



AGENDA

Wastewater Management Review Committee meeting Wednesday, 18 June 2025

I hereby give notice that a Wastewater Management Review Committee meeting will be held on:

Date: Wednesday, 18 June 2025

Time: 1pm

**Location: Tauranga City Council Chambers
Level 1 - 90 Devonport Road
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Terms of reference – Wastewater Management Review Committee

Membership

Chair	To be appointed following a recommendation by the Committee
Deputy chair	To be appointed by the Committee
Members	Cr Rick Curach – Tauranga City Council Cr Kevin Schuler – Tauranga City Council Cr Hēmi Rolleston – Tauranga City Council Cr Rod Taylor – Tauranga City Council Ms Lara Burkhardt – Ngā Pōtiki Mr Spencer Webster – Ngā Pōtiki Mr Whitiora McLeod - Ngāi Te Rangi Mr Des Heke - Ngāti Ranginui Ms Destiny Leaf – Ngāti Ranginui (<i>alternate member</i>)
Quorum	Four members with at least one member representing Tauranga City Council and one member representing Ngā Pōtiki
Decision-making	By consensus where possible. If consensus cannot be reached, by majority vote. If there is an equal number of votes, the member who is chairing the meeting has a casting vote.
Meeting frequency	A minimum of twice yearly
Meeting venue	To alternate between marae and council venues; or as appropriate to a meeting agreed by the Chair and the Deputy Chair.

The Committee has a membership of eight, four of whom are elected members from Tauranga City Council (TCC) and four who are appointed as representatives of iwi, with one member each from Ngāti Ranginui and Te Runanga o Ngāi Te Rangi Iwi Trust and two members representing Ngā Pōtiki ā Tamapahore Trust Board.

The Wastewater Management Review Committee is established as a committee of Council under the Local Government Act 2002 and conditions imposed on Bay of Plenty Regional Council Coastal Permit # 62878.

Role

- To ensure Wastewater operations are in accordance with the Wastewater Management Review Committee Management Plan.

Scope

- (a) To receive reports on the operation of the Wastewater Scheme, including reports in relation to monitoring and permit compliance, and to make recommendations to the Permit Holder on the development of Tauranga City Council's policies in relation to wastewater management, treatment and disposal, particularly following the review of wastewater treatment in light of

new technologies and standards addressed in the Monitoring, Upgrade and Technology Review Report required by Condition 20 of Coastal Permit N^o 62878.

- (b) To make decisions about the application of the Environmental Mitigation and Enhancement Fund established in accordance with Condition 19 of Coastal Permit N^o 62878.
- (c) To make recommendations to the Permit Holder as to physical measures and initiatives to address or compensate for actual or potential effects of the Tauranga City Wastewater Scheme (in the broadest environmental sense).
- (d) Without limiting the generality of function (c) above, to make recommendations to the Permit Holder as to the implementation of the works to be undertaken in accordance with Permit N^o 62881, namely:
 - (i) Decommissioning of the Te Maunga Sludge Pond and the future use of the pond.
 - (ii) Conversion of the Te Maunga Oxidation Ponds to wetlands.
- (e) To make recommendations to the Permit Holder in relation to the independent consultant to be appointed to undertake the Monitoring, Upgrade and Technology Review Report required by Condition 20 of Coastal Permit N^o 62878.
- (f) To make recommendations to the Permit Holder as to enhancing the involvement of tangata whenua in sampling, testing and monitoring.
- (g) Assessment of the scope and adequacy of sampling and monitoring.
- (h) Notification to appropriate parties of activities that may have adverse effects.
- (i) To receive, review and recommend action following receipt of wastewater reports.
- (j) To recommend the commissioning of reports and future Tauranga City Council actions on wastewater management, treatment and disposal issues and options, including:
 - (i) Development of alternatives to waterborne wastewater systems;
 - (ii) Options for further treatments;
 - (iii) Options for methods of disposal;
 - (iv) Monitoring effects on the environment.
- (k) To co-ordinate and oversee education of the community on wastewater management, treatment and disposal issues.
- (l) To identify and make recommendations to the Permit Holder as to sources of funding which may be available to supplement the Environmental Mitigation and Enhancement Fund established pursuant to Condition 19 of Coastal Permit N^o 62878 hereof and to be applied for the purposes specified in that condition.
- (m) To make recommendations to the Permit Holder as to changes to conditions of these permits pursuant to section 127 of the Resource Management Act 1991, in light of the exercise of the Review Committee's functions, including reports received and information received as a result of monitoring, etc. or to avoid, remedy or mitigate actual or potential adverse effects associated with the operation of the Wastewater Scheme.
- (n) To foster robust relationships and dialogue between the Review Committee, the Permit Holder, the Western Bay of Plenty District Council and Bay of Plenty Regional Council in relation to wastewater management, treatment and disposal, particularly following the review of wastewater treatment in light of new technologies.
- (o) To make recommendations to Bay of Plenty Regional Council as to amendments to the conditions of these permits which could be implemented via a review under section 128 of the Act in accordance with Condition 22 of Coastal Permit N^o 62878.
- (p) Prior to making any:
 - (i) Decisions as to the allocation of the Environmental Mitigation and Enhancement Fund in accordance with Condition 18.3(b) of Coastal Permit N^o 62878 hereof or,
 - (ii) Recommendations to the Permit Holder in relation to physical environmental mitigation or enhancement or mitigation works in accordance with Condition 18.3(c) of Coastal Permit N^o 62878 hereof; -

