044.
- **Enhanced workforce resilience**, with the ability to attract and retain specialist staff and build a regional water career pathway.
- **Stronger regulatory alignment** with Taumata Arowai, Commerce Commission, and environmental planning processes.
- **Improved environmental stewardship**, including catchment-based consenting aligned with Treaty Settlement obligations.
- **Strategic regional leadership**, positioning MPDC as a founding shareholder in a nationally significant water services model with long-term scalability.

The Internal Business Unit (IBU) model maintains strong local control and responsiveness. However, it faces limitations in borrowing capacity, workforce scale, and resilience under increasing compliance pressures. The IBU would require significant internal investment and operational reform to meet future service expectations.

Risks and Mitigation

Both models carry implementation and transition risks—ranging from staffing uncertainty to cost fluctuations and stakeholder perception. These include:

- Unknown costs of setup and ongoing delivery
- Ability to retain skilled staff during change
- Potential impacts on service continuity
- Legislative changes (e.g. Bill 3) that may alter regulatory or financial assumptions

However, the Waikato Water Done Well **CCO model is assessed as having greater capacity to manage and mitigate these risks** due to its size, governance structure, and regional coordination mechanisms.

Iwi Engagement and Treaty Considerations

The Waikato Water Done Well initiative reflects a commitment to collaboration with iwi and hapū. Council will continue direct engagement with iwi throughout the transition and ensure reinforcing alignment with Treaty Settlement expectations.

Affordability and Future Proofing

Future costs for water services are going to go up regardless of which model is followed. While early costs between both models are similar, the CCO model is projected to be more affordable due to long-term cost efficiencies and the strategic use of debt to smooth investment. The CCO model also enables **removal of water debt from Council's books**, increasing MPDC's financial headroom for non-water priorities and emergencies.

Regulatory and Policy Framework

The decision must comply with the Local Government (Water Services Preliminary Arrangements) Act 2024 and the forthcoming **Water Services Bill (Bill 3)**. This framework requires Council to consult the community on two options and demonstrate how its preferred model ensures financial and service sustainability. The consultation period will run from **5–25 May 2025**, with final decisions expected by **June 2025**.

Conclusion and Recommendation

The Waikato Water Done Well model is identified as the **preferred water services delivery model** for Matamata-Piako District Council under the Local Water Done Well framework.

This model best positions the district to:

- Meet current and future compliance standards
- Deliver safe, affordable, and resilient services
- Strengthen regional collaboration and iwi partnerships
- Provide a sustainable financial and workforce foundation
- Align with national reform directions while protecting local interests

Council's decision represents a defining moment for the future of water service delivery in Matamata-Piako. The Waikato Water Done Well model offers a strategic opportunity to lead, shape, and secure the long-term interests of our communities, environment, and generations to come.

Tūtohunga | Recommendation

That:

1. Council receives the report.
2. Council approves continuing the progression of the following two water services delivery options to appropriately inform the Water Service Delivery Plan:
 - (i) Internal Business Unit of Council (financially ring fenced)
 - (ii) Multi-Council Owned Water Organisation (*Waikato Water Done Well Council Controlled Organisation*).
3. Council discontinues any further investigation of the following water services delivery options:
 - (i) Single Council Owned Water Organisation
 - (ii) Mixed Council / Consumer Trust Owned Water Organisation
 - (iii) Consumer Trust Owned Water Organisation.
4. Council approves the preferred option for water services delivery is a Multi-Council Owned Water Organisation (*Waikato Water Done Well Council Controlled Organisation*).
5. Council approves the Local Water Done Well Consultation Document on the preferred service delivery option, including the submission form.

Horopaki | Background

Government involvement in water sector reform dates back to 2005. However, the Havelock North Drinking Water Inquiry (2016–2018) marked a turning point, prompting a significant increase in government attention and urgency. In response, the **Three Waters Reform** programme was initiated (2018–2023), aiming to centralise the management of drinking water, wastewater, and stormwater services.

The programme proposed the creation of a small number of publicly owned water service entities, separating service delivery from councils. Local authorities, including Matamata-Piako District Council (MPDC), played a substantial role in shaping the reform. This included participation in national working groups, providing detailed asset and financial data, and preparing for the transfer of staff and responsibilities to Entity B, which was scheduled to occur on 1 July 2024.

In 2023, a major policy shift occurred with the introduction of the **Local Water Done Well** programme. This new framework replaced the centralised reform model with a more locally driven, collaborative approach. Under this programme, councils retain ownership and control of their waters assets, with a strong focus on regional collaboration to improve service delivery, compliance, and efficiency.

Councils are expected to show progress, maintain accountability, and uphold affordability for their communities. The government has made clear its preference for a collaborative, council-led approach, encouraging local authorities to work together where it makes sense to do so.

Local Water Done Well is the Government's plan to address New Zealand's longstanding water infrastructure challenges. It places strong emphasis on meeting economic, environmental and water quality regulatory requirements. The intent of Local Water Done Well is to support councils to meet evolving regulatory and environmental standards, strengthen operational and governance capability, and deliver sustainable, financially responsible water services.

The *Local Water Done Well* policy is given effect through:

- i. The Local Government (Water Services Preliminary Arrangements) Act 2024 (PA Act) which largely came into force on 3 September 2024, and
- ii. The Local Government (Water Services) Bill (Bill 3)¹, which was introduced in December 2024, and is expected to come into force mid-2025 (along with the remaining aspects of the PA Act).

In summary, Bill 3:

- i. Establishes a new water services system in New Zealand
- ii. Allows Councils to choose from various delivery models
- iii. Sets core requirements for water service providers
- iv. Introduces a new planning and accountability framework
- v. Implements economic regulation by the Commerce Commission
- vi. Modifies water quality regulation
- vii. Expands ministerial intervention powers
- viii. Grants operational powers to water organisations

Bill 3 aims to reform water services management, improve accountability, and ensure efficient, quality water delivery across New Zealand.

Council has now been involved with water reform discussions, workshops and meetings for many years. The last formal report, Waikato Water Done Well – Memorandum of Understanding 27 November 2024 Council resolved that:

- i. The report and Heads of Agreement be received.

¹ The Bill provides for:

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

Relevant governance issues included in the Bill include:

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

- ii. That the regional service delivery option be approved as one of the two options that Council must consult on.
- iii. That the Chief Executive Officer be authorised to sign the Heads of Agreement.
- iv. That Council confirm that it would be its intention to proceed to Stage 2 if, following public consultation, it decides to join the regional delivery model.
- v. That the timing of this transfer would need to take account of organisational capacity and change processes.

Council has received regular updates on the progress of Waikato Water Done Well, supported by two additional workshops held on 2 and 9 April 2025 to assist in preparing for this meeting.

Ngā Take/Kōrerorero | Issues/Discussion

Part 1: Overview

A Legacy-Defining Decision for Council

Council is being asked to make a legacy-defining decision on how essential water services are delivered across our district. This decision carries long-term implications for future generations, public health, environmental and financial sustainability.

The long-term nature of water infrastructure including treatment plants, reticulation networks, and reservoirs—is built to last between 30 and 100 years. These are not short-term assets. Poor decisions today can result in communities being locked into outdated, inefficient, or non-compliant systems that are costly and disruptive to rectify later.

Sound, long-term strategic thinking is critical. Decisions must be grounded in principles of affordability, resilience, and responsibility to future generations to avoid sudden rate shocks, ensure service reliability and stewardship of essential water services.

Current Delivery Model and Challenges

Council currently delivers operations and maintenance water services primarily through an in-house model supported by water specialists and contractors. Large capital works are primarily outsourced and supported by in-house project and contract management services.

Like other councils we face a range of challenges including:

- Resourcing constraints – better understanding the resource required for new standards/regulations to operate 24/7 water services delivery, staff learning and development plans to meet the new requirements
- Asset data and systems knowledge – improving the quality of asset data and reducing technology workarounds to share and collaborate on the data
- Deferral and delivery of renewals, maintenance and capital works due to asset knowledge, financial and resourcing constraints
- Resilience and climate impacts - changing climate (droughts and extreme rainfall events) and growing population
- Changing Standards – the complexity of the legislative and policy environment
- Cost – increasing costs of water services

The Case for Change

While Council's in-house model has served the community with local accountability and continuity, the increasing demands of regulatory compliance, infrastructure renewal, and affordability risks mean that continuing "as-is" will become increasingly unsustainable.

A Multi-Council CCO, such as Waikato Water Done Well, offers a more achievable path to:

- Realise economies of scale: Shared procurement, resource pooling, and standardised processes can lower costs and improve delivery
- Increase borrowing capacity: CCOs can borrow up to 500% of revenue via the LGFA, compared to Council's current limit of 175% (or 280% once rated), enabling accelerated infrastructure investment
- Ensure financial sustainability: Ringfencing water revenues within the CCO ensures funds are reinvested into water infrastructure rather than supporting unrelated services
- Meet compliance requirements: Access to regional expertise reduces the risk of non-compliance with water and environmental regulations
- Unlock digital transformation: A regional model allows investment in advanced technologies like smart meters, leak detection, and predictive maintenance systems
- Support a sustainable workforce: A larger organisation offers more opportunities for career development and staff retention, especially in rural areas

Strategic Opportunity for Council

Council sees Waikato Water Done Well as a strategic opportunity. The proposed model supports catchment-based planning, aligns with rural and provincial needs, and provides a platform for future regional consolidation.

Importantly, joining the CCO allows Council to protect its general budget, reduce financial risk, and deliver more long-term affordable, reliable water services to residents.

Water Services Delivery Plan

All councils must submit a Water Services Delivery Plan to the Department of Internal Affairs by 3 September 2025. This plan must demonstrate how services will remain financially sustainable and show how legal compliance and service quality standards will be met.

To meet legislative requirements the Water Services Delivery Plan must go through multiple approval steps:

- **Adopt** the plan by formal resolution of Council
- **Certify** the plan's accuracy and legal compliance by the Chief Executive
- **Submit** the certified plan to the Secretary (DIA official)
- **Obtain** formal acceptance from the government, completing the sign-off process.

In producing the Water Services Delivery Plan, Council must analyse existing arrangements against at least one other option. Council must also consult with the public on its preferred option, while making the analysis of at least one option publicly available.

Water Metering

Across all three water service delivery options, universal water metering is seen as an important tool for ensuring fair and efficient cost allocation based on actual usage. Under the Local Water

Done Well framework, councils are expected to move away from charging for water based on capital value within a short transition period—likely within five years.

As Matamata-Piako currently does not have universal metering in place, Bill 3 would require an alternative charging method, such as fixed rates, upon commencement of a CCO. However, transitioning to water meters as soon as possible would enable Council to charge based on consumption, while also unlocking broader sustainability and operational benefits.

Metered systems have been shown to significantly improve water use efficiency in other councils. They encourage conservation, help identify leaks and unaccounted-for losses through water balancing, and ultimately reduce unnecessary strain on water infrastructure. This can extend the lifespan of expensive assets like treatment plants and reduce peak demand, improving system resilience.

To support projected population growth, optimise existing water take limits, and meet regional consent conditions, Council has provided for the introduction of universal domestic water metering. Funding for this initiative is included in Year 4 of the Long Term Plan.

Options for Water Services Delivery

Council has been provided a summary of five potential options available to deliver water services. The following table outlines the options in relation to key parameters.

Options	Internal business unit or division	Single council owned water organisation	Multi-council owned water organisation	Mix council / consumer trust owned water organisation	Consumer trust owned water organisation
Ownership	Council owned (internal division)	100% owned by the council	Owned by the council plus others	Part owned by Council, part owned by trust	100% owned by trust
Governance	Council oversight (option of independent committee)	Council appointed or Committee (Council offices and elected members cannot be on a Board)	Shareholder Councils Independent Board	Shareholder Council (trust + Council)	Trustees appoint the board
Accountability	Water-focused annual reports and financial statements	Reports to owners quarterly, prepared audited annual report, acts consistent with statutory objectives			
Borrowing	Council borrows within current 175% limit for unrated	CCO borrow via LGFA (up to 500% debt to revenue if there is Council	CCO borrow via LGFA (up to 500% debt to revenue if there is Council	Independent, likely via banks (more expensive)	Independent, likely via banks (more expensive)

Options	Internal business unit or division	Single council owned water organisation	Multi-council owned water organisation	Mix council / consumer trust owned water organisation	Consumer trust owned water organisation
	Councils (LGFA limit is 280% for a rated Council)	support)	support)		
Planning	Council prepares water Services Strategy, fully integrated with overall Council strategy and budgeting.	Water organisation prepares its own water Services Strategy, guided by a Council-issued Statement of Expectations	Multi-Council shareholders jointly issue a Statement of Expectations; the water organisation prepares a water Services Strategy.	Shareholders (Council and trust) issue combined expectations; the water organisation prepares a water Services Strategy to meet both Councils and trust goals	Trustees issue a Statement of Expectations; with the water organisation preparing a strategic plan aligned with community goals.
Day to day Operations	Integrated with Council operations	New independent water organisation manages, operates, and maintains water services		New Trust operates water services	New Trust operates water services
Economic and consumer regulation	A council and/or water organisation that makes core decisions about water supply and/or wastewater services will be a regulated provider under the new regime. It is proposed the regime will apply to water supply and wastewater services, and will provide flexibility to include storm water services at a later date, if necessary.				

Options Set Aside

Council has focused on two options as required and have set three aside based on limited scale, inefficiencies and higher borrowing costs.

These are:

- **Single Council Owned Water Organisation**
 - Scale of Council water operations is such that establishing and operating a standalone water services organisation is likely to be inefficient.
 - Additional overheads, compliance requirements, reporting and monitoring costs would add significant financial and administration requirements.
 - This option could result in loss of oversight by elected members.
 - Unlikely this approach would deliver benefits greater than continuing with our current in-house model
- **Mixed Council/Consumer Trust Owned Water Organisation – limited scale/higher borrowing costs due to not being able to access the Local Government Funding Agency**

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- Consumer Trust Owned Water Organisation – limited scale/higher borrowing costs due to not being able to access the Local Government Funding Agency

Options Under Consideration

Council has reviewed five potential options, three have been set aside and the following two are under consideration:

1. Internal Business Unit (Enhanced Internal Business Unit)
2. Multi-Council Owned CCO (Waikato Water Done Well CCO)

Each option will have a high level qualitative assessment to guide and support decision making.

Evaluation Criteria

In addition to meeting legislative compliance requirements, the following evaluation criteria have been identified to compare the two water service delivery options under consideration.

Evaluation Criteria	Description
<p>Transparency and Accountability</p>	<p>Clear roles, decision-making, and transparency</p> <ul style="list-style-type: none"> • Separation from wider council, ability for elected members to provide oversight • Capacity to provide the public and consumers access to reliable information about the different components of the water services being delivered (including quality and other matters related to public safety) and water charges. • Ensures the health and safety of the community with respect to water service provision remains paramount • Acts in the best interests of current and future consumers • Remains in public ownership.
<p>Regulatory Compliance</p>	<p>Ability to meet and demonstrate compliance with Taumata Arowai and Regulator standards and legislative requirements</p> <ul style="list-style-type: none"> • Track record or plans for DWMPs, consent compliance, backflow, source protection, reporting system • Ability and resources to follow all required regulations, ensuring the districts water services are safe and legal
<p>Financial Sustainability</p>	<p>Long-term financial viability for users</p> <ul style="list-style-type: none"> • CAPEX/OPEX projections, rates impact, cost recovery model, debt capacity • Provides for ring-fencing of water services (i.e. no cross subsidisation of or for other services). • Generates sufficient income to cover all water and wastewater operational and funding costs in the long-term. • Projected level of investment is sufficient to maintain assets, meet regulatory requirements and provide for and support growth. • Improve the financial efficiency of delivery by: <ul style="list-style-type: none"> – Creating sufficient funding to meet investment required (Debt headroom) – Generate savings that can be sustained savings – Maximise economies of scale

	<ul style="list-style-type: none"> - Consider consumer affordability - Optimise value for money and minimise associated risk
<p>Operational Capability and Capacity</p>	<p>Ability to deliver reliable, safe water services with skilled staff and systems</p> <ul style="list-style-type: none"> • Qualified personnel, SCADA/monitoring systems, maintenance plans, succession planning • Attract and grow a highly skilled workforce • Provide for: <ul style="list-style-type: none"> - All aspects of legislative compliance - Improve delivery of capital programmes - Improve asset management systems and processes - Improve operations and maintenance methods and optimise efficiencies • Establish a resilient and stable operating environment that supports long-term decision-making, adapts to shifts in political cycles, maintains continuity amid changing collaboration dynamics, and ensures readiness to respond effectively to emergency situations <p>Suitability of model to council size, asset base, and service complexity</p> <ul style="list-style-type: none"> • Fit-for-purpose delivery structure, flexibility to adapt as needs change
<p>Collaboration and Regional Alignment</p>	<p>Opportunity to collaborate and avoid duplication</p> <ul style="list-style-type: none"> • Regional compatibility, willingness of neighbouring councils, potential for economies of scale • Maintains the ability for MPDC to uphold relationships and agreements with our hapū, iwi partners as well as key industries that contribute to the district's economic prosperity. • Maintains the ability for MPDC to uphold relationships with regulatory bodies such as Taumata Arowai and Waikato Regional Council • Support inter-regional collaboration to achieve efficiencies and enables catchment based planning and investment • Align with regional priorities to optimize funding opportunities and ensure coordinated resource allocation.
<p>Community and Customer Engagement</p>	<p>Local responsiveness, accessibility and transparency to community and iwi</p> <ul style="list-style-type: none"> • Engagement channels, iwi partnership, customer service models, responsiveness to complaints • Maintain the local voice and allow for influence in strategy development and delivery of water services • Ensure a consistently seamless service experience for all consumers, aligned with established service standards.

