



AGENDA

Ordinary Council meeting Thursday, 2 April 2026

I hereby give notice that an Ordinary meeting of Council will be held on:

Date: Thursday, 2 April 2026

Time: 9.35 am

Location: Location: This meeting will be held in the
Western BOP Council Chambers

Address: Barkes Corner, 1484 Cameron
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 – Council

Membership

Chair	Mayor Mahé Drysdale
Deputy Chair	Deputy Mayor Jen Scoular
Members	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Kevin Schuler Cr Rod Taylor Cr Hēmi Rolleston
Quorum	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Three weekly or as required

Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.
- To review and monitor the performance of the Chief Executive.

Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
 - Power to make a rate.
 - Power to make a bylaw.
 - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
 - Power to adopt a long-term plan, annual plan, or annual report
 - Power to appoint a chief executive.
 - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
 - All final decisions required to be made by resolution of the territorial authority/Council pursuant to relevant legislation (for example: the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).
- Council has chosen not to delegate the following:
 - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.

- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake statutory duties in regard to Council-controlled organisations, including reviewing statements of intent, with the exception of the Local Government Funding Agency where such roles are delegated to the City Delivery Committee. (Note that monitoring of all Council-controlled organisations' performance is undertaken by the City Delivery Committee. This also includes Priority One reporting.)
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.

Procedural matters

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

Regulatory matters

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).

Order of Business

1	Opening karakia	7
2	Apologies	7
3	Declaration of conflicts of interest	7
4	Business	8
	4.1 Local Water Done Well - Progressing the delivery of water services	8
5	Public excluded session	23
	13.1 Local Water Done Well - Appointment of an Establishment Chief Executive	23
6	Closing karakia	24

- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 DECLARATION OF CONFLICTS OF INTEREST**

4 BUSINESS

4.1 Local Water Done Well - Progressing the delivery of water services

File Number: A19713063

Author: Cathy Davidson, Manager: Directorate Services
Fiona Nalder, Principal Strategic Advisor

Authoriser: Christine Jones, General Manager: Strategy, Partnerships & Growth

PURPOSE OF THE REPORT

1. This report seeks Council approval to establish a multi-council Water Organisation with Western Bay of Plenty District Council.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Local Water Done Well - Progressing the delivery of water services".
- (b) Confirms that a robust due diligence process has been completed and notes that several matters identified through this process (including key terms) require further development. These matters will be progressed through good-faith partnership discussions as part of establishing and transitioning to a multi-Council Water Organisation and agrees these will be included in a forward work programme.
- (c) Approves the establishment of multi-council Water Organisation with Western Bay of Plenty District Council, with a proposed 'go-live' date of 1 July 2027.
- (d) Notes that Council remains open to working with other councils that may wish to consider joining the multi-council Water Organisation in the future, subject to appropriate due diligence and Council approval.

EXECUTIVE SUMMARY

Purpose

2. This report seeks a Council approval to proceed with the establishment of a multi-council Water Organisation (**WO**) with Western Bay of Plenty District Council (**WBOPDC**) as the preferred future model for delivering water supply, wastewater and stormwater services, or whether to pursue an alternative delivery approach. The report highlights that due diligence has been completed and has identified no matters that would prevent Council from proceeding with establishment of the proposed WO.

Local Water Done Well reform

3. Council's work is driven by the Government's Local Water Done Well reform programme, which requires councils to adopt delivery models that ensure financially sustainable, well-regulated water services. Under the Local Government (Water Services) Act 2025, councils may continue delivering services in-house through a ring-fenced business unit or establish a Water Organisation, either alone or jointly with other councils. All delivery models face increased regulatory requirements and rising investment needs, with water costs expected to increase regardless of the chosen option.
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Work to-date

4. Since December 2024, Council has undertaken a comprehensive programme of analysis, consultation and decision-making. This has included adoption of an Indicative Business Case, community consultation through the “Why wai matters” process, development of a Water Services Delivery Plan, and sustained engagement with Tangata Whenua. Consultation results showed mixed views across all options, with a multi-council WO marginally preferred overall, particularly among younger respondents, and with strong support from Te Rangapū Mana Whenua o Tauranga Moana subject to appropriate co-governance arrangements.
5. Council has endorsed an integrated three-waters approach, including stormwater, noting operational efficiencies, improved resilience and clearer accountability. In February 2026 Council confirmed that, if a WO is established, responsibility for stormwater services would transfer to the WO, while generally retaining Council ownership of stormwater land.
6. In March 2026, Council considered a substantial package of due diligence and commercial reports, including legal, financial, workforce, asset management and governance matters. T
7. Council approved most elements of the proposed commercial framework and resolved to progress remaining due diligence matters through good-faith negotiations, including negotiations to reach agreement regarding funding of, and access to, cross-boundary infrastructure.
8. These reports confirmed that there are no due diligence matters preventing the successful establishment of a multi-council WO with WBOPDC (noting the good faith negotiations referred to above). Financial modelling reaffirmed that the multi-council WO is the lowest-cost option for households and businesses, compared with a stand-alone WO or retaining services in-house.
9. The establishment of the WO will significantly reshape Council’s organisation, as water services currently contribute around 24% of Council overheads. Approximately \$9–10 million of residual costs will need to be addressed through transition planning and organisational right-sizing. Council’s share of establishment and digital programme costs is currently estimated at \$8.5 million, to be transferred to the WO at commencement.