the Review Committee will exercise its best endeavours to ascertain the existence of any persons or bodies who may have a particular interest or stake in the ecological health of the Tauranga Harbour (particularly the Upper Harbour/Rangataua Bay area) and to consult with those bodies or persons as to appropriate initiatives and measures to be so recommended (in accordance with Condition 18.3(b) of Coastal Permit N^o 62878) or undertaken (in accordance with Condition 18.3(c) of Coastal Permit N^o 62878). As a minimum, the Review Committee shall consult with:

- Nga Potiki Kaitiaki Resource Management Unit hapu and iwi of Te Runanga o Ngaiterangi Iwi Trust, Ngati Ranginui and Ngati Pukenga and Te Arawa and their respective hapu which hold kaitiaki status over the wider Tauranga Moana district, including any Working Group established by those hapu or iwi;
 - Bay of Plenty Regional Council and the Western Bay of Plenty District Council in relation to issues which may affect those councils in accordance with their function under Condition 18.3(m) of Coastal Permit N^o 62878 hereof.
- (q) Not later than one month following the first anniversary of the commencement of these permits and on each anniversary thereafter, the Wastewater Management Review Committee shall forward to the General Manager, Bay of Plenty Regional Council, a report on the exercise of its activities and functions, including where appropriate a report on the effectiveness of measures undertaken pursuant to the Environmental Mitigation and Enhancement Fund.
- (r) Not less than six months following the first anniversary of this permit and each fifth anniversary thereafter, the Wastewater Management Review Committee's annual report shall contain a review of its activities over the previous five-year period and recommendations for appropriate initiatives over the next five-year period, including any recommendations for changes to conditions of these permits which may be considered necessary or desirable. This report shall be available at least three months prior to the date on which Bay of Plenty Regional Council is entitled to review the conditions of these permits in accordance with Condition 22 of Coastal Permit N^o 62878 hereof.
- (a) A copy of this report shall also be provided to the Chief Executive, Tauranga City Council.
- (s) As set out in Condition 18.1.3 of Coastal Permit N^o 62878, the Wastewater Management Review Committee Management Plan may be amended with the written approval of the Chief Executive of Bay of Plenty Regional Council or delegate.
- (t) Confirmation of Committee minutes.

Reporting

The Wastewater Management Review Committee reports to Council and the Chief Executive of the Bay of Plenty Regional Council.

Chair and Deputy Chair acting as Co-Chairs

The Chair and Deputy Chair of the Wastewater Management Review Committee (WWMRC) have a governance role to ensure that the WWMRC meets regularly and undertakes its role to monitor and provide advice to Tauranga City Council as the consent holder of Bay of Plenty Regional Council Coastal Permit # 62878 and ensure wastewater operations are in accordance with the Wastewater Management Plan.

- The Chair will be appointed by the Tauranga City Council following a recommendation of the Wastewater Management Review Committee.
- The Deputy Chair will be appointed by the Wastewater Management Review Committee.
- While these roles are separately appointed it is the intention that they act as co-chairs.
 - Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chair as set out in standing orders and has the option to use the casting vote in the case of an equality of votes.

- The rotation of the meeting chairs is at the discretion of the Chair and Deputy Chair and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
- When the Deputy Chair is chairing the meeting, the Chair will vacate the chair and enable the Deputy Chair to chair the meeting. The Chair will be able stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
- The Chair and Deputy Chair will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for WWMRC.
- The Chair and Deputy Chair will jointly oversee and co-ordinate all activities of the WWMRC within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.
- The Chair and Deputy Chair will be accountable for ensuring that any recommendations from the WWMRC are considered by the Tauranga City Council.

Refer to the position description for the Chair and Deputy Chair for more details.

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**
- 7 DECLARATION OF CONFLICTS OF INTEREST**

8 BUSINESS

8.1 Appointment process for Chairperson and Deputy Chairperson of the Wastewater Management Review Committee

File Number: A16532267

Author: Coral Hair, **Manager:** Democracy and Governance Services

Authoriser: Christine Jones, **General Manager:** Strategy, Growth & Governance

PURPOSE OF THE REPORT

1. The purpose of this report is to decide on the Chairperson and Deputy Chairperson of the Wastewater Management Review Committee who effectively act as co-chairs of this Committee.