	<ul style="list-style-type: none">• Allow for consistent pricing aligned with level of service
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To assess the two water service delivery options the following high level qualitative ranking system will be applied to both options under consideration.

High The option strongly meets the criterion. Strong alignment with the assessment criteria, indicating balance of risk and long-term sustainability.

Medium The option meets the criterion to a reasonable extent. Some gaps or risks exist but can be managed.

Low The option does not adequately meet the criterion. There are significant risks, uncertainty, or performance concerns.

This qualitative method helps identify the relative strengths and weaknesses of each option in areas such as compliance, financial sustainability, operational capacity/capability and community and customer engagement. This assessment is a snapshot in time based on data, assumptions and information available. This assessment is intended to guide decisions, subject to ongoing change and updates.

Part Two: Analysis of Options

Understanding our current service delivery model provides context for evaluating the two options under consideration.

Our current status quo delivery arrangement for three water is an in-house model supplemented by contractual arrangements. The in-house teams providing services are Water and Wastewater, Kaimai Valley Services and Assets and Projects who deliver:

- Treatment Plant / Reticulation Operations and maintenance
- Asset Management
- Compliance
- Project Delivery

The teams providing three waters services are supported by other teams within Council including:

- Customer Services
- Communications and Engagement
- Finance and Business Services
- Information Technology
- Policy, Partnerships and Governance
- People, Safety and Wellness
- Parks & Works
- Roothing
- Legal
- Planning

These in-house services are supplemented by the following outsourced services including:

- CoLAB - Tradewaste
- Electrical and mechanical repairs
- ERTS District wide sampling
- Scott Tech flow monitoring in streams
- Water & Wastewater process control support
- Compliance support
- Capitalisation
- Asset renewals and upgrades

Under the Local Water Done Well framework, councils that continue to deliver water services directly must establish an Internal Business Unit (IBU). This unit must separate water activities from each other and from all other council functions. This represents a change from our current in-house delivery model, where water services are integrated within broader council operations. Given this shift in requirements this option is an enhancement of our current in-house service delivery.

Option 1: Internal Business Unit (IBU)

This option builds on the current service delivery model, where water services delivery remains fully integrated within Council's strategy, planning, and service delivery. A Water Services Strategy (like a Long Term Plan for waters), a separate waters annual report, and stand-alone financial statements on water services, are required.

This model builds on Council's current in-house approach but strengthens delivery through clearer separation and accountability. It ensures continued public ownership and democratic governance, although the role of the Commerce Commission as an economic regulator may increase over time, particularly around pricing, investment decisions, and service levels.

Strengthening Water Services through an Internal Business Unit

Economic regulation will apply regardless of governance model. As such, it may be difficult to fully separate the financial and operational impact of water services from broader Council decision-making. Price regulation, in particular, may conflict with the rating principles of the Local Government Act 2002, especially in balancing affordability, equity, and benefit distribution.

Regulatory compliance remains an ongoing challenge and is expected to become increasingly complex. While we continue to make steady progress in lifting our compliance performance, the introduction of new rules and more intensive monitoring requirements adds to the workload and pressure on resources.

Across our water supplies, we are currently addressing several low-risk non-compliances as part of ongoing improvement efforts. These include:

- An abatement notice related to low flows in Te Aroha
- A boil water notice affecting raw water users in Pohomihi

In the wastewater network, we are managing a mix of moderate and low-risk non-compliances, including:

- Moderate non-compliances at the Matamata and Morrinsville treatment plants
- Low-risk issues identified at the Te Aroha and Tahuna facilities
- Council has previously been prosecuted and sentenced for unlawful discharges of wastewater.

Debt continues to be measured at a total Council level. Council's total net debt is currently limited by LGFA to 175% of revenue as Council is currently unrated. As Council's debt continues to rise in the future however, a threshold will be reached that will trigger Council to obtain a credit rating that will in turn increase Council's net debt to revenue limit to 280%.

Council's current waters debt is equal to 158% of waters revenue, increasing to as much as 407% of its waters revenue in 2027/28. This is higher than Council's total debt to revenue ratio in the same period which peaks at 165%, and indicates that the waters activities are much more highly leveraged than other activities in Council.

Despite relatively low levels of non-waters debt, Council's ability to borrow to fund other activities will be more limited between 2026/27 to 2029/30. This would limit Council's ability to invest in other projects that are important to the community, and would provide little headroom in the case of a natural disaster or emergency.

An enhanced IBU will focus on addressing current resourcing challenges by ensuring staffing levels are adequate to meet both planned and reactive water service demands. A comprehensive review of workloads and FTE requirements will be undertaken, supported by updated position descriptions and a structured recruitment strategy.

With a clear focus on operational delivery, the IBU will work to ensure that sufficient staffing is in place, while also identifying and addressing inefficiencies caused by outdated systems and incomplete data. While future process improvements may lead to some efficiencies, the IBU recognises that the more immediate risk lies in under-resourcing and will prioritise building capacity to mitigate this.

A key focus of the enhanced IBU will be building a skilled, supported, and stable workforce. The IBU will implement formal learning and development plans for all staff, ensure consistent training across teams, and establish succession planning for critical roles. Recruitment and retention will

be strengthened through competitive remuneration and clearly defined career pathways, supported by market benchmarking.

To enhance day-to-day performance, the IBU will also promote better use of existing technology by embedding regular training and encouraging greater adoption of tools such as GIS and AssetFinda. This will empower staff to work more efficiently and effectively across the water services network.

The IBU will lead a coordinated programme to enhance the quality and usability of asset data, recognising its critical role in effective service delivery and long-term planning. Standardising systems and processes across the water services function will improve ways of working and foster greater collaboration between teams.

A dedicated workstream will focus on updating and validating asset data over the next two years, supported by the use of mobile field devices and targeted in-field training. To ensure ongoing improvement, the IBU will implement clearer governance and oversight, helping to maintain system integrity, support better decision-making, and deliver improved outcomes for customers.

While the enhanced Internal Business Unit presents a credible and well-structured option, there remains a degree of uncertainty around our ability to fully deliver on this model—particularly in attracting the necessary staff, securing contractor capacity, and implementing the planned work programme. These risks are well understood and will be actively monitored and managed. However, it is important to acknowledge that successful delivery will depend on our ability to respond effectively to ongoing workforce and market pressures. Council should be aware of these uncertainties when considering this option.

Option 2: Multi-Council Owned Water Organisation (Waikato Water Done Well CCO)

Council has reviewed and discussed the Waikato Water Done Well CCO option on a number of occasions including the following workshops and meetings:

- **Council Meeting – 25 September 2024**
report presented outlining the Waikato Water Done Well initiative. Council passed a series of resolutions supporting the strategic framework, endorsing a co-designed staged aggregation model, and delegating authority to the Chief Executive to negotiate a Heads of Agreement.
Reference: 25 September 2024 Agenda and Minutes
- **Council Meeting – 27 November 2024**
formal decision report titled *Waikato Water Done Well – Heads of Agreement* was presented (Appendix 1). Council resolved to enter into the Heads of Agreement and acknowledged the need for further consideration prior to progressing to ‘Stage 2’ (Asset-Owning) for the Matamata-Piako District.
Reference: 27 November 2024 Agenda and Minutes

The proposal for Waikato Water Done Well as a Water Service Delivery Option (Attachment A) and Waikato Water Done Well Supplementary Financial Analysis (Attachment B) March 2025 outlines a Council owned water services company which was workshopped with council **2 and 9 April 2025**.

Financial Profile and Efficiency Assumptions – Waikato Water Done Well CCO

The Waikato Water Done Well model recognises that upfront investment is required to establish the CCO. These initial costs include:

- Capital outlay to implement core infrastructure (e.g. IT systems)

- Additional operating costs borne by the CCO (e.g. board fees, executive leadership, support teams, and premises)
- Early programme costs aimed at generating long-term efficiencies (~\$4.4 million per annum)

This reflects a “spend to save” approach, acknowledging that meaningful savings will not occur without focused investment and sustained effort.

The model also assumes operational efficiencies will be achieved through the increased scale of the CCO. An annual efficiency gain of 1%—compounding to 15% over the modelled period—has been included in the analysis. These assumptions have been benchmarked against comparable aggregation efforts, such as TasWater in Australia.

Efficiencies are expected to result from:

- Consolidated operations and maintenance functions
- Streamlined capital delivery programmes across multiple councils

However, these efficiency gains are not projected to be fully realised until 2042. As such, the financial benefits of this model must be viewed through a long-term, intergenerational lens.

Borrowing Capacity and Affordability

The CCO would have the ability to borrow up to 500% of its water-related revenue, significantly expanding investment capacity. Financial modelling indicates this level of debt headroom is sufficient to meet all partner councils’ forecast investment needs, while maintaining affordability. Average annual price increases are estimated at 4.0% once all councils have transitioned their water services to the CCO.

This borrowing capacity supports compliance with the Department of Internal Affairs’ requirements for financial viability under the Local Water Done Well framework.

Partnership with Mana Whenua and Iwi

Council is committed to nurturing and strengthening its relationships with Mana Whenua and Iwi, both now and into the future.

The use of an arm’s-length entity to manage three waters services will influence how Iwi and Māori are able to participate in decision-making related to water. This potential impact must be carefully considered and addressed through direct engagement. Discussion with Mana Whenua will be ongoing on this important kōrero.

Relevant legislation supports a broad framework for relationships, recognition of customary rights, and protection of Māori interests—particularly through mechanisms established under Treaty Settlement and Post-Settlement Governance Entities. For Matamata-Piako, it is essential that all existing and future Treaty Settlement obligations and partnership commitments are upheld and safeguarded under any new service delivery model.

Due to the broader area of responsibility that the *Waikato Water Done Well* model covers, including the Waikato, Waipā and Waihou/ Hauraki catchments, there are collective and individual responsibilities and obligations. At this point each council continues to engage with Mana Whenua and Iwi as councils move forward under the *Local Water Done Well* legislation.

Catchment Management and Catchment-Based Consenting

The Waikato Water Done Well model strengthens the move toward catchment-based consenting for discharges—shifting from a narrow, point-source approach to a more holistic view of water

quality across entire catchments. This regional model supports improved outcomes for rivers and estuarine environments throughout the Waikato, aligning with Treaty settlement commitments that prioritise river and catchment restoration.

For Matamata-Piako District, this includes the Waihou and Piako Rivers and their associated catchments. More broadly, the model enables greater scale, consistency, and collaboration through a unified, region-wide approach.

Waikato Water Done Well is committed to driving innovation that meets environmental standards while delivering long-term financial value to its shareholders, customers, and communities—ensuring water services are both sustainable and future-focused.

Phased Establishment and Transition Approach

The Waikato Water Done Well model is based on establishing a minimum viable CCO operation from day one, with the intent that any remaining water-related functions within shareholding councils will transition to the CCO as soon as practicable after establishment.

Shareholding councils will transfer their core water and wastewater businesses to the CCO in staged tranches, with MPDC included in Tranche One. Subject to appropriate employment processes, this would include the transfer of all relevant operational staff.

While discussions around shared services have not yet taken place, it is anticipated that councils may initially continue to provide some functions—such as customer billing. However, it is expected that the CCO will seek to establish direct relationships with customers for billing, service requests, and maintenance as early as possible, to ensure a consistent and customer-focused service model.

Heads of Agreement

A Heads of Agreement (27 November 2024 Agenda) describes the intended approach. It sets out the:

- Scope of the Council Controlled Organisation
- The key principles that will be used in designing and operating the Council Controlled Organisation
- The key features that will be reflected in the constitution of the Council Controlled Organisation
- The nature and approach to decision-making by shareholders and the board of directors
- The proposed board skills and competencies
- The proposed board appointment process
- The approach to the transaction for the transfer of assets, liabilities and undertakings from the seven Councils to the Council Controlled Organisation
- The proposed establishment process, amongst other things.

The *Waikato Water Done Well* Heads of Agreement outlines that no dividend would be payable by the company and shares could only be held by a council (not be sold or transferred).

The following table shows the agreed approach documented in the *Waikato Waters Done Well* Heads of Agreement. As the respective shareholders’ forums are established there will be the ability to have further input.

Heads of Agreement – Matters of note	<i>Waikato Water Done Well</i>
During operation:	

Heads of Agreement – Matters of note	Waikato Water Done Well
Shares cannot be sold or transferred and can only be held by a council (part of legislation in Bill 3).	✓
Shareholder forum voting rights are proportional to shareholding.	✓
No transfer of risk and therefore no margin on shared services provided by Council to CCO (i.e. any overhead costs currently recovered from internal waters activity/business unit will continue to be recovered at the current level from the CCO post establishment until transition process completed).	Degree of Shared services TBC
Principles of the Transfer Agreement:	
Shares allocated to shareholding councils based on the number of connections, reviewed and adjusted every five years.	✓
The councils' level of existing water debt will be confirmed by an independent reviewer	TBC
The level of Uncalled Capital attributed to shareholding councils is proportional to their shareholding or initial debt position (uncalled capital is a contingent liability for councils and could be used as a last resort in the event of a debt default by the CCO to recover CCO debt).	TBC

Governance in the Proposed CCO Model

While Council would no longer be directly responsible for the delivery of water and wastewater services, mechanisms will remain in place to enable Council to positively influence consumer outcomes. This influence will be reflected through elements such as ownership structure, governance and decision-making arrangements, prioritisation processes, and both shareholder and public accountability mechanisms.

The specific details of these arrangements are expected to be further defined through the third Water Services Entities Bill and shaped through upcoming public consultation. However, the general implications of governance and control differ across the proposed service delivery models.

One key consideration is the level of influence or control that Council wishes to retain at the time of establishment. Under the Waikato Water Done Well CCO model, MPDC would be a foundation shareholder, providing a strong position to shape the entity's early development and governance settings.

Additional influence can be exercised through mechanisms such as:

- The CCO's constitution
- Ongoing input into the Statement of Expectations
- Detailed provisions within shareholder agreements

To protect Councils interests, it will be essential to ensure that the shareholding structure provides for negative control—the ability for a shareholder or group of shareholders to block or prevent certain corporate decisions based on their shareholding proportion or specific terms. Negative control may include provisions that allow minority shareholders to prevent a quorum or block board or shareholder actions under the terms of the shareholders' agreement.

To ensure balanced governance and prevent undue influence by larger shareholders, the Heads of Agreement for the Waikato Water Done Well CCO includes a two-tier decision-making framework for Stage 2 (asset-owning). This requires:

- 75% of total votes, and
- 75% of the number of shareholders

This approach protects the interests of smaller councils and ensures that no single group of larger shareholders can dominate key decisions.

Future Integration Opportunities and Long-Term Direction

In parallel to the Waikato Water Done Well initiative, some councils are progressing separate CCO proposals. For example, two neighbouring councils are currently considering the establishment of a joint CCO to manage their water services independently.

Looking ahead, there is broad support among participating councils for the longer-term goal of creating a single, region-wide water services CCO. This model—potentially realised within five to ten years—would aim to maximise benefits to water consumers through increased scale, operational efficiencies, and improved service consistency across the Waikato region.

While this level of integration is not immediately achievable, it remains a shared aspiration. As such, councils are encouraged to consider which pathway will best position them now to contribute to and benefit from this future state.

Importantly, both the Water Services Entities Act and the forthcoming Bill 3 provide flexibility for councils to revise or transition away from their adopted Water Services Delivery Plans (WSDPs) over time. This ensures that water service delivery models can evolve as opportunities for greater collaboration and integration emerge.