Recommendation

10. The report recommends that Council confirm to proceed with establishment of a multi-Council Water Organisation with WBOPDC, while remaining open to additional councils joining in the future, and continue advancing governance, funding and transition arrangements to ensure the Water Organisation is set up for long-term success.

BACKGROUND

11. This report seeks a Council decision as to whether to continue to establish a multi-council Water Organisation (WO) with Western Bay of Plenty District Council (WBOPDC) or whether to choose an alternative delivery model for water services. It follows a comprehensive programme of due diligence work considering delivery options.
12. A high-level outline of the work programme to-date is provided within this report, alongside options for the future delivery of water services. Further detail regarding past Council decisions and the associated work programme can be found via Attachment 1, which provides links to previous Council reports and minutes.
13. Council’s preferred approach to-date, and the one reflected in Council’s Water Services Delivery Plan, is to form a multi-council WO with WBOPDC.

STATUTORY CONTEXT

14. Council’s work regarding water service delivery models is in response to the coalition Government’s ‘Local Water Done Well’ reform programme, which aims to:
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- Enable fit-for-purpose service delivery models and financing tools, primarily by encouraging councils to establish water organisations for the delivery of water services (having the effect of removing water-related debt and expenditure from council balance sheets).
 - Ensure water services are financially sustainable.
 - Introduce greater central government oversight via increased regulatory requirements.
15. The 'Local Water Done Well' legislative framework was introduced in three stages.
- i. The Water Services Acts Repeal Act 2024 (enacted in February 2024) dealt with the repeal of previous legislation relating to water services entities.
 - ii. The Local Government (Water Services Preliminary Arrangements) Act 2024 (enacted in September 2024) introduced the Local Water Done Well framework and the preliminary arrangements for the new water services system.
 - iii. The Local Government (Water Services) Act 2025 (enacted in August 2025) (the Act). The Act finalises the 'Local Water Done Well' legislative reform programme.
16. Under the Act, councils can choose whether to deliver water services via a ring-fenced internal business unit or via a WO. A WO can be:
- A single/standalone council-owned WO.
 - A multi-council owned WO.
 - A mixed council/consumer trust owned WO.
 - A consumer trust owned WO (requires a council to establish a consumer trust and to transfer all water assets and responsibilities to the trust, which is then fully independent from the council).
17. Council has considered the options of an internal business unit, a standalone WO or a multi-council WO. Establishing a consumer trust and transferring water assets to that trust was not considered.
18. All water service delivery entities (in-house and WO) are subject to increased regulatory and reporting requirements under the Act, and will need to plan for sustainable water service delivery with sufficient investment. For most communities this will mean the cost of water services will increase, regardless of whether water is delivered via an in-house business unit or by a WO.

SUMMARY OF COUNCIL DECISIONS TO-DATE

19. Please refer to Attachment 1 for the full list of, and links to, Local Water Done Well Council reports from December 2024 onwards.

December 2024 – Adoption of the Indicative Business Case

20. In December 2024 Council adopted the 'Local Water Done Well – Future for Water Service Delivery Indicative Business Case, alongside approving the preferred option of establishing a three-water jointly owned Tauranga City Council and 'debt capacity council' Council Controlled Organisation (i.e. a multi-council WO) to deliver water services. The Indicative Business Case highlighted the following advantages of a CCO (WO) model versus a ring-fenced in-house business unit¹.
- Slightly improved financial sustainability.

¹ Note that these advantages were assessed on the information available at the time, and as Council has continued due diligence work, and as the Local Water Done Well reform process has advanced, further certainty has developed regarding the expected advantages resulting from a multi-council WO.

- Slight up-lift in local and regional economic development (due to improvements in debt capacity).
- Improved efficiency and effectiveness through focussed and experienced governance, and through investment and decision-making solely focused on delivering water services.
- Increased investment certainty (as a result of the regulatory and governance changes).
- Increased access to capital/debt funding.
- Strongest alignment to central government direction.

21. At this meeting Council also approved publicly consulting on water delivery options

March 2025 – Adoption of consultation document

22. In March 2025 Council adopted the consultation document 'Why wai matters: Local Water Done Well' which sought community feedback on the following three options:

- Council's proposed approach – creating a multi-WO with potential partners being the WBOPDC and/or other councils.
- Keeping water services in-house.
- Tauranga City Council stand-alone WO.