RECOMMENDATIONS

That the Wastewater Management Review Committee:

- (a) Receives the report "Appointment process for Chairperson and Deputy Chairperson of the Wastewater Management Review Committee".
- (b) Recommends to Council that (insert name) is appointed as the Chairperson of the Wastewater Management Review Committee.
- (c) Appoints (insert name) as the Deputy Chairperson of the Wastewater Management Review Committee.

EXECUTIVE SUMMARY

2. The Council at its meeting on 15 August 2024 appointed to the Wastewater Management Review Committee (WWMRC) elected members and tangata whenua members and adopted the same terms of reference.
3. The Chairperson of the WWMRC is to be appointed following a recommendation to Council from the WWMRC. The Deputy Chairperson is to be appointed by the WWMRC.
4. Co-chairs are not legally able to be appointed to council committees. However, under the terms of reference, the Chairperson and Deputy Chairperson of the WWMRC alternate to preside over meetings, effectively acting as co-chairs.
5. It is recommended that at least one tangata whenua representative (iwi representative) is appointed as either the chairperson or deputy chairperson and one elected member (consent holder's representative) is appointed as either the chairperson or deputy chairperson. As they act as co-chairs in practice this is a choice of title rather than the responsibility as this role is shared.
6. The report also sets out the increase in remuneration for tangata whenua representatives on the WWMRC which the Council recently considered at its meetings on 29 October 2024 and 10 December 2024.

BACKGROUND

7. The provisions of the Local Government Act 2002 relating to the appointment of a chairperson of a committee refer to the appointment of a person, singular, as the

chairperson, which does not allow for the appointment of a co-chair. As such, the positions of Chairperson and Deputy Chairperson are appointed and remain separate.

8. However, the Chairperson can vacate the chair for all or part of a meeting and enable the Deputy Chairperson to chair the meeting.¹ The Chairperson is able to be present and participate in the meeting, including voting, while not chairing the meeting². This enables the two roles to effectively act as co-chairs.
9. Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chairperson as set out in standing orders.
10. The Chairperson and Deputy Chairperson attend pre-agenda briefings (usual practice) and split any other duties outside of meetings, e.g. spokesperson for WWMRC. The position description for these roles is set out in Attachment 1.
11. In the previous term Spencer Webster was appointed Chairperson and Commissioner Bill Wasley was appointed as Deputy Chairperson.

STATUTORY CONTEXT

12. The WWMRC is a special committee established both by the Council (under the Local Government Act 2002) and the management plan approved by the Bay of Plenty Regional Council that sets out how the WWMRC is to operate under the conditions of resource consent 62878 and the iwi membership of this is set by the consent. The management plan is silent on the arrangements for chairing the meetings. This is not a matter that would be addressed under this plan and there is no requirement to amend this plan to spell out chairing arrangements.
13. The Local Government Act 2002 (LGA) requirements relating to chairing of meetings, and the appointments of a Chair and Deputy Chair apply. [Clause 26 of Schedule 7](#) of the LGA sets out the requirements for the chairperson and deputy chairperson of committee meetings.
14. The Mayor has the power under section 41A (3)(c) to appoint the chairperson of each committee and Council has the power to discharge a chairperson appointed by the Mayor (section 41A(4) (d)). The Mayor has chosen not to use this power to appoint the chair of the WWMRC. The terms of reference request that the chairperson be appointed by the Council following a recommendation by the WWMRC with the Deputy Chairperson to be appointed by the WWMRC.
15. Clause 25 of Schedule 7 of the LGA sets out voting systems for the appointment of a chairperson and deputy chairperson of a committee. This requires either System A or System B to be chosen if there are more than one candidate nominated for the positions.

¹ Clause 26(2) Schedule 7 of Local Government Act 2002 states

“The chairperson of a committee must preside at each meeting of the committee at which he or she is present unless the chairperson vacates the chair for a particular meeting.”

and Standing Order 14.2 (see below) allows the chair of a committee to vacate the Chair for a particular meeting.

“In the case of committees, subcommittees and subordinate decision-making bodies, the appointed Chairperson must preside at each meeting, unless they vacate the chair for all or part of a meeting. If the Chairperson is absent from a meeting or vacates the chair, the deputy Chairperson (if any) will act as Chairperson. If the deputy Chairperson is also absent, or has not been appointed, the committee members who are present must elect a member to act as Chairperson. This person may exercise the meeting responsibilities, duties and powers of the Chairperson.”

² The exception to this is where the reason the chairperson vacated the chair was that they had a conflict of interest, in which case they could not participate in the debate or vote.