Stormwater Service Delivery Under the New Framework

Under the new legislative framework, councils will retain responsibility for ensuring stormwater services are delivered within their districts. However, they will have the flexibility to determine the delivery arrangements that best meet their local needs and circumstances. Councils may choose to:

1. Continue delivering stormwater services in-house
2. Contract a water services organisation or third party to deliver all or part of the stormwater service
3. Transfer all or some aspects of stormwater service delivery—including assets—to a water services organisation

Further work will be undertaken to assess how stormwater delivery options align with Council's strategic objectives. Once a preferred water services delivery model is confirmed, a recommendation regarding the preferred approach to stormwater service delivery will be brought to Council for consideration.

Waikato Regional Leadership

Central Government officials have acknowledged that the Waikato Water Done Well model represents the largest and most advanced example of a rural and provincial council CCO under the new water services regime in New Zealand. The model is attracting strong interest from Government Ministers and is well-positioned to align with and reinforce the leadership aspirations being advanced through the proposed Waikato Regional Deal.

Given its scale, collaborative foundation, and status as an early adopter, Waikato Water Done Well may present opportunities to lead national conversations with the Crown—potentially opening the door to incentives and additional support for regional water reform and delivery innovation.

Strengths of a Multi-CCO Model (Waikato Water Done Well)

- Ability to shape and influence (with member shareholder councils) the establishment and transition of the CCO.
- Reflects Matamata-Piako's position as rural/provincial council with growth challenges, not a metro council with some rural issues.
- The model focuses on people, place and environment over a wider geographical area, including looking at catchment-based consenting rather than individual discharge points.
- An average increase in water service pricing based on the Long Term Plan from 2027 was 7% per annum compared to the average price increase of 4% in the CCO modelling, the more favourable affordability outcomes for MPDC's community materialise from 2030 once cost efficiencies and some spend-to-save initiatives have materialised. The CCO is able to leverage available debt headroom to keep pricing at a more affordable level.
- Having a single combined capital works programme driven by a professional board and single management team. This will remove an otherwise 'peaky' capital works programme, placing a more evenly distributed demand on the market and softening pricing pressure. Through a single team focused on water services, procuring contractors and delivering projects on time and in budget, the Waikato Water Done Well CCO will have greater bargaining power to obtain better pricing than multiple councils engaging separately with the same service provider.
- Provides opportunity to align with, and give effect to, multiple Treaty and other settlements, including but not limited to existing Treaty Settlements, alongside supporting future Hauraki Catchment settlements focused on improving catchments.
- Improved workforce sustainability, attraction and retention issues across the broader region, particularly as it applies to the workforce needs of rural/provincial councils.
- Expected to provide greater certainty, consistency and smoothing of investment for the civil contracting sector, which is a vital partner in delivery.
- Will provide a large rural and provincial model for multiple Iwi/ Māori to engage with, and development of economic partnership, investment and workforce opportunities.

Part Three: Comparative Analysis of the Two Options

Since the 27 November 2024 Council meeting, a significant amount of resource has been dedicated to ensuring that Council is well-informed about both the Internal Business Unit and the Waikato Water Done Well CCO options. The following comparative analysis presents a balanced evaluation of both models to support Council in making an informed, future-focused decision on the preferred approach for delivering water services.

Internal Business Unit vs Waikato Water Done Well CCO Analysis

Transparency and Accountability

- **Preferred Option: Tie (High for both)**
- **Rationale:** Both models offer strong mechanisms for transparency and accountability. Waikato Water Done Well CCO benefits from an independent board, public reporting, and shareholder oversight, while the internal business unit ensures proximity to the community and direct Council control. However, both are capable of meeting legislative standards and providing visibility to the public.

Regulatory Compliance

- **Preferred Option: Tie (Medium for both)**
- **Rationale:** Both options face challenges in fully aligning with evolving regulatory requirements. Waikato Water Done Well CCO has scale and dedicated governance to respond to regulatory changes, but its complexity may slow adaptation. The internal business unit benefits from more direct integration with Council governance but is constrained by limited resources and technical capacity. Neither model guarantees immediate compliance but both can reasonably address issues over time.

Financial Sustainability

- **Preferred Option: Waikato Water Done Well (High vs. Medium)**
- **Rationale:** Waikato Water Done Well CCO has a clear advantage in financial sustainability due to its:
 - Dedicated revenue model
 - Access to significantly higher borrowing limits (500% debt-to-revenue)
 - Economies of scale that reduce long-term costs
 - Ability to defer or avoid rate spikes through coordinated investment planningThe internal business unit is limited by Council's borrowing cap, has less scale for procurement savings, and is more exposed to affordability challenges as infrastructure demands grow.

Operational Capability and Capacity

- **Preferred Option: Waikato Water Done Well (High vs. Medium)**
- **Rationale:** Waikato Water Done Well CCO can attract and retain skilled, specialised staff and has the scale to support dedicated technical teams, strategic investment planning, and systems integration. The internal business unit will face ongoing recruitment challenges, limited access to advanced tools, and difficulties scaling operations or responding rapidly to emergencies or infrastructure failures.

Collaboration and Regional Alignment

- **Preferred Option: Waikato Water Done Well (High vs. Medium)**
- **Rationale:** Waikato Water Done Well CCO fosters strong regional coordination, shared investment priorities, and consistency in service levels. It is aligned with Treaty settlements, iwi engagement frameworks, and regional planning processes. The internal business unit is inherently local, and while it preserves direct control, it limits opportunities for shared services, economies of scale, and regional funding advantages.

Community and Customer Engagement

- **Preferred Option: Internal Business Unit (High vs. Medium)**
- **Rationale:** The internal business unit allows for direct community engagement, clearer accountability to elected members, and integration with other local services. While Waikato Water Done Well CCO offers formal public reporting and iwi engagement at a regional level, its scale may lead to perceived loss of local voice, delayed responsiveness, and lower visibility among individual communities.

Table: Internal Business Unit vs Waikato Water Done Well CCO Summary Assessment

Assessment Criteria	Option 1 Internal Business Unit	Option 2 Waikato Water Done Well CCO
Transparency and Accountability	High	High
Regulatory Compliance	Medium	Medium
Financial Sustainability	Medium	High
Operational Capability and Capacity	Medium	High
Collaboration and Regional Alignment	Medium	High
Community and Customer Engagement	High	Medium

This assessment supports Waikato Water Done Well as the preferred delivery model for MPDC, especially when considering long-term affordability, service resilience, and alignment with national reform direction.

Strategic Assessment Considerations

Strategic Fit with Government Direction

- The Waikato Water Done Well CCO model aligns with the central government’s policy direction under the *Local Water Done Well* framework.
- It positions the Waikato region as a leader in water reform, with potential to attract additional Crown support or incentives, especially through integration with the proposed Waikato Regional Deal.
- This reinforces Matamata-Piako's role as a foundation shareholder with influence in shaping early governance, structure, and operational culture of the CCO.

Future Scalability and Integration

- There is strategic intent to eventually consolidate into a single Waikato-wide water services CCO, and Waikato Water Done Well CCO is designed to be adaptable for future integration.

- The internal business unit, while suitable short-term, may require further structural change within 5–10 years—creating disruption, transaction costs, and potential duplication of transition efforts.
- Flexibility provisions in both the *PA Act* and *Bill 3* allow changes to delivery models in future, but beginning with Waikato Water Done Well CCO provides a head start on regional alignment.

Stormwater Delivery Flexibility

- Councils will retain responsibility for stormwater under either model, but Waikato Water Done Well CCO offers the option to integrate stormwater services over time—enabling catchment-based planning and regulatory alignment.
- This approach supports environmental objectives and Treaty Settlement commitments, particularly for the Waihou and Piako catchments.

Risks Acknowledged and Manageable

- Acknowledgement of delivery risks (e.g. staffing, contractor availability, transition complexity) demonstrates responsible and transparent planning.
- These risks exist in both models but are arguably better mitigated under a regional CCO due to scale, governance separation, and ability to attract talent and resources.
- Council is being clear with the public and itself: the risks are real, but known, and can be actively managed.

Water Metering as a Critical Enabler

- The absence of universal water meters presents an operational and pricing challenge, regardless of the model.
- Waikato Water Done Well CCO's financial modelling assumes a usage-based charging system; transitioning to meters is essential to support this.
- Council's inclusion of water meter funding in Year 4 of the Long Term Plan demonstrates alignment and readiness for reform expectations.

Cultural and Iwi Partnership Obligations

- The Waikato Water Done Well CCO model supports a more structured platform for engagement with iwi and hapū, through both governance and catchment-based planning.
- Commitment to partners by reinforcing alignment with Treaty expectations.
- The internal business unit, while retaining local relationships, lacks the structural scale to deliver broad partnership and economic participation opportunities for Māori.

Customer Trust and Local Accountability

- The internal business unit retains strong local control and community trust, which is important for public confidence.
- However, Waikato Water Done Well CCO provides robust public accountability mechanisms through shareholder agreements, annual plans, and independent board governance.

- With proper communication, local voice can still be preserved within the regional structure through shareholder representation, Statements of Expectation, and decision frameworks like the 75% vote + 75% number rule.

Transition Effort vs. Long-Term Benefit

- While establishing a CCO like Waikato Water Done Well involves significant upfront effort, it avoids a fragmented or piecemeal future.
- The “spend-to-save” investment model (~\$4.4M annually) is realistic and necessary to unlock long-term benefits.
- Council’s decision should balance the short-term workload with the long-term payoff in resilience, affordability, and service quality.

This strategic assessment also supports Waikato Water Done Well as the preferred option due to the following:

- forward-thinking on water reforms, shaping outcomes rather than reacting to them
- collaborative and respectful partner to iwi and the Crown
- community focused on safeguarding public health and environmental outcomes through sustainable, resilient, and affordable water services for future generations.

In addition to the high level assessment criteria, several strategic, operational and community focused factors have been considered when undertaking this comparative analysis. This is a complex decision that will require trade-offs such as:

- **Control vs Capability:** The IBU model keeps control close to home but limits scalability and financial flexibility. The CCO model provides professional, dedicated water service delivery with improved affordability and debt capacity but requires councils to let go of some direct control.
- **Affordability:** IBU pricing is projected to increase faster than in the CCO model. The CCO leverages larger scale, better borrowing terms, and centralised investment to manage prices more effectively over time.
- **Resourcing & Regulation:** The IBU requires Council to carry the full burden of compliance, training, and workforce pressures. The CCO is better positioned to address these challenges regionally.
- **Long-Term Alignment:** The CCO option sets the foundation for a possible future regional water entity, which aligns with national reform signals and regional aspirations. The IBU maintains local focus but may require future realignment.

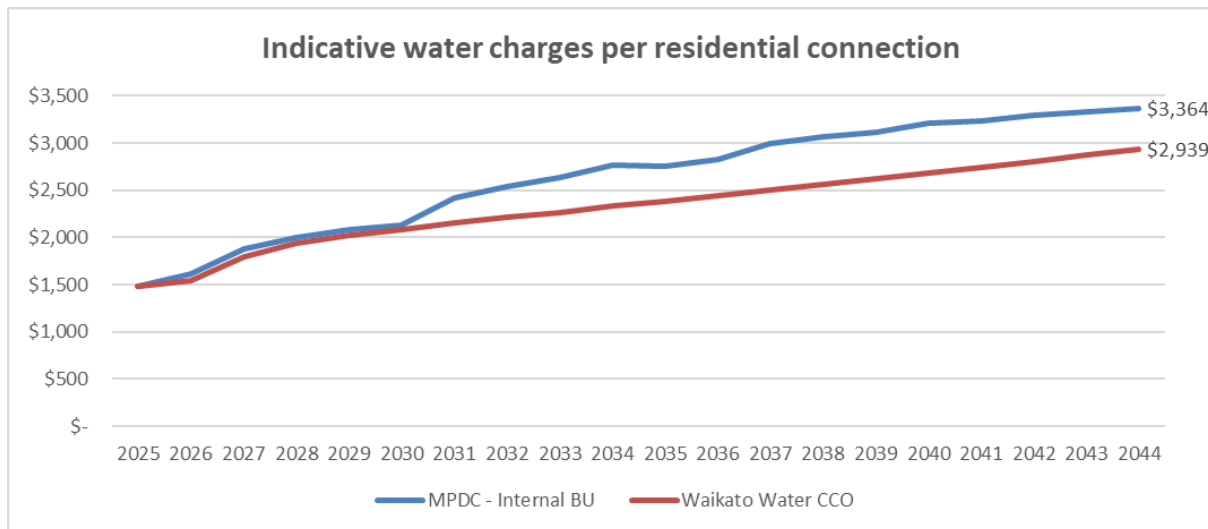
The overall assessment supports Waikato Water Done Well as the Preferred Option due to:

- Delivering stronger **financial sustainability**, access to capital, and economies of scale
- Offering enhanced **operational capability**, workforce resilience, and long-term planning
- Promoting **regional collaboration**, aligning with strategic objectives, Treaty settlements, and environmental outcomes
- While community engagement is more direct under the internal model, Waikato Water Done Well CCO provides a **better long-term structure** for water reform under the Local Water Done Well framework.

Financial Considerations

A high-level financial summary is provided for the Internal Business Unit and *Waikato Water Done Well* CCO options below.

Graph: Water charges



Note: The indicative water charges per residential connection are based on the 2024-34 LTP for both options up to 2034, and extrapolated beyond that using capital information from the 30 year Infrastructure Strategy (as set out in the 2024-34 LTP). For the Internal Business Unit Option, the charges between 2031 and 2035 have been smoothed to reflect a more realistic pricing path than the model otherwise reflected. Also to note, the indicative water charges reflected in the graph above differ to the water charges quoted in the 20 March 2025 “Proposal for Waikato Water Done Well” and the 3 March 2025 “Supplementary Financial Analysis for Matamata Piako District Council”, both issued by Waikato Water Done Well. Since those documents were released, staff have worked with consultants working on behalf of Waikato Water Done Well CCO to ensure that the ‘residential’ charges were correctly calculated exclusive of charges that fall on non-residential users.

During the initial years there is little difference in pricing between the two options. This is due to the spend to save initiatives (approximately \$4.8m for MPDC over the first nine years, and a mix of both operating and capital costs) and initial setup costs of the CCO being included within the calculations. As operating efficiency savings start to set in, the operating costs of the CCO and therefore the required water charges will start to become significantly more favourable than the Internal Business Unit model. A key strategy used by the CCO to achieve this, is by leveraging debt.

During the initial years of both models, the Internal Business Unit model provides savings compared to the CCO model. This is due to spend to save initiatives (approximately \$4.8m for MPDC over the first nine years, and a mix of both operating and capital costs) and initial setup costs of the CCO being included within the calculations. As operating efficiency savings kick in in the later years, the operating costs of the CCO and therefore the required water charges will become less than the Internal Business Unit model. A key strategy used by the CCO to achieve this, is by leveraging debt.

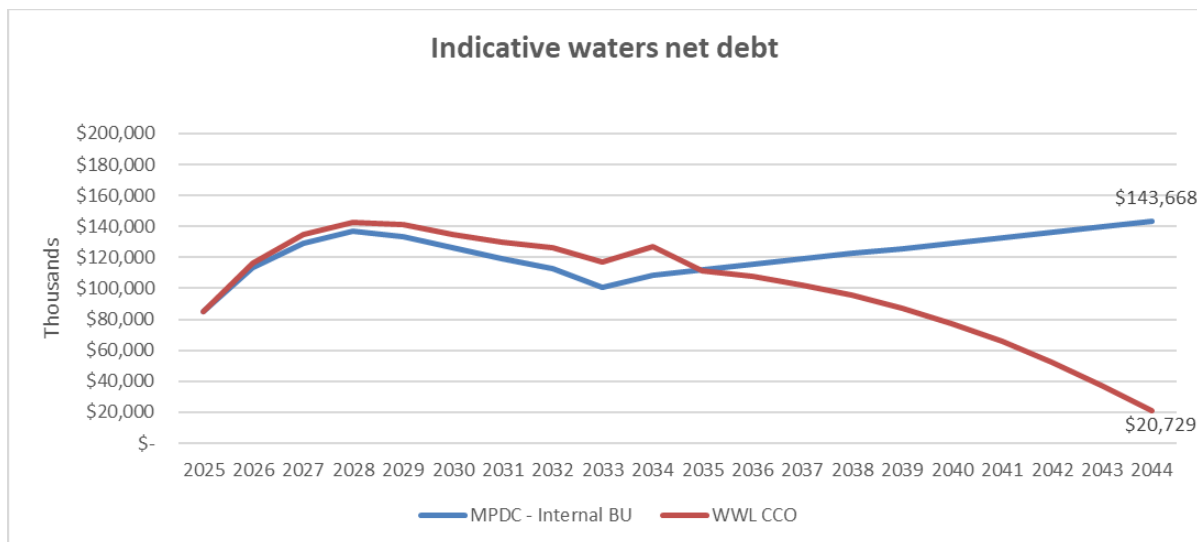
Affordability

Six of the seven *Waikato Water Done Well* partner councils have identified community affordability as an issue (now or in the future).