STRATEGIC ALIGNMENT

16. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

OPTIONS ANALYSIS

17. Options for appointing the chairperson and deputy chairperson are set out below:

Option	Details	Comments
1	Chairperson is recommended to be an iwi representative	With co-chair arrangements the position would work closely with the Deputy Chairperson and effectively they would take turns chairing the meetings as per the position description and terms of reference. Previously chairperson was iwi representative. If this option was chosen the Deputy Chairperson would be an elected member representing the consent holder.
2	Chairperson is recommended to be a consent holder representative i.e. an elected member	With co-chair arrangements the position would work closely with the Deputy Chairperson and effectively they would take turns chairing the meetings as per the position description and terms of reference. If this option was chosen the Deputy Chairperson would be an iwi representative.
3	Chairperson appointed for stated period i.e. one or two years and then swaps with Deputy Chairperson	Given that the arrangements provide for co-chairing this option is not considered necessary and is not recommended.

18. It is recommended that either Option 1 or Option 2 is chosen as the positions are effectively co-chairs.
19. Depending on who is appointed as chairperson will determine which representative is appointed as deputy chairperson.

REMUNERATION FOR TANGATA WHENUA REPRESENTATIVES

20. Independent advisors were asked to review the remuneration of the Tangata Whenua members on the WWMRC following the appointment of new committee members in 2022. Following the July 2024 election the independent advisors were asked to review the remuneration for Tangata Whenua members on the WWMRC.

21. A report on this, and other remuneration, was considered by Council on 29 October 2024 and 10 December 2024. The table below shows the current remuneration and the increase of 10% that will apply from 10 December 2024 for the Chair/Deputy Chair and members.

Chair/Deputy Chair WWMRC		Member WWMRC	
2022	2024	2022	2024
\$550	\$605	\$395	\$435

FINANCIAL CONSIDERATIONS

22. Any financial impacts from the increase in remuneration will be met through current budgets.

LEGAL IMPLICATIONS / RISKS

23. The WWMRC can continue to meet without appointing a chairperson or deputy chairperson, but this is not recommended. Appointing a chairperson and deputy chairperson enables the committee to meet its stated purpose.

TE AO MĀORI APPROACH

24. The appointment of a chairperson deputy chairperson of WWMRC is consistent with Council's Te Ao Māori approach and the principle of Rangatiratanga to engage and consult with Tangata Whenua and provide opportunities to contribute to decision making.

CLIMATE IMPACT

25. This decision does not impact on climate change as it is an administrative procedure.

SIGNIFICANCE

26. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
27. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
28. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.


ENGAGEMENT

29. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

30. The Council approves the WWMRC's recommendation and appoints the Chairperson of WWMRC.

ATTACHMENTS

1. **Position Description for Chairperson and Deputy Chairperson of Wastewater Management Review Committee. - A12794637** [↓](#) 

Position outline: Chairperson and Deputy-Chairperson

Wastewater Management Review Committee

Title	Chairperson and Deputy Chairperson
Committee	Wastewater Management Review Committee
Date	18 July 2022, updated 1 October 2024

Position purpose

The Chairperson and Deputy Chairperson of the Wastewater Management Review Committee (WWMRC) have a governance role to ensure that the WWMRC meets regularly and undertakes its role to monitor and provide advice to Tauranga City Council as the consent holder of Bay of Plenty Regional Council Coastal Permit # 62878 and ensure wastewater operations are in accordance with the Wastewater Management Plan.

The Chairperson of the WWMRC will be appointed by the Council following a recommendation from the WWMRC and EITHER be from the consent holder's representatives on the WWMRC OR from the iwi representatives on the WWMRC. The Deputy Chairperson will be appointed by the WWMRC, and depending on who is appointed chairperson, be EITHER from the consent holder's representatives on the WWMRC OR from the iwi representatives on the WWMRC, as set out in the terms of reference for the WWMRC.

The Chairperson and Deputy Chairperson will jointly oversee and co-ordinate all activities of the WWMRC within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.

The Chairperson and Deputy Chairperson will be accountable for ensuring that any recommendations from the WWMRC are considered by the Tauranga City Council.

Note: only one person will chair each meeting. The rotation of meeting chairs is at the discretion of the Chairperson and Deputy Chairperson and subject to their availability; however, it would be expected that they will alternate chairing meetings when possible. The Chairperson will vacate the chair and enable the Deputy Chairperson to chair the meeting. The Chairperson will be able stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.

The term of appointment will be from the date of appointment in October 2024 to October 2028. The expiry of the term coincides with the next election for the Tauranga City Council.

The roles have full voting rights and where there is an equal number of votes, the person who is chairing the meeting also has a casting vote.

Competencies

Competencies	Description
Te Tiriti o Waitangi	<ul style="list-style-type: none"> Understanding of, or a commitment to develop capability, with respect to Te Tiriti o Waitangi. A commitment to demonstrating strong relationships as intended by Te Tiriti o Waitangi.
Te Ao Māori	<ul style="list-style-type: none"> Actively encourages feedback into discussion that highlights and explains Māori values and concepts that can enhance decision making processes. Ensures that those aspects that may not usually be considered well or with strong understanding are given reasonable time and resource to be well considered. Takes into consideration the views and interests of the iwi and hapū members appointed to the WWMRC. Has an understanding of tikanga.
Governance Experience	<p>General Requirements</p> <ul style="list-style-type: none"> Understands local government's obligations in relation to wastewater and is familiar with the resource consent conditions of RC 62878. <p>Specific Requirements</p> <ul style="list-style-type: none"> Board or governance experience. Understands and respects the differing roles of the Commission, Mayor and Councillors, Bay of Plenty Regional Council and iwi/hapū representatives; and any other appointees to the WWMRC. Recognises that the role does not extend to operational matters or to the management of any implementation. Develops and maintains a working knowledge of the wastewater management plan.. Understands the context of the three waters reform process in local government. Familiar with and complies with the statutory requirements of a member including appropriate recordkeeping in accordance with the Public Records Act 2005 and the Local Government Official Information and Meetings Act 1987. Ability to chair a meeting in an effective and efficient manner.
Leadership and Strategic Experience	<ul style="list-style-type: none"> Strategic and/or leadership experience. Committed to promoting the profile and effectiveness of the WWMRC. Transparent and upfront approach.

Personal Attributes

Personal Attributes	Description
Mana (status) and integrity	<ul style="list-style-type: none"> Has the status to manage meetings on marae as well as in Council Chambers. High organisational ethics, accepts collective responsibility, respects confidentiality. Identifies, is aware of and declares any potential personal conflicts of interest, whether of a pecuniary or non-pecuniary nature.
Communication	<ul style="list-style-type: none"> Listens actively and accurately, encourages input from others, debates in reasoned and calm way. Ability to communicate complex and technical information appropriate to the audience.
Decision Making	<ul style="list-style-type: none"> Fosters consensus-based decision making. Broad perspective - both short and long term. Fully considers all options.
Teamwork/ Collaboration	<ul style="list-style-type: none"> Actively participates in and facilitates team effectiveness of the WWMRC. Works productively and openly with colleagues. A proactive approach to advising members of matters that require further attention. Supports the decision of the WWMRC to others outside of the WWMRC.
Leadership	<ul style="list-style-type: none"> Proven skills and willingness to apply leadership in a governance context. Skilled at coordinating and summarising viewpoints of meeting attendees. Facilitating style of chairmanship that enables quality participation and outcomes. Solutions and outcomes focused. Objective leadership capabilities and skilled in guiding discussion towards shared and mutually beneficial outcomes. Inclusive chairmanship to ensure voices are heard objectively.

Chairperson and Deputy Chairperson Tasks

Task Description
<ul style="list-style-type: none"> Chair meeting. Provide advice on courses of action to progress the deliberations and outcomes. Ensure requests are resolved by the WWMRC and actioned in a timely manner. Liaise with Council staff in setting the content and priorities of meeting agendas and attend pre-agenda meetings. Ensure appropriate communication occurs with WWMRC members and other appropriate groups/partners.

8.2 Wastewater Management Review Committee - Update on LWDW And Marine and Coastal Act, 2011 (MACA)

File Number: A18219182

Author: Jane Groves, Stormwater Programme Leader

Authoriser: Wally Potts, Acting General Manager: Infrastructure

PURPOSE OF THE REPORT

- To provide updates to the Wastewater Management Review Committee (WWMRC) on Local Water Done Well (LWDW), and implications for the wastewater activity in relation to the Marine and Coastal Area (Takutai Moana) Act 2011 (MACA).

RECOMMENDATIONS

That the Wastewater Management Review Committee:

- Receives the report "Wastewater Management Review Committee - Update on LWDW And Marine and Coastal Act, 2011 (MACA)".

LOCAL WATER DONE WELL

Consultation on Delivery Model – Outcomes

- At its December 2024 meeting, Council approved a business case recommendation which confirmed that the preferred way forward for delivery of water services is through a Council-Controlled Organisation (CCO) either on its own or with partner council(s), and that it would consult on the following three options alongside the Annual Plan 25/26.
 - The proposed model: a multi-Council CCO (multi-CCO).
 - An alternative model: a sole Tauranga City CCO (Tauranga only-CCO).
 - The current delivery model: retaining water service delivery in-house, with changes to meet new government legislative requirements (in-house).
- Consultation on LWDW was integrated with Council's Annual Plan process and ran for four weeks from 28 March to 28 April. 968 submissions were received in total, 726 of which related to LWDW. Submitters were asked to rank the three delivery models in order of preference. The outcome of this engagement is presented below:

Delivery Model	First Preference	Comments	
Multi-CCO	41.7%	<i>Regional cooperation, economies of scale, increased access to funding and financing and better long-term planning</i>	<i>Loss of local control, financial risks, and potential for increased complexity and cost</i>
Tauranga only-CCO	19.3%	<i>Professional governance, autonomy, local control and strategic focus</i>	<i>Cost concerns, potential inefficiencies (replication of services and functionality between Council and CCO), and reduced accountability</i>
In-house	39.2%	<i>Local control, perceived cost-effectiveness, and trust in current operations</i>	<i>Funding limitations, lack of scale, and political decision-making impacting on sustainable planning and delivery</i>

4. A submission received from Te Rangapū supported the creation of a multi-CCO and requested that Council ensures tangata whenua representation on the board of any CCO, and that co-governance and co-design principles are built into the establishment and operations of any future waters CCO.
5. As set out in 'Next Steps' below, Council decision-making on a preferred delivery model will be considered on 15 July 2025.

Three Waters Versus Two Waters

6. The Local Government (Water Services) Bill provides councils with the option of:
 - Continuing to deliver stormwater services directly;
 - Transferring all or some aspects of stormwater services provision to a CCO; and/or,
 - Contracting a third party (could be a CCO) to provide all/some aspects of stormwater delivery.
7. Providing the choice of how to deliver stormwater services recognises the complexity of stormwater management, the linkages between stormwater and other non-water Council activities, and the unique stormwater challenges faced by each council. There are four primary reasons for proceeding with a three-waters, integrated approach:
 - Avoids duplication of knowledge and compliance in the new regulatory environment.
 - A three-waters approach is better able to deliver a co-ordinated response in the event of an emergency.
 - Establishing a three-waters CCO supports future scale and efficiency gains by not limiting prospective partner Councils to two-waters.
 - A CCO has the ability to borrow up to 500% of revenue and this creates more investment opportunity for stormwater and flood management improvement works.
8. Council was asked at its meeting on 26 May 2025 to endorse the recommendation to maintain an integrated approach for the delivery of water services, citing the reasons above. It approved that an integrated three waters approach would be delivered through the same organisation.
9. Under this integrated approach, stormwater reserve land which provides environmental and recreational amenity value will be retained under Council ownership. (e.g. catchment reserves like Gordon Carmichael Reserve). To define roles and responsibilities under such arrangements, service level agreements between the multi-CCO and Council will be developed (required for transport, city planning, spaces and places activities).

Financial Considerations

10. MartinJenkins (MJ) completed financial analysis for Council using data from the LTP (and following that TCC have developed an in-house financial model with Annual Plan data). The key financial conclusions from this are that:
 - A CCO results in a lower water charge than continuing with the current in-house arrangement based on application of assumed efficiency savings (albeit a modest reduction).
 - Community affordability improves slightly under the CCO model.
 - Assumed efficiencies continue to compound beyond 2034 and therefore there will be even greater savings in the water charge in years beyond 2034.
 - Assumed efficiencies in capital delivery mean that there will be more infrastructure delivered under the CCO for the same level of capital programme investment as under an in-house arrangement.
 - The larger the CCO the greater the cumulative savings over time (i.e. higher peak savings).
 - Overall, a CCO model has a small to moderate amount of increased debt capacity when compared to the in-house model based on maintaining a ratio of Free Funds from Operations to Debt (FFO:Debt) at 10%.
11. All the modelling work to-date has produced consistent results, as would be expected because all modelling has been based on data provided by Council and assumptions for savings have been consistently applied.
12. The in-house financial model recently developed enables consideration and display of multi-council and Tauranga only options and tests different scenario assumptions. The in-house model will be

workshopped with Council on 24th June. The intention is that the in-house model will be publicly available on Council's website.

13. Treatment of overhead activities - within Council's wider business, there are a number of activities that currently recover their costs from the water services activity, such as the water billing operations within finance and asset management services. Others are overhead activities with part of their costs allocated to water services based on key drivers including total expenditure and number of full-time equivalent staff (FTEs), e.g. digital services, communications.
14. Under a CCO there will be different or duplicated costs to those under a Council structure, and the likelihood of some stranded costs left with Council that would need to be reduced over time.
15. If Council decides to move delivery of water services to a CCO there is work to identify which services will be contracted back to the parent council/s and for what period, and to understand what other mitigations would be required to minimise stranded overhead costs remaining with Council.
16. Financial sustainability – community affordability will be an ongoing challenge for water service delivery, regardless of which option Council chooses to proceed with. Financial sustainability for waters is challenged by the high level of future capital investment required. Future capital investment is needed to meet the level of growth required under the National Policy Statement – Urban Development and to meet current understandings of future regulatory requirements.