There is no official definition of unaffordable waters costs in New Zealand, but international indicators suggest that there is an affordability challenge if water and wastewater services are more than 2% of household income. *Waikato Water Done Well* has yet to consider an appropriate target for household affordability.

Waikato Water Done Well has provided information comparing MPDC’s current costs for residential consumers relative to the threshold of 2%, and the outcome from the *Waikato Water Done Well* financial model in 2034. Using the updated calculation for residential water charges per connection, under both models the affordability threshold is met for the first 9 years. Based on the Long Term Plan data, the CCO would become slightly less affordable (1.65% at 2034 compared to 1.5% in 2025), while in the Internal Business Unit model, affordability drops more considerably from 1.5% to 2.0% in 2034. However as noted in this report, future modelling for maintaining an in house business unit will need to include identified additional costs considered necessary to meet the increasing compliance requirements expected to be met and delivered under the Water Services Delivery Plan. The status quo will no longer be enough. Costs under both models are expected to increase compared to current costs to meet the requirements.

Graph: Waters net debt



Net debt under the CCO model is higher compared to the MPDC Internal Business Unit model due to capital start-up costs, capital 'spend to save' initiatives and leveraging of debt to keep water charges within a defined annual percentage increase. From year 10, cost efficiencies from the CCO model are projected to accumulate to \$96m by 2044, and debt can be reduced over this time, or alternatively utilised for further investment. Removing waters debt from Council's balance sheet means that Council has greater debt headroom for future non-water initiatives and greater financial resilience.

Affordability

Waikato Water Done Well CCO option:

- Assumption that the additional debt headroom provided by the increased debt to revenue availability, and efficiencies once realised, can be used to offset price rises.
- Note this has not yet been fully modelled, nor the degree to which price increases are moderated through the balancing of revenue or use of debt

-
- The consideration of price harmonisation over time will form part of the remit of the relevant CCO Board

Internal Business Unit model option:

- Debt is constrained to Council's maximum potential future debt to revenue ratio of 250% (i.e. when Council is eventually credit rated), so the ability to offset price rises using debt is limited, and that is not Council's typical funding strategy.

Commerce Commission powers:

- Set revenue thresholds at its discretion. This will give water services providers a clear understanding of the level of revenue they need to collect and invest in water infrastructure.
- Set minimum and/or maximum prices that may be charged, and/or minimum and/or maximum revenues, alongside quality and performance requirements.

Ngā Whiringa | Options

Part Four: Preferred Option Waikato Water Done Well CCO

Following evaluation of the two viable water service delivery models—an enhanced Internal Business Unit (IBU) and the Waikato Water Done Well multi-council CCO — the Waikato Water Done Well model emerges as the preferred option for MPDC. This recommendation is based on a broad range of considerations including financial sustainability, regulatory alignment, operational capacity, regional collaboration, and long-term strategic positioning.

Strategic Fit and Regional Leadership

Waikato Water Done Well positions Matamata-Piako as a foundation shareholder in a regionally significant reform initiative. It reflects the district's rural and provincial context while aligning with the Government's Local Water Done Well framework. The model has attracted national interest as the most advanced rural/provincial CCO in development and aligns closely with the objectives of the proposed Waikato Regional Deal.

Matamata-Piako's early involvement provides the opportunity to help shape the entity's governance, transition, and operational strategy. This leadership role ensures the district's needs are embedded into the foundation of the organisation.

Financial Sustainability and Affordability

Waikato Water Done Well CCO provides significant advantages in financial sustainability compared to the IBU:

- Access to greater borrowing capacity (up to 500% of water revenue), enabling critical investment without placing unsustainable pressure on rates
- Projected lower average annual price increases (4% compared to 7% in the current Long Term Plan)
- A “spend-to-save” strategy to unlock long-term efficiencies through early investment (~\$4.4 million annually)
- Economies of scale in procurement and delivery of capital works, creating more cost-effective outcomes

These features make Waikato Water Done Well CCO more financially resilient, particularly in the face of population growth, infrastructure renewal, and rising regulatory expectations.

Operational Capability and Capacity

Waikato Water Done Well CCO is better placed to attract, retain, and develop a skilled, water-specific workforce. It offers:

- A dedicated governance and management structure focused solely on water services
- Greater resilience and flexibility in responding to regulatory change and emergencies
- The ability to smooth capital delivery programmes across the region, reducing market pressure and improving cost control. In contrast, the internal business unit model faces ongoing constraints due to limited scale, recruitment challenges, and competing priorities within the wider Council organisation.

Regulatory Compliance and Environmental Stewardship

Both models face challenges meeting evolving regulatory standards, but Waikato Water Done Well CCO offers a stronger platform for systematised, consistent compliance:

- A regionally coordinated approach to consents, operations, and reporting
- A catchment-based consenting strategy that aligns with environmental objectives and Treaty obligations
- The ability to invest in modern systems, infrastructure upgrades, and data capability that support Taumata Arowai and Waikato Regional Council requirements

Partnerships with Mana Whenua and Iwi

Waikato Water Done Well CCO strengthens the platform for iwi engagement and Treaty settlement delivery:

- Originated from the Waikato Iwi Chairs Forum's invitation for regional collaboration
- Supports existing and future Treaty and Hauraki Catchment settlements
- Enables a regional approach to co-governance, investment, and workforce participation opportunities for Māori While the IBU can maintain strong local relationships, it does not provide the scale or structure for broader iwi partnerships or regional environmental co-management.

Regional Collaboration and Integration

Waikato Water Done Well CCO enables long-term regional alignment and coordination that is not feasible under a single-council internal model:

- Shared governance, unified strategies, and cross-boundary planning
- Stronger alignment with regulatory bodies, funders, and strategic partners
- Potential future integration with other council-led CCOs to form a Waikato-wide model This supports long-term service resilience and investment efficiency, and future-proofing against further reform.

Community Outcomes and Transition Risk

While the internal business unit retains more direct community oversight in the short term, Waikato Water Done Well CCO includes clear mechanisms for public accountability and shareholder control. These include:

- Statements of Expectation
- Shareholder agreements with protection against dominance by larger councils (75% vote + 75% number threshold)
- Transparent reporting and regulatory oversight

It is acknowledged that establishing the CCO requires upfront effort, including transitioning staff, systems, and processes. However, these are one-time transition costs compared to the long-term advantages of scale, stability, and strategic capability offered by Waikato Water Done Well CCO.

Conclusion

The Waikato Water Done Well model is assessed as providing the greatest long-term value and alignment with MPDC's objectives.

It supports:

- Long-term **affordability and financial sustainability**
- **Resilient, high-quality service delivery**
- **Regulatory and Treaty obligations**
- Stronger **regional collaboration** and leadership

While both options are viable, Waikato Water Done Well CCO offers a clearer pathway to meet future water service challenges and deliver better outcomes for the community, iwi, environment, and economy. It is therefore identified as the **preferred model** for water services delivery under the Local Water Done Well framework.

Mōrearea | Risk

Risk Assessment: Internal Business Unit vs Council-Controlled Organisation

Both delivery models carry risks. While each option aims to meet the requirements of the Local Water Done Well framework, there are uncertainties and trade-offs that need to be acknowledged at this stage.

Internal Business Unit (IBU) Risks

- **Unknown Costs:** Establishing and operating a compliant IBU may reveal hidden or underestimated costs, particularly as new regulatory requirements emerge.
- **Staffing:** Recruitment and retention challenges remain. The IBU must compete with neighbouring councils and CCOs for skilled staff in a tight labour market.
- **Procurement:** Remaining as a single council may limit opportunities for bulk procurement or panel arrangements, increasing the cost of materials and services.
- **Borrowing Constraints:** Council-level borrowing limits may restrict the ability to fund future water infrastructure, especially given current debt levels.
- **Reputational Risk:** Failing to meet compliance or service expectations under a standalone model could attract public or regulatory scrutiny.
- **Isolation from Regional Collaboration:** By sitting outside a larger amalgamated group, the IBU may miss opportunities to share expertise, innovation, and resources.

Council-Controlled Organisation (CCO) Risks

- **Unknown Costs:** Transition and setup costs may be significant and are not fully known at this stage.
- **Staff Transition:** There may be uncertainty for staff during the change process, including potential resistance or loss of experienced personnel.
- **Procurement Dependence:** While a CCO may access better procurement rates, there is a risk of becoming reliant on broader agreements that may not always align with local priorities.
- **Borrowing and Financial Control:** Councils may have less direct control over financial decision-making and borrowing, depending on the CCO structure.
- **Reputational Risk:** If the CCO underperforms or fails to meet expectations, councils may still carry public and political accountability without direct control.
- **Loss of Local Autonomy:** Being part of a larger entity may limit local influence over priorities and service levels.

There are a range of risks common to both the Internal Business Unit and Waikato Water Done Well CCO model — though the degree, scale, and how they are managed may differ between the two.

These risks include transition, the cost of implementing a new delivery model, the ability to fully realise anticipated benefits, the challenge of retaining staff through a period of significant change. Additional risks include potential disruption to water and wastewater services, impacts on the delivery of capital works, and the effect on Council's relationships with Iwi/Māori, customers and stakeholders.

There is also a risk that future policy or legislative changes—such as the introduction of Bill 3—and decisions made by other participating councils could affect the financial modelling and underlying assumptions.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

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

In terms of consultation, there is a baseline requirement under the PA Act to consult on two options, being the status quo and a new arrangement.

For the purpose of consultation, staff have included information that compares the Internal Business Unit with the *Waikato Water Done Well* option.

Before adopting the model that best meets their future needs, councils must:

1. Assess the advantages and disadvantages of at least two options
2. Compare the options against each other based on impacts on rates, debt, levels of service and water charges
3. Identify a preferred option and consult the community on this (while also making available information on the other option that was considered)

This report and the recommendations in it address the three steps above. Once Council selects a preferred option, this will be consulted on.

Bill 3, and other policy, will set out a range of changes to the water services delivery system and to the water services regulatory system. It paves the way for economic regulation of water services so that how we charge for water, wastewater and stormwater meets acceptable price and quality outcomes for customers. The legislation will also set out amended powers and responsibilities of water Council Controlled Organisations.

Council has specific interests in the final requirements for economic regulation. Staff will be following closely matters such as: charging mechanisms of a Council Controlled Organisation and the transition period; how obligations will be transferred in relation to development agreements; the ability for assets to be vested directly into a Council Controlled Organisation; requirements to demonstrate financial sustainability for stormwater (which stays with Council under this reform); and ensuring that a Council Controlled Organisation has access to the powers required to continue to deliver water services effectively.

Local Government Act 2002 (LGA 2002) Decision-making requirements

The Local Government (Water Services Preliminary Arrangements) Act 2024 sets up a bespoke consultation and decision-making framework for making these decisions on water services. These are called 'alternative requirements'.

The alternative requirements applies despite anything to the contrary in Council's significance and engagement policy.

In summary this provides -

- A simplified process, to assist with the preparation, consultation and adoption of the Water Services Delivery Plan
- A relaxation of the usual requirements in the Local Government Act 2002 (LGA) for option identification and assessment, and a consequential streamlining for consultation
- Consultation is mandatory on the proposed model or arrangement for water service delivery
- Consultation on the balance of a WSDP is optional

The Water Services Delivery Plan must include an anticipated or proposed model for delivering water services

Local Government Act 2002		Preliminary Arrangements Act 2024	
s76	Establishes decision-making requirements	s60	Dispenses with s76, where alternative requirements are relied on
S77(1)(a) and (b)	“seek to identify, and assess the advantages and disadvantages of, all reasonably practicable options ”	s61	For the proposed model, “ must identify both of the following 2 options for delivering water services ”, being the existing and a CCO or joint arrangement
s56 (1)	Consultation required before CCO established	s62	No further consultation required beyond that required by s62
s78	Consider views and preferences of interested and affected persons	s62	No change, but only required to consult once
s82/82A	Consultation principles, information principles	s64	Specific information requirements for the “proposal”
S93 and 97(2)(b)	Requirement to use SCP when amending Long Term Plan, or dealing with strategic assets	s63	No requirement to consult on the Long Term Plan Amendment , in certain cases

Staff have reviewed the key considerations under the Significance and Engagement Policy, and have assessed that the matters in this report have a high level of significance.

The recommendations in this report relate to the possible transfer of ownership / control of Council’s waters assets. Waters assets are defined in Council’s Significance and Engagement Policy as Strategic Assets. There may be a high level of public interest in the provision of waters services and waters services affect Matamata-Piako residents and businesses, especially those who are connected to, and receive the Council services.

Consultation on the preferred water services delivery model will be undertaken from 5 May 2025 to 25 May 2025 using the alternative arrangements for consultation provided in the PA Act.

Previous Public feedback

Various views on ‘3 water reforms’, by the previous government were formally and informally expressed. Signage placed by members of the public opposing water reforms were visible around the District.

At the Council meeting on 9 February 2022, various people spoke at Public Forum opposing the 3 Waters reform. A petition was received with 1882 signatories calling for stopping the handover of ratepayer assets to central government siting,

“All freshwater, stormwater and wastewater assets and infrastructure, managed and controlled by the Matamata-Piako District Council, and owned and paid for by the generations of ratepayers, are in danger of being transferred to central government control.

Our assets are valued at \$305M and the possible return from central government will be \$39M. We the ratepayers and citizens of the Matamata-Piako District, refuse to hand over our assets and insist they be kept in the control of our district council.”

The current reform differs from the approach taken in the previous government reforms which was for a larger aggregation of Councils, including Matamata-Piako. This was called 'Entity B' which encompassed the Waikato, Bay of Plenty, Taranaki, and the upper Manawatu-Whanganui regions.

If Council opts for an asset owning CCO through *Waikato Water Done Well*, Council would be transferring ownership of water assets. As previously noted there are various mechanisms within the CCO for Council to exert control/influence over the CCO.

Public interest in Local Water Done Well may have shifted now that Council will be an owner in Waikato Water Done Well CCO. This is likely to become clearer as the consultation process progresses.

Policy Considerations

This recommendation is 'significantly inconsistent' with the 2024-24 Long-Term Plan which provides for Council to continue delivering water services until 2034. This means Council needs to clearly identify:

- A. the inconsistency; and
- B. the reasons for the inconsistency; and
- C. any intention of Council to amend the policy or plan to accommodate the decision.

The reasons for the inconsistency is due to the current water reform legislation and process that has progressed since the 2024-34 Long-Term Plan was adopted. Council will need to amend the Long-Term Plan to accommodate the decision, if the *Waikato Water Done Well* model is confirmed following the consultation process.

Section 63 of the PA Act exempts a Council from consulting on a Long-Term Plan Amendment for the purpose of "giving effect to proposed model" or Waters CCO or joint arrangement" if:

- it has "already consulted its community in relation to the proposal"; and
 - It is satisfied that it has a good understanding of - implications, and community views (i.e. through the current consultation)
- Implicit that consultation on the proposed model can double as Long-Term Plan Amendment consultation – if the above requirements are met
 - So, while the Act does not specifically deal with the question, there is no need to combine consultation on a Water Services Delivery Plan and Long-Term Plan Amendment for this purpose, if one is required

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement Requirement to Consult

Before finalising the Water Services Delivery Plan, Council is required to consult on its anticipated or proposed arrangements/model for delivering water services.

This includes when either:

- Retaining their existing arrangements or model for delivering water services; or
- Establishing, joining or amending CCOs or joint local government arrangements for delivering water services.

Consultation will occur once a preferred Water Services Delivery model is identified as required by the Act, from decisions taken at this Council meeting.

Councils are not required to consult on the whole Water Service Delivery Plan but must consult on the service delivery arrangements including the preferred option. The Water Services Delivery Plan as a whole is currently in draft form and will be completed later in the process. The requirements for consultation as part of preparing a Water Services Delivery Plan are established under the Local Government (Water Services Preliminary Arrangements) Act 2024 (The Act).

Consultation method - Prescribed Alternative Consultation Process:

Councils must identify a preferred option and consult the community on this (information on the other option that was considered needs to also be made publicly available).

This process, promulgated under s60-s64 of the Act, simplifies decision-making compared to the Local Government Act 2002 by requiring only one round of consultation and focusing on fewer options. This approach gives greater flexibility on how consultation is undertaken and can potentially provide a more balanced perspective of Community views.