Water Services Delivery Plan (WSDP)

17. The Local Government (Preliminary Arrangements) Act 2024 requires councils to adopt a financially sustainable water delivery model and submit a Water Services Delivery Plan (WSDP) by 3 September 2025.
18. Councils confirmed delivery model must be included in a WSDP. A WSDP sets out how Council plans to deliver services to meet regulatory requirements, and support growth/urban development.
19. Consultation on a draft or final WSDP is not required. Through the development of the WSDP, councils will provide an assessment of their water assets, how much they need to invest, and how they plan to finance and deliver infrastructure. A WSDP will be submitted to Council on 5th August for their approval.

Local Government (Water Services) Bill

20. Submissions closed in late February 2025 on the third and final piece of legislation for LWDW, the Local Government (Water Services) Bill. This bill provides for arrangements for the new water services delivery system, a new economic regulation and consumer protection regime for water services, and changes to the water quality regulatory framework and the water services regulator.
21. Council, in its submission on the bill, indicated that it supported the core principles of LWDW, emphasising maintaining local ownership of water assets, allowing councils to choose their preferred water services delivery model and establishing a clear regulatory framework for water service providers, but was concerned that the bill:
 - Makes insufficient provision for Māori and mana whenua involvement in water services provider decision making;
 - Provides insufficient safeguards against privatisation of water services;
 - Omits some key powers for water organisations to operate efficiently and effectively; and,
 - Is overly complex and prescriptive.
22. The select committee is currently reviewing all submissions on the bill and is expected to report back to Parliament by 17 June 2025 with findings and recommendations. We anticipate enactment of the bill sometime in the middle of this year.

Transitional Arrangements

23. If Council elects to progress with a multi-CCO a number of transitional arrangements must be developed. These (as set out in the business case) are in the table below.

<i>CCO Constitution</i>	<i>Rules for governing the CCO that are jointly developed and approved by Shareholder Councils</i>
<i>Combined Statement of Expectations</i>	<i>Sets out expectations shareholders have of the Board, including how the entity is to conduct its relationship with the shareholding Councils, communities, Iwi, and other Māori organisations. This may include financial and funding arrangements, ring fenced revenue, equalisation principles in terms of a time-period for pricing harmonisation, conditions of assets, risk exposure, and levels of service</i>
<i>Board Competencies</i>	<i>Matrix of skills, number of board members, Iwi representation, process for appointment</i>
<i>Shareholder Agreement</i>	<i>Sets out how shareholders will operate with the Board of Directors of a CCO and between themselves (contract between shareholders)</i>
<i>Shareholding Council</i>	<i>How to determine shareholding of each Council (Debt; Asset Valuation; Annual Revenue etc.); Total number of shares and ratio of shareholding; Minimum requirements of a shareholder (asset condition /performance standard; risk & liability register; levels of service delivered; level of regulatory compliance Day 1); Allocation of shares - principle is that allocation must reflect the net value of what is transferred</i>
<i>Relationship Agreement(s)</i>	<i>Agree each Council and what the CCO's accountability and responsibility to each other will be, including what shared services are to be provided from a CCO to each Council and vice-versa</i>
<i>Service Level Agreements</i>	<i>Specific contracts between parties and the CCO, novation of contracts</i>
<i>Customer Contract</i>	<i>Develop agreement between new CCO and community, outlining terms and conditions of services</i>

Statement of Expectations and Agreed Establishment Principles for CCO Board

24. The Local Government (Water Services) Bill requires shareholders of a multi-CCO to prepare a statement of expectations (SoE). The SoE sets out the shareholders' expectations of the water organisation and its priorities and strategic direction. Importantly, the SoE also sets out how the entity is to conduct its relationship with tangata whenua, the shareholding councils and its community. The SoE does this, in part, through reference to an agreed set of guiding establishment principles for the CCO Board. These principles must cover a range of matters including treaty principles, financial, environmental responsibility, customer service delivery and governance, amongst others. The principles are enduring and apply wherever additional water service providers seek to join the multi-CCO.
25. Council will continue to connect with Te Rangapū as the SoE and other arrangements are developed and put in place. Specifically, Council will be seeking Te Rangapū views on appropriate cultural and environment principles underpinning the CCO approach.

Discussions With Other Partner Councils

26. Council continues to talk to partner councils, including the Western Bay of Plenty District Council and Thames Coromandel District Council about a multi-CCO. Conversations centre around viability and benefits of a CCO type delivery structure.

Next steps

27. Next steps include deciding on a preferred delivery model for Tauranga (15 July 2025) and finalising the WSDP (5 August 2025), which will then be submitted to the DIA by 3 September 2025. Further key milestones are provided below.