Consultation must be completed before Plans are submitted to the Department of Internal Affairs. Section 64 of the Act sets out the information requirements for consultation. This includes providing information about:

- Potential impacts of proceeding or not proceeding with the proposal, including on rates, debt, levels of service, and any charges for water services.

The Consultation Document (Attachment C) is currently under legal review and an updated copy can be circulated separately if required.

Matamata-Piako Consultation approach

The Consultation Document will be available to the public on 5 May 2025. Submissions will be open to 25 May 2025. The Consultation Document will advise members of the public where they may obtain further information on the preferred option and alternative option.

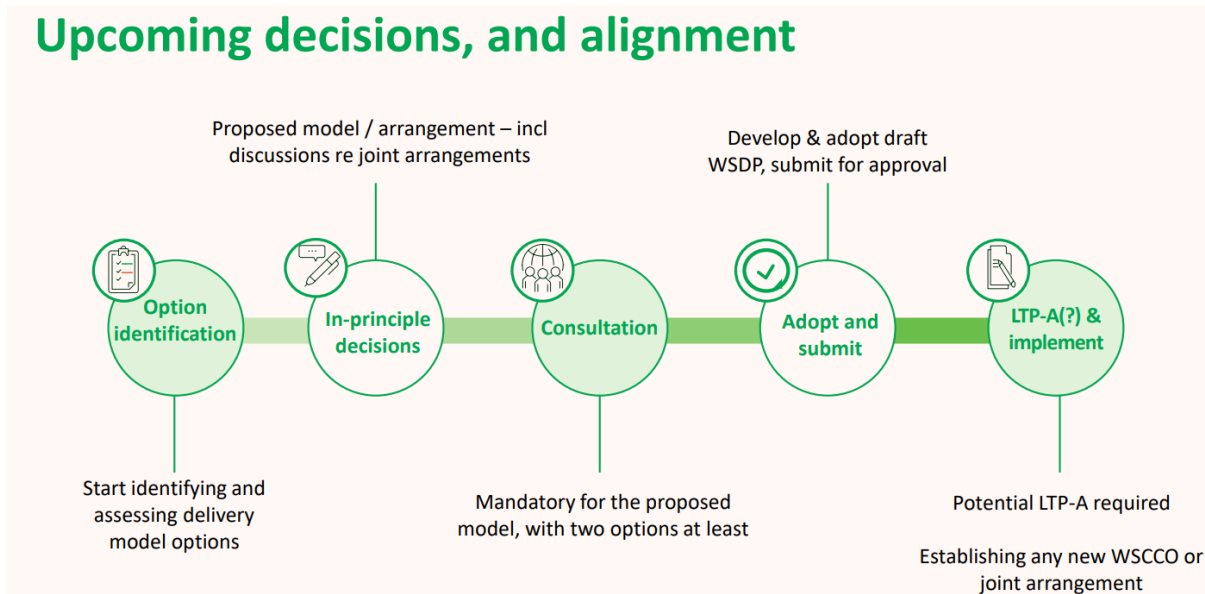
The consultation process will include newspaper advertising, email newsletters to subscribers, and a website for the community to access information. The public will be able to lodge submissions electronically. Hard copies of the Consultation Document and submission form will be available from the Council’s libraries and offices from 5 May 2025.

There will be no Council hearings, with a preference to have in person events to informally discuss the options with interested community members.

Table: Timeframes

Key Task	Dates
Council consideration of options and adoption of <i>Local Water Done Well</i> consultation material	30 April 2025
Public consultation	5 – 25 May 2025
Community engagement sessions for community to speak informally with elected members	May 2025
Council Decision on water delivery model	25 June 2025
Council approval of Water Services Delivery Plan	July 2025
Water Services Delivery Plan due for	3 September 2025

Key Task	Dates
completion/submission to DIA	



The recommendations in this report allow elected members to confirm their preferred delivery model prior to consulting with public.

Final decisions will take place after Council has engaged, consulted, and met any other legislative decision-making requirements.

The option chosen will also inform a Water Services Delivery Plan, to be submitted to the Secretary for Local Government by 3 September 2025.





Significant work is required ahead of implementation and establishment, particularly if setting up a Council Controlled Organisation. If Council chooses to establish a Council Controlled Organisation it is expected that affected waters staff will either be transferred to the Council Controlled Organisation or retained with the residual Council. A change management strategy and internal communication strategy has been developed to support Council staff as we work through this process. This strategy will be reviewed once a final decision has been made to ensure we effectively manage, embed and sustain the changes required. Consultation will take place with affected staff as required.

Ngā take ā-lhinga | Consent issues

Matamata-Piako is not fully compliant with water and wastewater standards and consent requirements. The capital programme that has been considered in modelling reflects the investment to maintain and provide for compliance. However, this keeps changing outside planning and funding cycles creating budgeting and timing issues.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

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

Water services are a fundamental lifeline. The recommended approach will deliver benefits to Matamata-Piako, including by being better equipped to deliver the investment that is required for water quality and growth, contributing to improved environmental, social and economic wellbeing over time.

The establishment of a multi-Council waters Council Controlled Organisation will help ensure that sufficient investment can be realised to meet compliance requirement of Councils.

This will in turn help improve wellbeing across the sub-region and the quality of discharge into the rivers in support of Treaty Settlement legislation.

Water services are subject to significant environmental regulation. Local Water Done Well will introduce further regulation e.g. around water quality and will also introduce national standards for wastewater discharges. All options respond to this, although the *Waikato Water Done Well* CCO takes a more coordinated approach to the quality and health of the environment.

Over time the recommended approach will be better equipped to deliver the investment that is required to support growth, staffing and resource challenges.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Under the *Waikato Water Done Well* CCO option, establishment costs are intended to be paid for by the CCO and will become debt of the CCO and be governed by establishment boards. Agreement will need to be reached as to what costs constitute 'establishment/ transition costs' so that there is clarity on what specifically can be passed on from the councils to the CCO.


At this point, the advice is that from the point that shareholding constitutional documents are agreed, costs thereon can be attributable to the CCO. It is open to councils to treat the costs (from the point outlined above) of establishing the CCO, and transitioning their business into the CCO, as a loan to the CCO and capitalise into the CCO once established. This will need to be documented in appropriate agreed covenants.

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

Ngā Tāpiritanga | Attachments

[A](#) . Waikato Water Done Well - Proposal



[B](#) . Waikato Water Done Well - Supplementary Financial Information



[C](#) . MPDC Water Consultation Document V2



Ngā waitohu | Signatories

Author(s)	Niall Baker Kaiārahi Tima Kaupapahere Policy Team Leader	
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Approved by	Fiona Vessey Hautū Whakahaere Group Manager Operations	
	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

7 Pūrongo me whakatau | Decision Reports

7.5 Waikato Water Done Well - Proposal

CM No.: 2924404

Te Kaupapa | Purpose

The purpose of this report is to enable Matamata-Piako District Council to consider and make informed decisions with respect to the Waikato Water Done Well recommendations.

Rāpopotonga Matua | Executive Summary

Under the Local Waters Done Well Council is required to consider the model it will adopt to manage and deliver Waters Services to the District.

As previously reported the Mayoral and Iwi Leaders Forum asked the Chief Executives to consider options for the Waikato and report back.

In a review of reviewed Long Term Plans it was identified that over the next 10 years Councils in the Waikato have budgeted \$7.5 Billion for the 3 Waters of which \$5 Billion is allocated for Capital works.

The challenge of resourcing, delivering and funding is significant.

The introduction of stronger regulatory requirements including economic as well as quality will place additional operational risk on the organisation.

The current point discharge consenting system doesn't allow for a wider catchment based context to be assessed and therefore there is the potential for inefficient expenditure that doesn't benefit water quality.

A catchment based approach will provide for the potential for working with the regulators to explore other investment opportunities that provide better water quality outcomes.

Aggregation of Councils Waters functions as Stage 1 will allow strategic discussions with the Civil contracting industry and with the regulators to identify more effective ways of working with more efficiency.

The first step in the process is for Councils to discuss and develop a Heads of Agreement (HoA) that will set the base for developing a separate waters entity for those Councils who see merit in the proposal.

Funding for this next step will be sourced from the allocation Council approved for the development of a Water Services Plan.

Tūtohunga | Recommendation

That:

1. Council receive this report, the material presented and the attached technical report

AND

2. Council approve the following recommendations relating to future water services by Matamata-Piako District Council:

- a) **Strategic framework:**

Council agrees to the vision, outcomes and success measures for the Waikato to be adopted in principle. These are set out in section 3 of the attached technical report and also included in this report for ease of reference.

- b) **Co-design a staged aggregated model:**

Council agrees to be a participating council that will co-design an aggregated model for the delivery of water services staged by function and governed by a professional board from the outset. Stage 1 will be the establishment of an entity providing functional services to participating councils. The end point (to deliver on the vision, outcomes and success measures) is an aggregated, fully regulated water services entity (or as termed in the service delivery models recently announced by the Minister, a multi-council owned water organisation).

- c) **Advise Forum Chairs of decision:**

Council formally advise the Joint Chairs of the Waikato Joint Mayors and Chairs Forum (via the Co-Lab project team) of their decision in relation to the above recommendations by end of September 2024.

- d) **Heads of Agreement:**

Council formally instruct its Chief Executive to negotiate a Heads of Agreement (HoA) to bring back for council approval by the end of October 2024 (with the intention of the HoA being signed in November 2024). The HoA will be a non-binding agreement between participating councils, entered into on a good faith basis to show a commitment to progress in the manner proposed. The framework will inform the development of more formal documentation.

OR

3. Council does not approve the recommendations and does not agree to be a participating council that will co-design an aggregated model for the delivery of water services staged by function and governed by a professional board from the outset. Council will exit the Waikato Water Done Well workstream but be kept informed of the work underway.

Horopaki | Background

Councils are required by law to periodically review the cost-effectiveness of how they meet their communities' needs for good-quality local infrastructure, local public services, and performance of regulatory functions.

Under Local Water Done Well, all councils are required by the government to look at how they can address any infrastructure deficits and raise standards of delivery to meet future regulatory requirements (economic, environmental and drinking water).

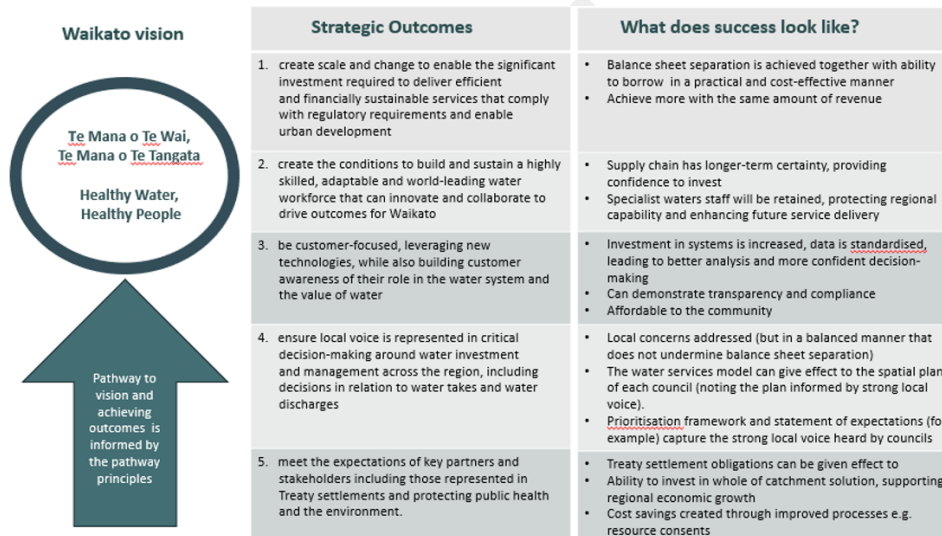
One of the first requirements for councils under Local Water Done Well is that they submit a water services delivery plan by August 2025. Councils must adopt these plans by resolution. The plans require councils to describe the current state of water services and demonstrate publicly their commitment to deliver water services in a way that:

- a) ensures regulatory and quality standards are met
- b) is financially sustainable; and
- c) supports the council's housing growth and urban development, as specified in its long-term plan.

Plans can be submitted individually or jointly. The information requested of councils is extensive and includes detail around the anticipated or proposed model for future water services delivery, together with the implementation plan for the proposed model (including timeframes and milestones).

Strategic Framework

Appendix - Strategic framework



Regional and Local Context

Under the banner 'Waikato Water Done Well', the Waikato Joint Mayors and Chairs Forum seeks to support individual councils to make informed decisions on the merits of aggregating water services, regionally or sub-regionally. This report (together with the accompanying technical report) is the output of work mandated by the Forum.

Across Waikato councils LTP24s indicate circa \$7.5 billion is budgeted to be invested in three waters over the next decade alone. Of this, nearly \$5 billion relates to capital works. Some further capital commitments were recommended to councils but were not included in final 10-year budgets, largely because of affordability concerns. Under the current regime, the Waikato will continue to have infrastructure deficits. It is acknowledged that the Government's proposed changes in regulation to make sure it is proportionate to risk and benefit may lead to a review of capital works programmes. However, even with a 20% reduction, the size of the capital delivery programme across the Waikato is sizeable (in comparison, the Bay of Plenty programme is \$3.9 billion). There are multiple independent reports over the last decade (or more) that have been commissioned at a national and local level and show three waters can be delivered more cost-effectively if councils leveraged scale. The analysis set out in the attached technical report and this cover report continues to support that. Using a very conservative efficiency target of around 1% per year (compare with the efficiency target of 4% per annum set by the Watercare Board), savings of around \$338 million across the whole of Waikato could be achieved from a fully aggregated water services entity, over 10 years. The main driver of the efficiency savings relates to capital works planning and delivery, being \$185 million.

Successive governments have long recognised the benefits of scale. While the legislation is still being developed, Local Government Minister Simeon Brown has personally confirmed to Forum members at a meeting held in mid-June 2024 that the government is looking for a more joined-up approach to water services delivery, including in the Waikato.

The drivers for aggregation are both financial and non-financial. Water experts across Waikato councils, and externally (including contractors), advise risks and opportunities will best be mitigated and captured by councils working together.

This is not just about debt capacity, although that is a challenging issue for growth councils, in particular. Nor is it about whether councils can 'afford' their three waters capex forecast over the course of their LTPs. Even if councils can 'afford' to deliver within their debt limits, under the status quo projections show this will not be affordable for all communities.

Affordability for ratepayers, and the legal obligations of councils to review cost-effectiveness of arrangements, is a fundamental premise of this work.

While each council has its own challenges, the top challenges and risks across all councils (as rated by Chief Executives) are:

- a) Workforce availability (staff and suppliers)
- b) Capital works delivery
- c) Compliance (Waikato Regional Council and Taumata Arowai)
- d) Consenting (renewals and/or new)
- e) Community affordability (where revenue needs are greater than acceptable water rates)

There are also some common opportunities to be realised, including:

- a) better use of standardised data and consistent technology
- b) working together to foster and promote innovation
- c) increased leverage for procurement and contracting
- d) better local career paths for the regional waters workforce and enhancing attractiveness for others to enter the sector

- e) forming sound and effective relationships with Iwi at a level that aligns with current entities (Waikato River Authority, Hauraki Gulf Forum and Waihou, Piako, Coromandel Catchment Authority). Note this approach would not change any existing commitments to Iwi from any Council.

Ngā Take/Kōrerorero | Issues/Discussion

Challenges for Matamata-Piako District Council

The challenges that have been identified specific to Matamata-Piako District Council are:

Council / key problem	Debt capacity	Community affordability	Workforce availability	Capital works delivery	Business continuity	Compliance	Consenting
Matamata-Piako			✓	✓		✓	✓

Debt capacity: Waikato councils fit into, basically, two categories.

- a) Growth councils (Hamilton, Waikato and Waipa): these councils are running out of the ability to borrow funds from the Local Government Funding Agency (LGFA) because they will surpass the debt to revenue ratio covenant. To give councils increased access to borrowing, LGFA has recently confirmed that where councils form a water services CCO (whether wholly owned by one council or by more), it will extend borrowing up to 5 times revenue. This is subject to the parent council(s) providing financial support and meeting other prudent credit criteria (yet to be confirmed). This borrowing will be separate from the parent(s) council borrowing. In addition, for high growth councils, LGFA is reviewing whether it can increase debt limits to 3.5 times revenue. This is subject to LGFA AGM and subsequent board approval on a bespoke basis.
- b) Other Waikato councils: albeit there is significant growth in other councils, the pressure on the debt to revenue covenant is not as large as the growth councils. Overall, Matamata-Piako is currently one of these councils. However, as noted in the LTP24, it has been necessary to increase the overall historic debt to revenue ratio to 175% to fund increased capital works requirements. Further, when water services debt to revenue is ring-fenced, the ratio gets as high as 419% in year 3 and 4 of LTP24. Concern is expressed in the LTP24 that this level of debt for water may unfairly reduce the ability for Council to meet other needs and wants of the community. However, as the forecast three waters capital work projects are considered “must do”, the ability to reduce debt is limited. Raising rates to reduce debt was considered but on balance, it has been determined prudent not to increase rates at a time when there is uncertainty in the three waters space and when the overall debt can be managed within the limits (see also the section on community affordability below). The intention is to address the debt position post 2034.

An important point is that the need to set up an individual council CCO for the debt funding purpose is often confused with the need to establish an aggregated waters services CCO which would provide relief for all the issues raised in this report and not just an individual council’s need to be able to borrow funds.

Community affordability: Based on a benchmark of water services becoming unaffordable if water rates exceeds 2% of household mean income, the below (based on current LTP information) demonstrates that Matamata-Piako District Council is affordable and on the basis of current projections will remain so over the next 10 years. Prioritising affordability while still delivering services for the community was a focus in the planning for LTP24. It is also recognised

in that document that to reduce debt, it is necessary to increase revenue. Affordability was a relevant factor in the decision not to make significant increases in revenue over the period 2024-2034 (other than small additional increases in waters revenue in the last four year). If fully funding depreciation is a requirement of new regulatory framework, then the impact on rates will also need to be reviewed as depreciation is not currently being fully funded

It is worth noting that in the context of New Zealand, Watercare (in accordance with its Statement of Intent) monitors customer affordability with reference to a target of being no more than 1.5% of Aucklanders' household income.

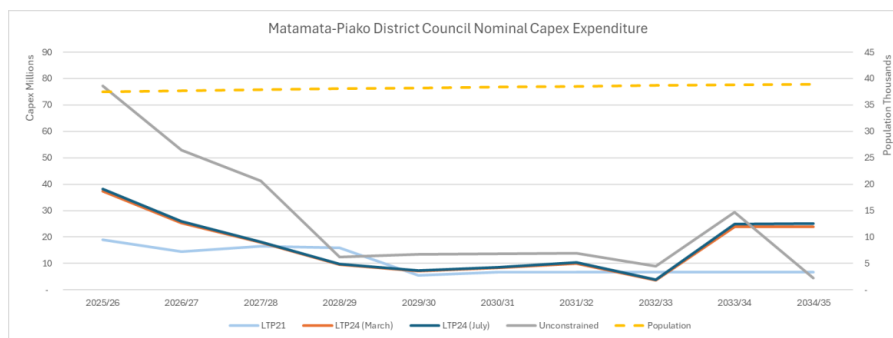
Council	2024 Average Water Charges	2024 Mean Household Income	2024 Affordability	2035 Average Water Charges	2035 Mean Household Income	2035 Affordability
Hamilton	1,589	\$122,485	1.3%	5,281	\$195,968	2.7%
Hauraki	1,714	\$93,971	1.8%	4,860	\$150,348	3.2%
Matamata-Piako	1,539	\$106,012	1.5%	2,193	\$169,613	1.3%
Ōtorohanga	974	\$105,383	0.9%	1,652	\$168,606	1.0%
South Waikato	1,613	\$108,224	1.5%	2,337	\$173,152	1.3%
Taupō	1,655	\$110,702	1.5%	3,350	\$177,116	1.9%
Thames Coromandel	1,890	\$79,530	2.4%	3,049	\$127,243	2.4%
Waikato	2,310	\$129,602	1.8%	7,921	\$207,355	3.8%
Waipā	2,021	\$120,903	1.7%	3,470	\$193,437	1.8%
Waitomo	2,651	\$89,164	3.0%	4,634	\$142,657	3.2%

Workforce availability: the retention and recruitment of staff with the requisite skills, together with procuring contractor expertise are challenges that each Council faces. The workforce in water is an aging workforce. Even for those councils who do not consider financial sustainability to be an issue, there is the risk of not having the staff with the capability and capacity to maintain the requisite levels of service. This has been identified as a challenge for Matamata-Piako District Council.

Capital works delivery: The capital investment projected for Matamata-Piako District Council over the period from 2024/2025 to 2034/2035 (based on draft data provided) is over \$216million. It is accepted that the scope of capital works will be reviewed as clarity on the changes to regulatory requirements becomes known. However, even with a 20% reduction, the capital works programme is nearly \$173 million. In response to a survey on how confident the Chief Executive is that LTP 2024 reflects the future investment required by Matamata-Piako District Council, particularly in relation to supporting growth through capital expenditure, with 9 being very high confidence and 1 being very low, the Chief Executive rated this as being 5.

Furthermore, in response to a survey as to how confident they are that LTP2024 reflects future investment requirement by their council to meet future regulatory requirements, including any fees payable to regulators (including economic) (using the same scale as above), the Chief Executive rated this as 7.

The capital works programme as set in LTP21, March 2024 (draft figures provided by councils) and July 2024 (draft) is set out below together with the unconstrained or necessary amount of capital investment that was identified by council staff during the last reform. This is then plotted against the population growth.



Compliance: compliance issues raised in respect of Matamata-Piako District Council by Waikato Regional Council and Taumata Arowai in the 2023/2024 year are as follows:

Council	Waikato Regional Council ¹			Taumata Arowai ²	Summary
	Water	Wastewater	Stormwater		
Matamata-Piako	2	4	4	✓	✓

Opportunity for Matamata-Piako District Council to address challenges

Aggregation provides Matamata-Piako District Council with an opportunity to mitigate the risks that the above challenges present. Further, aggregation provides a significant opportunity for a more strategic and cost-effective approach to consenting (noting one third of all water consents in the region expire by 2030). This is because there are four councils in the Waihou Piako catchment who could, for example, have strategic conversations with the consent authority and Iwi partners about how to improve freshwater outcomes through ‘nutrient balancing’ between all the wastewater treatment plants within the catchment. Matamata-Piako District Council has already proactively taken steps to benefit from nutrient balancing between plants within its own district.

The recommendation at paragraph 2(b) above in respect of Waikato Water Done Well is for participating councils to take an incremental and pragmatic approach to developing a regional entity which is flexible to cater for different needs across the region, and equitable so that over time, everyone (i.e. each community) wins.

Residual impact on Matamata-Piako District Council

On a wider regional level, it is acknowledged the residual impacts of moving some functional services from some individual councils to a regional entity are unknown at this stage. However, a long-term perspective is required to ensure a delivery model is adopted that is sustainable (with affordability being a component of this). The pathway principles set out in the attached technical report include a principle in relation to risk, and that risks associated with aggregation (including residual risk to councils) are managed and mitigated. Together, we can develop a financially sustainable model which better provides the water services infrastructure our communities and region need, and which meets regulatory requirements and government and community expectations.

¹ Number of ‘regimes’ with moderate to significant non-compliance in 23/24 year. WRC only recorded Hauraki, Matamata Piako, South Waikato and Waikato councils as having significant non-compliance over the last year.

² Have supplies without protozoa or bacteria barriers or no residual disinfection in the 23/24 year

In the interests of efficiency, councils who are unwilling or unable to commit by mid-September 2024 to an incremental approach, and the ultimate goal of an aggregated, fully regulated water services delivery entity, should exit this workstream (noting they will continue to be informed of the work underway). It will be up to these councils to determine how they will meet the requirements of Local Water Done Well and demonstrate the commitment to deliver water services in a manner that meets the requirements of central government.

Next steps

As per recommendations, the next step is for councils to inform the Joint Chairs of the Forum of their decision in relation to the recommendations. If council wishes to be a participating council, the CE will be taken to have the mandate to negotiate the HoA which will be brought back to council for consideration and approval in October 2024.

Mōrearea | Risk

Detailed elsewhere in this report and attachment.

Ngā Whiringa | Options

Detailed elsewhere in this report and attachment.

Recommended option

The recommended option is:

Option 1:

Council approves the recommendations and agrees to be a participating council that will co-design an aggregated model for the delivery of water services staged by function and governed by a professional board from the outset.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Detailed elsewhere in this report and attachment.





Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

Detailed elsewhere in this report and attachment.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION

TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

The community outcomes relevant to this report are as follows:

- He wāhi e poipoi ai tō tātou taiao | A place that embraces our environment

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

Detailed elsewhere in this report and attachment.

Ngā Tāpiritanga | Attachments

[A↓.](#) Waikato Water Done Well Technical Report August 2024



Ngā waitohu | Signatories

Author(s)	Don McLeod Chief Executive Officer	
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Approved by	Don McLeod Chief Executive Officer	
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7 Pūrongo me whakatau | Decision Reports

7.2 2025 LGNZ Conference Attendance

CM No.: 3022775

Te Kaupapa | Purpose

The purpose of this report is to confirm attendance at the Local Government New Zealand Conference to be held in Christchurch from 15-17 July 2025.

Rāpopotonga Matua | Executive Summary

The LGNZ Conference, branded as "SuperLocal", is an annual event organised by Local Government New Zealand (LGNZ). It serves as a national gathering for local government leaders—including mayors, councillors, chief executives, and senior staff—as well as stakeholders from the private sector, central government, and community organisations.

The conference aims to share knowledge, explore innovative solutions, and strengthen collaboration across New Zealand.

SuperLocal focuses on addressing the critical challenges and opportunities facing local government. Key themes include infrastructure development, economic growth, financial sustainability, climate resilience, and fostering authentic partnerships. The event features keynote speeches, panel discussions, and interactive sessions designed to inspire leadership and drive practical change.

Tūtohunga | Recommendation

That:

- The Mayor, Deputy Mayor and CEO attend the 2025 Local Government Conference in Christchurch along with two additional Councillors.**

Horopaki | Background

Traditionally the Mayor, Deputy Mayor, Chief Executive Officer and two other Councillors have attended the conference.

Council had previously agreed that all newly elected Councillors in this triennium will have the opportunity to attend a conference within this three year period.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Debbie Burge Kaiārahi Tautoko i te Koromatua me te Tumu Whakarae Executive Assistant to the Mayor & CEO	
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Approved by	Adrienne Wilcock Manuhuia Mayor	
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7 Pūrongo me whakatau | Decision Reports

7.3 Plan Change 61 - Approval sought to publicly notify the Plan Change

CM No.: 3007846

Te Kaupapa | Purpose

The purpose of this report is to seek the approval of Council to endorse an additional change to Council Plan Change 61 (PC 61), to approve PC 61 and supporting documentation to be publicly notified, and to provide approval to make minor changes to the draft document up until the point of public notification.

Rāpopotonga Matua | Executive Summary

Plan Change 61 (PC 61) involves a change to the Operative Matamata-Piako District Plan to primarily align it with the National Planning Standards (NPS), but it also includes the introduction of some new zones and activities, as well as some administrative “tidy ups”.

As part of the final stages of the development of PC 61, the plan change was recently released to iwi authorities for their consideration and comment as required by Clause 4A of Schedule 1 of the Resource Management Act 1991 (RMA), prior to the public notification of the Plan Change. No additional comments were provided from the iwi authorities through this consultation phase.

At the same time, two changes have been sought in relation to the rules for the Lockerbie development by the Lockerbie Estate developers. A description of the changes proposed are discussed later in this report and are included in the summary document attached to this report, at Topic 21. Aside from these changes presented today, all changes have been discussed at previous Council workshops and meetings.

A copy of the planning maps are also available for review. The planning maps and legend has to be updated to show the new zoning names, locations, colours and symbols as required by the NPS. The supporting section 32 report, as required by the RMA, to justify the selected approach for the plan change, together with the consultation report has also been supplied for consideration and approval.

Staff now seek Council approval of the content of PC 61, and approval to undertake the next step of the statutory process and to publicly notify PC 61 for at least 20 working days, commencing at the end of May, through to the end of June 2025. Staff also propose to continue their review of the PC 61 material to ensure the document and maps are consistent and correct. There may be the need to make small consequential changes to rectify any inconsistencies. Staff seek approval to undertake this work until PC 61 is publicly notified.

Carolyn McAlley will speak to the agenda item and is available to answer any queries as is Nathan Sutherland.

Tūtohunga | Recommendation

That:

1. **The report be received.**
2. **Plan Change 61 and the associated section 32 report is approved, and**
3. **The approved Plan Change 61 is publicly notified for submissions for at least 20 working days, and**
4. **Staff are able to continue to review Plan Change 61 and make any minor consequential changes such as formatting, linkages across the plan and mapping in preparation for public notification.**

Horopaki | Background

Plan Change 61 primarily involves changing the provisions of the District Plan to align with the requirements of the National Planning Standards (NPS), but also includes some additional changes such as the introduction of residential units into the Town Centre Zone, the introduction of minor residential units across several zones, the introduction of several Open Space Zones and some administrative based changes. Informal consultation on the proposed changes occurred in the latter part of 2024. At the Council workshop on 11 December 2024, staff provided elected members with recommendations in relation to the feedback received during this public /stakeholder consultation phase of this project and after discussion a range of changes were made to the document. At the Council meeting on 5 of February 2025, Council approved PC 61 to be released to iwi authorities for their consideration and comment until the end of March 2025. There were no comments arising from this process. However, this will not preclude an iwi authority from participating in the future phases of PC 61, for example making a submission and attending a hearing.

Staff have been approached by the Lockerbie Estate developers, who are seeking two small amendments to address anomalies in the existing development and subdivision provisions associated with the Medium Density Residential Zone. The provisions relate to a design element, and the application of the density provisions for multi storey housing terrace housing.

Staff have undertaken amendments to the planning maps and the legend to reflect the requirements of the NPS. This extends to new colours for zonings, the recognition of special purpose zones and new symbols used to indicate scheduled items, for example heritage items or wāhi tapu. At the time of writing, staff are finalising the recognition of the contents of the three schedules in section 10 - Natural Environmental values onto the planning maps.

A copy of the summary report is also supplied today for consideration. This document continues to be provided as a quick explanatory reference document for the range of changes proposed as part of PC 61 and staff recommend that it is included as part of the notified material for this plan change.

The section 32 evaluation report has also been provided for member's consideration. Section 32 of the RMA requires any changes to the district plan to be evaluated for their appropriateness in achieving the purpose of the RMA, and for the policies and methods to be evaluated for their efficiency, effectiveness and risk. This analysis must be documented so that stakeholders and decision makers can understand the reasoning behind the provisions. The section 32 report must be made available at the time of public notification.

In the background, staff have continued to review the draft material for correctness and consistency and seek to ensure that this work can continue, should any errors or inconsistencies be discovered post-decision, but prior to the public notification of the document.

Ngā Take/Kōrerorero | Issues/Discussion

Amendment to the Lockerbie Precinct 1, and Subdivision Provisions

There has been feedback from the Lockerbie Estate developers regarding the workability of two rules and two changes have been sought to these rules, as follows;

Precinct 1-Interface between public and private rule.

A change is sought to PREC1-R2(4)(a) Interface between public and private rule. This rule requires a minimum non-garage width of 4.5m at the front façade of a building. The general purpose of this rule to ensure that garages do not dominate the frontage of buildings. However an amendment is required to correct an unintended consequence in that the rule was not supposed to apply to multi-storey terrace houses that are provided for in PREC1-Lockerbie. The amendment for multistorey terrace housing will recognise the constraints in this precinct which will always result in garaging on the lower level and a facade at the upper level. The garage door will not be dominant given that the size of the garage door is a small percentage of the double storey façade. The exemption for the double storey façade buildings is proposed to be included into the rules as follows;

Add to PREC1-R5(4)(a)

“On a site with a frontage less than 15m wide, the front façade of a building shall comprise a minimum non-garage width of 4.5m, except for multi-storey terraced housing.”

Staff recommended that this proposal is accepted and is included as part of the notification package, as it will not compromise the overall design aesthetic of the development.

Subdivision-SUB-R7(5)

The changes to SUB-R7(5) are to correct an anomaly in the wording of the plan, as it does not currently provide for terrace housing on lots larger than 200m² (it only provides for terrace housing on lots smaller than 200m²). The change would align the subdivision standards for terrace housing with the activity standards in MRZ-PREC1-Lockerbie. Alignment with the land-use consent activity rule within the subdivision chapter is necessary to avoid any unnecessary resource consent issues.