Date	Milestone
26 May 2025	Council meeting – deliberations report – two vs three waters
24 June 2025	Public workshop – financial model (date tbc)
7 July 2025	Public workshop – water services delivery plan
15 July 2025	Council meeting – decision on preferred delivery model for delivery of water services
5 August 2025	Adoption of Water Services Delivery Plan
Prior to 3 September 2025	Submit Water Services Delivery Plan to Department of Internal Affairs

MARINE AND COASTAL AREA (TAKUTAI MOANA) ACT 2011

28. The Marine and Coastal Area (Takutai Moana) Act 2011 (MACA) came into force in 2011 and replaced the Seabed and Foreshore Act 2004. This Act implemented a 'no-ownership' regime over the marine and coastal area (with some limited exceptions) and introduced mechanisms to recognise Maori customary rights in that area. Rights granted to any Customary Marine Title (CMT) holder under MACA include the ability to:
- Give or decline permission, on any grounds, for an activity to which an RMA permission right (an activity that requires a resource consent and is within the CMT area, subject to some exceptions) applies.
 - Give or decline permission, on any grounds, for an application or proposal for a conservation activity (activities within the CMT area to declare or extend a marine reserve or conservation protected area, or an application for a concession) to be considered.
 - Include recognition of a wāhi tapu or wāhi tapu area within a CMT and set prohibitions or restrictions within that area.
29. Proceedings in relation to Te Maunga and surrounds:
- Stage 1 proceedings: on 12 October 2021, the High Court determined that a recognition order of CMT over Te Tāhuna o Rangataua was to issue in favour of Ngā Pōtiki, Ngāi Tukairangi, Ngāti Tapu, Ngāti Hē and Ngāti Pūkenga. These rights have not yet been enacted as the wāhi tapu judgement (below) has not been made.

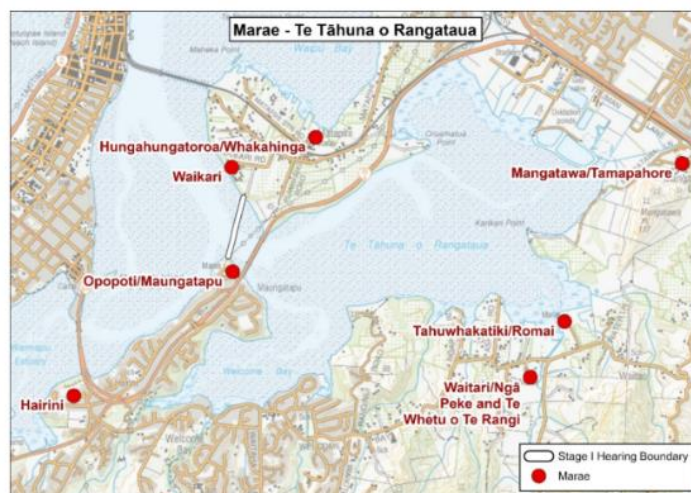


Figure: Stage 1 Application Area. Te Tāhuna o Rangataua extending up to boundary depicted just beyond Mangatapu Bridge
 Reference: Map 2, Judgement of Powell J, Ngā Pōtiki Stage 1 - Te Tāhuna o Rangataua, 12 October 2021

- Stage 1 proceedings: in December 2022 High Court hearings relating to prohibitions/restrictions on the wāhi tapu status of Te Tāhuna o Rangataua were heard (there are no exemptions if granted). A judgement has yet to be made but is expected imminently.
 - Stage 2 proceedings: an application for CMT along the Papamoa open coast by Nga Potiki has been heard but no judgement made. This application area includes the area occupied by the marine section of the wastewater outfall. The Government is currently considering changes to the MACA Act, specifically looking at amending the test for CMT to make it harder to satisfy. It is unclear at this time whether a judgement on Stage 2 will be forthcoming, or whether it may be reheard under the new test at a future date.
30. Implications for Council:
- Implications relate to infrastructure in and around Te Tāhuna o Rangataua including the Te Maunga WWTP, closed landfill and ponds and the various associated consents that provide for discharges of wastewater, stormwater, emergency overflows in relation to that infrastructure. Specifically,
- If CMT orders are in place (i.e finalised and sealed by the High Court), the RMA permission right will apply which means the Council cannot undertake an activity authorised by a resource consent in the CMT area without the permission of the CMT holder, or unless one

of the exemptions apply. Tests for exemptions may be satisfied, however they are untested, and their use may be challenged.

- (b) If a wāhi tapu protection right, as currently sought in the Stage 1 proceedings, is granted, this could restrict all discharges of sewage to the Te Tāhuna o Rangataua Bay and therefore the ability to consent them.

31. The WWRMC will be advised if/when the above judgements are made.

ATTACHMENTS

Nil

9 DISCUSSION OF LATE ITEMS

10 CLOSING KARAKIA