(d) *Additional standard (inclusion-underline and deletion-strikethrough) for subdivision using SUB-R3(9)*

(i) *Where allotments less than 325m² are proposed:*

- *the allotment size for one residential unit shall be no less than 273m² and a concurrent land-use consent must be obtained; or:*
- *the allotment size for a duplex shall be no less than 200m² and a concurrent land-use consent must be obtained;*
- *the average net site area for terraced housing shall not be less than 150m² per residential unit and a concurrent land use consent must be obtained.*
- *A legal mechanism shall be registered on the title for those lots recording the ongoing obligation to comply with the land-use consent obtained.*

(ii) *~~Where allotments less than 200m² are proposed a concurrent land-use consent for terraced housing must be obtained; and:~~*

- *~~A legal mechanism shall also be registered on the title for those allotments recording the ongoing obligation to comply with the land-use consent obtained.~~*
- *A condition of the land-use consent will be that the records of title for each adjoining residential unit (i.e duplex or terraced housing) are to be legally held*

together under the same ownership, on a voluntary basis, and shall not be separately disposed of until the framing for each residential unit is completed.

Staff recommend that the proposal is accepted and is included as part of the notification package, as it will ensure that terrace housing can be achieved on lots larger than 200m².

Section 32 Evaluation Report and Consultation report

The majority of the changes included in PC 61 are the result of the requirements of the NPS. These are changes such as defined terms, uniform names for zones, certain types of chapters the plan must contain, the order of the plan chapters and symbols to be used maps. These aspects have not been explicitly assessed in the section 32 report as considerable assessment work has already been undertaken by the Ministry of Environment. This aspect is discussed at the beginning of the section 32 report.

What the section 32 report does cover are the associated changes that are now required to give effect to those NPS requirements, for example the NPS sought the inclusion of the defined term “minor household unit”. This then resulted in a suite of new rules for minor household units. Another change required by the NPS sought that reserves must be recognised through a zoning. This has resulted in the development of the Open Space and Sport and Active Recreation zoning provisions. There are also changes that reflect the feedback from consultation processes with elected members, Te Manawhenua Forum, stakeholders, individuals and community groups. The plan change also contains a small number of “tidy up” changes, for example deletions from the heritage schedule that have occurred over time that are required to be recognised through a plan change.

These changes have all been reviewed through the attached section 32 assessment and the provisions proposed have been found to be the preferred provisions as they represent the most efficient and effective option/s available. The proposed provisions represent a low level of risk and will not undermine the integrity of the Operative District Plan.

The consultation report documents the consultation process that has been undertaken by Council as part of the development of the plan change. Staff consider that a robust consultation process has been followed and it is commensurate to the scale and significance of the plan change.

Summary report

An updated summary report, a non-statutory report, has been provided throughout the development phase and an updated version is included with the material today for consideration and review. It includes the new changes proposed for the Lockerbie rule framework. The continued inclusion of the summary report is to assist readers to navigate the plan change document. Staff recommend that the summary report is approved as part of the notification package.

Planning Maps

At the time of writing, staff are still looking to resolve how the content of the three schedules in Section 10 - Natural Environment will be shown on the new planning maps. These schedules; Ecosystems and Indigenous Biodiversity, Natural Character and Natural Features and Landscapes, are all currently shown in the Operative Planning Maps using the same symbol and are known collectively as “Outstanding or significant features and other protected items”². However the NPS has a different recognition system, which has required these items to be reallocated between the abovementioned schedules and individually mapped with new map icons. Staff will be able to provide progress update on this aspect at the meeting.

² Operative District Plan-Schedule 3: Outstanding or significant features, protected trees and other protected items: Part B Outstanding or Significant natural features and other protected items.”

Ongoing correction processes

In the background, staff have also been reviewing the draft material for correctness and consistency. With such a large document, it is common for small errors and inconsistencies to be found. Should Council approve the current plan change content, staff seek approval to make minor changes prior to the public notification of the plan change. Such changes could include fixing spelling mistakes, formatting, wording, numbering and cross-referencing inconsistencies. No changes would be made that affect the integrity or the interpretation of the proposed provisions.

Mōrearea | Risk

In adopting the recommendations of this report, it is considered that approval of the draft version of PC 61 would constitute a low risk. The approval of PC 61 would enable the plan change to then be publicly notified for submission. The Council's Risk Policy provides an expectation that the organisation will comply with all relevant legislative requirements in the conduct of its business. Notifying a plan change for public submission after undertaking public consultation, engagement with key stakeholders and providing the document to iwi authorities for their consideration and comment is in accordance with the relevant provisions of the RMA and is an expectation of that piece of legislation.

Ngā Whiringa | Options

Option 1: To approve draft PC 61 to enable the Plan Change to progress through the next required statutory steps.

PC 61 has been in the development phase for some time. As part of the development process, the Council has undertaken informal consultation with the public and key stakeholders, including Te Manawhenua Forum and iwi authorities. While the iwi authorities did not make any formal comments during the recent consultation phase, this does not preclude them from making a formal submission at a later time, should they chose to do so.

This work is now ready to be taken to the next statutory phase by being publicly notified as required by clause 5/5A of Schedule 1 of the RMA. Staff consider that the project meets the statutory threshold for public notification. The public notification of the document would also allow the project as a whole to move along in line with the project timelines and bring to project closer to the decision making stage. Staff are aware of community interest in some aspects of this plan change, so there would be benefit in moving the plan change along in a timely manner towards the next stage of public engagement.

Option 2: To not approve draft PC 61.

Elected members may prefer not to approve PC 61 in its current form and may seek that further amendments are undertaken. This would preclude the document from being made available for public notification at this time, resulting in a delay to the project as staff revise the material and bring it back to Council for their consideration and approval. This would likely add at the minimum an additional month to the project timelines. Once approved it can then be publicly notified which will provide other stakeholders and the public with an opportunity to submit on any concerns they may have.

Recommended option

Option 1 is the recommended option in this instance. This option would enable the statutory processes outlined in Schedule 1 of the RMA to occur within the timelines that have been set down for this project, allowing it to proceed to public notification. There is community interest in

some aspects of this plan change and there would be benefit in moving the plan change along in a timely manner towards the next stage of public engagement.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

The RMA provides the statutory processes for the development, notification and decision making related to plan changes. This section contains a brief summary of the processes that have been followed to meet these requirements.
















Staff consider that the development process for PC 61 has met the relevant RMA consultation requirements. Staff with the public and key stakeholders included after hours drop in sessions, and community and individual meetings. Under Clauses 5 and 5A of Schedule 1, of the RMA, a local authority has the option to either serve public or limited notice of a plan change. Staff consider that as PC 61 is applicable over the whole district, that it should be publicly notified.












Following the specified RMA processes ensures that Council develops a robust document, and avoids becoming the subject of a judicial review. The recommended options in this report are aligned to the required statutory processes.

Ngā Pāpāhonga me ngā Whakawhitiwhitinga | Communications and engagement

The outcome of this meeting and any decisions on the recommendations will be provided in the minutes of the meeting. In the event that the Council approve PC 61 for notification, public notice will be given of the notification and the timeframes in which to make submissions. Certain statutory parties, in accordance with Schedule 1 of the RMA will receive direct notice of the public notification of this plan change. The plan change will be notified for at least 20 working days. Staff will be available over the time of the public notification to answer questions from the public, iwi authorities, and any other stakeholders. Staff will also hold drop in session in each of the town centres to encourage people to make contact and explain the submission process.

Ngā Tāpiritanga | Attachments

- A.  PC 61 Planning Maps *(Under Separate Cover)*
- B.  PC 61 Section 32 Evaluation Assessment of Options *(Under Separate Cover)*
- C.  Proposed Plan Change 61 Consultation Overview *(Under Separate Cover)*
- D.  Proposed Plan Change 61 Summary Report *(Under Separate Cover)*
- E.  District Plan NPS - Part 1 - Section 1 *(Under Separate Cover)*
- F.  District Plan NPS - Part 1 - Section 2 *(Under Separate Cover)*
- G.  District Plan NPS - Part 1 - Section 3 *(Under Separate Cover)*
- H.  District Plan NPS - Part 1 - Section 4 *(Under Separate Cover)*
- I.  District Plan NPS - Part 1 - Section 5 *(Under Separate Cover)*
- J.  District Plan NPS - Part 2 - Section 6 *(Under Separate Cover)*
- K.  District Plan NPS - Part 2 - Section 7 *(Under Separate Cover)*
- L.  District Plan NPS - Part 2 - Section 8 *(Under Separate Cover)*
- M.  District Plan NPS - Part 2 - Section 9 *(Under Separate Cover)*
- N.  District Plan NPS - Part 2 - Section 10 *(Under Separate Cover)*
- O.  District Plan NPS - Part 2 - Section 11 *(Under Separate Cover)*

- P.  District Plan NPS - Part 2 - Section 12 *(Under Separate Cover)*
- Q.  District Plan NPS - Part 3 - Section 13.1 & 13.2 *(Under Separate Cover)*
- R.  District Plan NPS - Part 3 - Section 13.3 & 13.4 *(Under Separate Cover)*
- S.  District Plan NPS - Part 3 - Section 13.5 to 13.7 *(Under Separate Cover)*
- T.  District Plan NPS - Part 3 - Section 13.8 to 13.11 *(Under Separate Cover)*
- U.  District Plan NPS - Part 3 - Section 14.1 to 14.6 *(Under Separate Cover)*
- V.  District Plan NPS - Part 3 - Section 14.7 *(Under Separate Cover)*
- W.  District Plan NPS - Part 3 - Section 15 *(Under Separate Cover)*
- X.  District Plan NPS - Part 3 - Section 16 *(Under Separate Cover)*
- Y.  District Plan NPS - Part 3 - Section 17 *(Under Separate Cover)*
- Z.  District Plan NPS - Part 4 - Appendices *(Under Separate Cover)*

Ngā waitohu | Signatories

Author(s)	Carolyn McAlley Kaiwhakamahere Rautaki RMA Matua Senior RMA Policy Planner	
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Approved by	Nathan Sutherland Kaiārahi Rautaki RMA Team Leader RMA Policy	
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7 Pūrongo me whakatau | Decision Reports

7.4 Delegations under Fast-track legislation

CM No.: 3021525

Te Kaupapa | Purpose

The purpose of this report is to gain a Council decision allowing staff to undertake its powers, functions or duties in relation to applications lodged under the Natural and Built Environment Act 2023 and the Fast-track Approvals Act 2024.

Rāpopotonga Matua | Executive Summary

Since July 2020, New Zealand has had some form of fast-track consenting legislation in force. Initially, the purpose of this legislation was to promote employment to support the country's recovery from the economic impacts of COVID-19. However, more recently the purpose has been to facilitate the delivery of infrastructure and development projects with significant regional or national benefits. In all cases, the legislation provides a seemingly quicker alternative consenting pathway for large-scale development projects. At the moment there are two forms of fast-track legislation in effect. These are the Natural and Built Environment Act 2023 and the Fast-track Approvals Act 2024. Council officers do not have delegations to exercise powers and functions under these two Acts, but consider it appropriate for certain roles to have delegations.

Tūtohunga | Recommendation

That:

- 1. The Council delegates its responsibilities, duties or powers under the Natural and Built Environment Act 2023 and Fast-track Approvals Act 2024 to the following:**
 - Chief Executive Officer (CEO)
 - Group Manager Business Support (GMBS)
 - Group Manager Growth and Regulation (GMGR)
 - Group Manager Operations (GMO)
 - Planning Manager (PM)
- 2. Any responsibilities, duties or powers carried out under the Natural and Built Environment Act 2023 and Fast-track Approvals Act 2024, shall be authorised by at least two of the roles identified above.**

Horopaki | Background

In August 2023, selected parts of the Natural and Built Environment Act 2023 (NBA) came into force. This Act was intended to be the main replacement for the Resource Management Act 1991 (RMA) and contained fast-track resource consenting pathway for certain eligible activities. This Act was repealed in December 2023 following the election of the current Coalition Government, however, the repeal legislation retains the NBA fast-track consenting process. Any consent issued under it is treated like a consent under the RMA. Following its election, the Government announced its intention to introduce new fast-track consenting legislation within the first 100 days of office. The NBA regime applies at least until that legislation has passed into law.

The Fast-track Approvals Act 2024 (FTAA) came into force in December 2024, with the purpose of establishing a permanent fast-track approvals regime for a range of infrastructure and development projects with significant regional or national benefits. Unlike other fast-track legislation, this Act is designed to be a “one-stop shop” that provides alternative consenting process for permissions normally required under a range of different Acts. Given that applications are still going through the NBA fast-track process, both Acts remain in force for the time being. However, no more referral applications can be lodged under the NBA.

Both Acts offer an alternative consenting process for eligible projects or those with significant regional or national benefits and the pathway an application will follow is broadly the same under both. The biggest difference for local authorities when compared against the normal consenting process, is that they are no longer the decision maker and have lesser role to play, effectively becoming a submitter to the application. However, there are several points in the process where a local authority will have the ability to influence a decision, typically by providing comments. These are when a referral application is made, when the substantive application is made and in the case of the FTAA, when the draft conditions have been issued.

Ngā Take/Kōrerorero | Issues/Discussion

Under the Resource Management Act 1991 (RMA), the Chief Executive Officer (CEO), Group Manager Business Support (GMBS), Group Manager Growth and Regulation (GMGR), Group Manager Operations (GMO) and the Planning Manager (PM) have the delegation to exercise all powers and functions under it, with a few exceptions. These exceptions include matters such as the power of delegation, decisions on time limit extensions for plan changes and decisions on a request to refer an application to the Environment Court. With fast-track applications, the Council will typically provide its comments from an RMA perspective, therefore, it is considered appropriate for any Council powers and functions under the relevant legislation to be delegated to the same positions. Although the FTAA is touted as a “one-stop consenting shop” and covers multiple Acts, including the likes of the Conservation Act 1987, Reserves Act 1977 and the Wildlife Act 1953, it would be seldom that the Council would make comments on an application from anything other than a resource management perspective.

Both the NBA and the FTAA have several steps where the Council may be asked to provide input into the process. These include:

- Making comments on a referral application
- Making comments on a substantive application
- Appearing at a hearing in respect of a substantive application
- Providing further information or a report
- Providing comments on draft conditions
- Deciding whether to lodge an appeal to the High Court on a question of law
- Nominating a person to be a member of the expert panel
- Including a designation in a district plan

Looking at where the delegations of other councils lie, under the FTAA the Christchurch City Council has delegated all the functions listed above to their equivalent of this Council’s Group Manager Growth and Regulation. The delegation of other members of their equivalent Executive Team is limited to making comments on a substantive application. The Head of Planning and Consents, Manager Resource Consents and Team Leader Planning are delegated to carry out most functions above, with the common exemption being able to decide whether to lodge an appeal against a fast-track decision.

Under the NBA, Waipa District Council have delegated all its powers and functions under that Act to the Chief Executive, Group Manager District Growth and Regulation, and the Manager District Plan and Growth. In this case, it is recommended that the powers and functions of a local authority under the NBA and FTAA be delegated to the members of the Council’s CEO, GMBS, GMGR, GMO and the PM. However, it also recommended that any actions carried out under the NBA and FTAA be authorised by at least two of the roles identified above to ensure a reasonable degree of oversight. In most cases, this authorisation is likely to come from the PM and the GMGR.

Mōrearea | Risk

The risks associated with this process fall into two categories outlined in the Council’s risk policy, legislative compliance and reputation/image. The risk policy expects the organisation to comply with all legislative requirements in the conduct of its business. Clause 32 of Schedule 7 of the Local Government Act 2002 allows a local authority to delegate to an officer of the local authority any of its responsibilities, duties or powers with some exceptions. These exceptions would not apply in this instance. Therefore, from a legislative perspective there is little risk associated with the Council delegating its responsibilities, duties or powers under the NBA and FTAA to its staff.

Reputational risk is a relevant consideration and could come from several different angles, depending on the Council’s final decision. As noted in the options below, the timeframes associated with Acts are tight. If the Council were to retain control over the content of comments provided in relation to fast-track applications, it may be that these comments need to be produced under pressure to meet the decision making timeframes or may be that they are not provided in the required timeframes. This may give the impression the Council is not concerned with the consequences of fast-track applications.

Alternatively, if the Council were to delegate its responsibilities under the NBA and FTAA to staff, then the information provided in response to fast-track applications would be moulded by a few individuals. In this case, there is a small risk these individuals could pursue their own agenda, providing comments contrary to Council’s policy direction. However, it is considered that this risk would be minimised to a very low level with the two role authorisation process.

Ngā Whiringa | Options

For the delegations, there are three main options. These are that the Council provides delegations for staff (the CEO, GMBS, GMGR, GMO and the PM) to undertake all of its powers, functions or duties under the Natural and Built Environment Act 2023 (NBA) and Fast-track Approvals Act 2024 (FTAA), or it does not. Alternatively, the Council could approve staff delegations under these Acts, but not to the positions recommended. These options are discussed in more detail below.

Option One – Status Quo	
Description of option	
Council does not have any staff delegations under the Natural and Built Environment Act 2023 (NBA) and Fast-track Approvals Act 2024 (FTAA).	
Advantages	Disadvantages
The Council retains control over the content and tone of any comments provided on a fast-track application.	The comments provided on a fast-track application are often technical in nature, involving elements such as the significance of the activity’s adverse effects on the environment and the consistency of the project with the District Plan. These are typically

	outside the scope of the Council's normal considerations.
	The timeframes for providing comments are tight, particularly considering the applications are often large and technically complex. The timeframes sit between 10 and 20 working days depending on what point in the process comments are being invited. It would be difficult to coordinate a substantially completed set of comments with a scheduled Council meeting.

Option Two – Delegate powers, functions or duties to recommended staff

Description of option

Council has staff delegations (the CEO, GMBS, GMGR, GMO and the PM) under the Natural and Built Environment Act 2023 (NBA) and Fast-track Approvals Act 2024 (FTAA).

Advantages

The comments provided on a fast-track application are often technical in nature, involving elements such as the significance of the activity's adverse on the environment and the consistency of the project with the District Plan. These can be appropriately commented on at staff level, where the technical competency lies.

The timeframes for providing comments are tight, between 10 and 20 working days depending on what point in the process comments are being invited. Having delegations at staff level will reduce the number of steps in the process and will better facilitate comments within the requested timeframes.

Disadvantages

The Council does not retain control over the content and tone of any comments provided on a fast-track application and must rely on the competency of staff.

Option Three – Delegate powers, functions or duties to other staff

Description of option

Council has staff delegations under the Natural and Built Environment Act 2023 (NBA) and Fast-track Approvals Act 2024, but not to those staff recommended.

Advantages

The timeframes for providing comments are tight, between 10 and 20 working days depending on what point in the process comments are being invited. Having delegations at staff level will reduce the number of steps in the process and will better facilitate comments within the requested timeframes.

Disadvantages

The Council does not retain control over the content and tone of any comments provided on a fast-track application and must rely on the competency of staff.

Recommended option

It is recommended that the Council delegates all of its powers, functions or duties under the Natural and Built Environment Act 2023 (NBA) and Fast-track Approvals Act 2024 (FTAA) to the CEO, GMBS, GMGR, GMO and the PM. In most cases, the Council will be commenting on a fast-track application through a resource management lens, therefore, in practice it would be appropriate for the staff delegations to be similar between the RMA and the two fast-track Acts. It is also worth noting that the Council has no decision making powers under the NBA and FTAA in relation to the application itself. These lie with the Minister for the Environment/Minister for Infrastructure and the Expert Panel.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Nathan Sutherland Kaiārahi Rautaki RMA Team Leader RMA Policy	
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Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	
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8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Civil Defence Emergency Management (CDEM)

CM No.: 3010697

Te Kaupapa | Purpose

The purpose of this report is to provide a quarterly update of the Civil Defence and Emergency Management function. Mark Bang, of Civil Defence Emergency Management (CDEM) will be in attendance to present.

Rāpopotonga Matua | Executive Summary

Civil Defence and Emergency Management team will be in attendance to present an update to Council on the activities carried out during the previous quarters (Q1 & Q2) and highlight any matters that are impending or would have an impact on the activity. The activities include work plans, projects, legislation and the intended activities looking forward.

Tūtohunga | Recommendation

That:

1. **The information be received; and**
2. **The Group Manager Growth and Regulation be delegated to approve a submission on the proposed Emergency Management Bill discussion document.**

Horopaki | Background

Matamata-Piako District Council (MPDC) entered into a service level agreement (SLA) with Waikato Regional Council to assist in meeting its obligations under the Civil Defence and Emergency Management (CDEM) Act 2002. The service is delivered through the Group Emergency Management Office (GEMO) and this arrangement was first established in August 2019.

In the last CDEM report it was stated “*Officers have agreed to continue the arrangement for a further five year term (until 2029)*”. Since then there have been developments which change this status and they are discussed below.

Ngā Take/Kōrerorero | Issues/Discussion

LOCAL (MPDC)

The following section is to inform Council about activities that we are undertaking at a local level:

- **Service Level Agreement (SLA)**
 - As previously reported the intention was to extend the SLA for a further five years (to 2020). Since then the Waikato Regional Council (WRC) have adjusted their method of overhead cost recovery in the organisation and issued a proposed SLA budget which increases current costs significantly. Staff are currently working through what this may mean going forward and will report back to Council through a Section 17A review under the Local Government Act.

- The GM Growth and Development is exploring the options available for CDEM delivery at MPDC. The options and conversations are supported by GEMO Group Manager and Team Leader as required. The current arrangements will cease at or before 30 June 2025. MPDC is assured that support from the GEMO will be forthcoming and the transition will be managed in a way that does not reduce service to the community.
- **Work plan**
 - The MPDC emergency management workplan focuses on achieving the priority actions from the Group Plan (where there is local deployment) as well as achieving the local needs. It is founded on the following strategic pillars:
 - **Pillar 1 – We are prepared**
 - **Pillar 2 – Build community resilience**
 - **Pillar 3 – Enhance our capability and capacity**
 - **Pillar 4 – Future ready (horizon scanning)**
 - In the last two quarters the work plan focus has been on:
 - Contribution to the Group wide improvement and standardisation of emergency operation centre (EOC) forms and templates. This collection is known as the “Group Compendium” and allows staff from other councils to easily and quickly be able to work in the MPDC EOC using familiar processes and tools. This work was completed collectively by the Waikato CDEM professionals.
 - Ongoing delivery of the annual welfare business plan and strategic recovery plan has stalled a bit in the reporting period due to staff resources. This is now being picked up and there will be a practical Welfare component in the upcoming CDEM exercise.
 - Training opportunities for MPDC staff have been given a focus. An all of staff hui had an excellent presentation from the Emergency Management Officer (EMO) and this has resulted in extra interest in CDEM courses.
 - The operational response plan for earthquake (Kerepehi fault) risk has been completed and will be tested in the upcoming exercise in May. The two other operational plans, factory failure and severe weather are in progress.
 - Alternative communications systems are being explored.
 - A workshop at the recent Te Manawhenua Forum is an ongoing focus to include Māori in the emergency management system locally.
 - Engagement with our community - Our EMO has been engaging with the BA5 and at the Big Business Breakfast raising the profile of CDEM, natural risks our communities could face and advising of upcoming Group Plan consultation.
 - Nominations have been put forward for a controller and alternate recovery manager and we are currently working through the process.
 - At the February Risk and Assurance Committee meeting, staff undertook a deep dive of one of the identified top 10 risks; inadequate response and recovery to local level natural and human induced disasters, extreme weather events and pandemics.

REGIONAL (GROUP)

The CDEM Group is a Joint Committee of the 11 Local Authorities in the Waikato Regional area and Councillor Smith is the MPDC representative. The following section is to inform Council about activities that the Waikato Group Emergency Management office (GEMO) have been involved with MPDC and other Group Members at a regional level.

Policies, Strategies and Plans:

- Group Strategic Plan 2025 - 2030
 - On Monday 24 March 2025, the Joint Committee (JC) approved the draft Group

Key dates 2025	Group Strategic Plan detail
31 January	Close of engagement matters for objectives
24 February	Joint Committee workshop - plan development, process and content
7 March	CEG – review content Group ‘Strategic’ Plan for consultation
24 March	Joint Committee - adopt Group ‘Strategic’ Plan for consultation
26 March – 6 May	Consultation open (NEMA undertake technical review concurrently – 6 weeks)
16 June	Joint Committee - hearing and deliberations
23 June	Joint Committee (back up day for deliberations)
30 June - 25 July	Ministerial review
22 September	Joint Committee Adopt Waikato CDEM Group ‘Strategic’ Plan 2025-2030 and Group ‘Action’ Plan 2025/26 (last meeting of this term of Joint Committee)

Plan for public consultation. An updated timeline follows:

- To ensure a broad local government perspectives and opportunities to submit the Coordinating Executive Group (CEG) in recommending notification of the Group Strategic Plan to JC agreed:
 - The Group Strategic Plan will be reported to the local authority member governance meetings and
 - It will be reported to the local authority executive team.
- The Group Strategic Plan has a strong emphasis on uplifting the following parts of the emergency management system:
 - Māori partnership – inclusion and participation.
 - Community empowerment – engagement with the community that empowers (train/resource) those capable to be self-resilient in an emergency.
 - Reduction – JC visibility to ensure resources and funding are considered by the LA’s, investment in pre-disaster planning enabled through LTPs.
 - Assurance – protecting the Group.
- Iwi participation in CDEM
 - Through the Group Strategic Plan consultation with Māori, some iwi identified that they were not able or ready to co-design a framework that would enable their involvement in CDEM at both governance (JC) and executive (CEG) levels and expressed that priority should be given to operational work planning over governance. At its latest round of meetings CEG and JC endorsed the approach of “ground up” work planning with those iwi ready to take part and to use existing mechanisms for oversight of delivery. For some post settlement iwi Joint

Management Agreements (JMAs) will be used for oversight and for other iwi other relationships with councils may be used. On 1 April 2025, a workshop was held with Te Manawhenua Forum to explore the possibilities with iwi in the MPDC area.

- CEG approved GEMO conducting a “deep dive” into local activity with Māori with a focus on marae engagement. This is to compile a current state to inform a review of the 2011 Group Marae Preparedness Strategy.
- GEMO staffing
 - The new roles approved by the Joint Committee have been recruited:
 - GIS specialist – is progressing work on a geospatial “common operating picture” and is engaging council EMO and GIS staff
 - Kaiarahi Iwi Māori Advisor – has recently started and is making connections and introductions with stakeholders in the Waikato. They introduced themselves to the Te Manawhenua Forum on 1 April 2025.
 - Group Policies
 - On CEG’s recommendation, the JC approved amendments to two Group policies:
 - Welfare Policy was changed to reflect current systems and operational changes and to clarify the appointment process of Welfare Managers to align with other statutory appointment processes.
 - Recovery Policy was changed to introduce a tiered approach to appointment of Recovery Managers. This will bring it in line with the Controllers Policy and allow Recovery Managers to be available for deployment between councils in the Waikato during the transition to recovery phase only.
 - Hikurangi Subduction Zone update
 - Phase one has been completed and local exposure modelling from a magnitude 9.1 earthquake on the HSZ has been shared with MPDC. Stage two is underway by GNS and will complete impact assessments on the built, social and economic environments. A presentation to JC on Monday 24 March put the stage one results in the public domain. A Group wide communication plan was developed by GEMO to support local councils with their own communications plans as more information becomes available and public interest may increase.
 - Joint Committee Chair
 - Due to the resignation of Chair Anna Park (Taupō DC) at its meeting on 24 March, the CDEM Group Joint Committee elected a new chair. Councillor Lou Brown (Waipā DC) was elected and because he was previously deputy chair Councillor Emma Pike (HCC) was elected as deputy chair.

NATIONAL

The following section is to inform Council about activities that are happening at a National level.

- Legislation, Strategies and Plans:

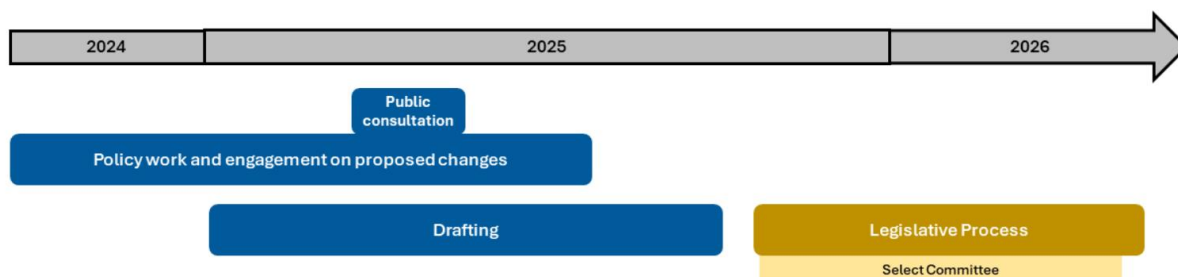
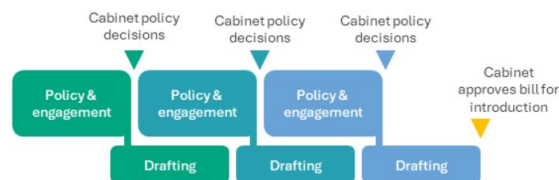
- Resource Management Act Amendment – Phase 2 - Waikato CDEM Group Submission to Resource Management (Consenting and Other Systems Changes) Amendment Bill, was lodged 3 February 2025. The Joint Committee Chair presented an oral submission in support of the Group’s submission.
- Emergency Management Bill - The legislative reforms aim is to ensure there is a whole-of-society approach to emergency management. To kick this off the Government have released a discussion document on the 16 April, seeking submissions to understand the issues and options. The document focuses on five key objective areas which the government wants to focus on; these are:
 - Strengthen community and iwi Māori participation
 - Providing for clear responsibilities and accountabilities at the national, regional, and local levels.
 - Enabling a higher minimum standard of emergency management.
 - Minimising disruption to essential services.
 - Having the right powers available when an emergency happens
 - Submissions on this discussion paper are sought no later than 13 May 2025. Due to the tight timeframe (including the Easter holiday period) we seek Council’s approval to delegate to staff the ability to input into the process by preparing a submission. Following the lodging of a submission, staff will undertake a workshop with Council that outlines the Governments current objectives and how this may form the basis of the new legislation.

Proposed Bill timeline and approach

Staged approach

A “rolling” policy and drafting approach, where policy decisions are made through a series of Cabinet papers so that Parliamentary Counsel Office (PCO) can progress drafting the bill alongside finalisation of the policy.

This approach makes the most of work undertaken on the previous bill and maximises the time to develop new policy and engage on it. It enables PCO to start drafting straightforward aspects of the bill in parallel to the policy work, reducing the risk of delays or errors.



Mōrearea | Risk

- Council’s legislative responsibilities to plan for, respond and recover from the adverse effects of emergencies is outlined in the Civil Defence and Emergency Management Act 2002 (CDEMA). As outlined on the NEMA website the purpose of the CDEMA includes to: Improve and promote the sustainable management of hazards in a way that contributes to





the social, economic, cultural and environmental wellbeing and safety of the public and also to the protection of property;

- Encourage and enable communities to achieve acceptable levels of risk;
- Provide for planning and preparation for emergencies and for response and recovery in the event of an emergency;
- Require local authorities to coordinate, through regional groups, planning, programmes and activities related to civil defence emergency management across the areas of reduction, readiness, response and recovery, and encourage cooperation and joint action within those regional groups;
- Provide a basis for the integration of national and local civil defence emergency management planning and activity through the alignment of local planning with a national strategy and national plan
- Encourage the coordination of emergency management, planning and activities related to civil defence emergency management across the wide range of agencies and organisations preventing or managing emergencies under this Act.

Council currently meets this legislative requirement through the SLA with Waikato Regional Council and this is an update of the actions taken towards meeting this legislative requirement.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako District Council’s Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

All of the Council community outcomes are relevant to the activity of Civil Defence and Emergency Management.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The costs associated with the SLA for Civil Defence and Emergency Management is within existing budgets.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Tamara Kingi Kaiārahi Kāwana Governance Team Leader	
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Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	
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8 Ngā Pūrongo Whakamārama | Information Reports

8.2 February 2025 Finance Report

CM No.: 3022641

Te Kaupapa | Purpose

The February 2025 financial report is presented for Council's information.

Rāpopotonga Matua | Executive Summary

The February 2025 financial report is attached and presented for Council's information.

Tūtohunga | Recommendation

That:

1. The February 2025 financial report be received.

Ngā Tāpiritanga | Attachments

[A↓. February 2025 Finance Report](#)



Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
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Approved by	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

8 Ngā Pūrongo Whakamārama | Information Reports

8.3 Chief Executive Officer's Report

CM No.: 3021362

Te Kaupapa | Purpose

The purpose of this report is to provide Council with the Chief Executive Officer's report from the previous month.

Rāpopotonga Matua | Executive Summary

The Chief Executive Officer's report for the period ending April 2025 is attached to the agenda.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

[A↓](#) Chief Executive Report April 2025



Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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Approved by	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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Exclusion of the Public: Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Approval sought for actions undertaken under Fast-track legislation

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
Third Party Commercial.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 Re-Appointment of Board Chair - Waikato Regional Airport Limited (WRAL)

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
Privacy. Negotiations.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). .	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.