23. At this meeting Council also considered financial modelling completed by Martin Jenkins and the Department of Internal Affairs. The finding of this work mirrored the earlier findings from the Indicative Business Case, i.e. adopting a WO approach resulted lower water charges and slightly improved community affordability, with efficiencies of scale that would continue to compound beyond 2034 (i.e. water charge savings would continue to increase).

24. A discussion regarding the responsibility and management of stormwater was included as part of the May Council report.

May 2025 – Community consultation findings

25. Consultation on 'Why wai matters: Local Water Done Well' was integrated with Council's Annual Plan process and ran for four weeks from 28 March to 28 April. Council received a total of 726 submissions and also completed an independently run demographically sound survey of 253 people from across Tauranga.

26. Multi-WO: 41.7% of submitters ranked this as their first preference. Almost 400 comments were provided regarding this option, with approximately 30% of comments positive and 50% of comments negative:

27. Tauranga only-WO: This option was least preferred as a first choice (19.3%), but the most popular second choice (61.6%). Approximately 300 comments were provided, around 16% of those comments were positive, and 65% negative.

28. In-House Model (current delivery model): 39.2% of submitters ranked this option as their first preference. Approximately 300 comments were provided with around 47% of those comments positive and 29% negative.

29. Survey results mirrored these trends, with the multi-WO model slightly more favoured, particularly among younger and female respondents.

30. Council staff engaged directly with Te Rangapū Mana Whenua o Tauranga Moana partnership (Te Rangapū) during the consultation period. Te Rangapū provided a submission supporting the creation of a multi-WO, requesting that Council ensures Tangata Whenua representation on the board of any WO, and that co-governance and co-design principles are built into the establishment and operations of any future WO.

31. These findings were reported back to Council on 26 May 2025 and Council:

- Approved an integrated, three-waters approach for the delivery of water services, with all three water services (water supply, wastewater and stormwater) delivered through the same organisation.
- Noted that a multi-WO continued to be the preferred model.

August 2025 – Adoption of the Water Services Delivery Plan (WSDP)

32. A series of meetings was held during July and August 2025 (see Attachment 1 for further details). These resulted in Council:
- Committing to work further with Tangata Whenua on issues raised regarding engagement and working together.
 - Adopting a WSDP which was based on forming a WO with WBOPDC, with a 'go live' date of 1 July 2027, and which included stormwater (noting that options for stormwater would be considered further).
 - Endorsing a Commitment Agreement with WBOPDC to formalise how Council and WBOPDC would work together during the establishment phase of the WO (i.e. the period leading up to 1 July 2027).
33. Council also made a resolution regarding Thames-Coromandel District Council as part of this process. Specifically, on 15 August 2025 Council requested staff prepare a WSDP on the basis that services will be delivered through status quo arrangements until 30 June 2027 and, following that, a three-waters multi-council WO with WBOPDC and Thames-Coromandel District Council, subject to confirmation by WBOPDC.
34. To-date WBOPDC has only confirmed willingness to establish a multi-council WO with Council (not Thames-Coromandel District Council) and the establishment project has continued on this basis. However, Council remains open to other councils, including Thames-Coromandel District Council, joining the proposed multi-council WO.

December 2025 - Digital Programme Business Case

35. In December Council approved delivery of Phase 1 of the digital programme for water services and endorsed the Business Case: Water Services Organisation – Technology Partnership.
36. Phase 1 is focussed on setting up a digital platform, in partnership with WBOPDC and IAWAI, which will allow Council to exit from its current arrangement with Watercare (currently Council has a contractual arrangement providing access to Watercare's digital platform). Phase 1 will deliver standalone asset and work order management capabilities for all three organisations and is on track for completion by the end of October 2026.
37. Phase 2 will be brought to Council for consideration in June 2026.

February 2026 – Responsibility for stormwater

38. In February Council approved maintaining an integrated approach for the responsibility and delivery of stormwater, water supply and wastewater. This means that if Council establishes a WO, the responsibility for, and delivery of, stormwater services will transfer to the WO along with water supply and wastewater.
39. At the same meeting, Council approved that its general approach would be to retain ownership of land used for stormwater purposes (regardless of whether a WO is established), with exceptions to this approach to be considered by Council on a case-by-case basis.
40. The advantages of maintaining the responsibility for stormwater with that of water supply and wastewater are:
- Operational efficiency and economies of scale - including capex/opex efficiencies and reduced duplication.
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- Improved emergency response, especially during extreme weather events where networks interact.
 - Better long-term planning, including climate-resilience via integrated adaptive pathways planning.
 - Greater investment capacity, enabling more extensive stormwater improvements
 - A single point of accountability for customers.
 - Less cost for ratepayers.
41. The charging approach for stormwater is subject to further work and there will be a report back to Council with issues and options, including consideration of a pass-through model where the WO invoices Council for stormwater services and Council recovers those costs via targeted rates.

March 2026 - Due Diligence work package and commercial terms

42. Council considered four reports on 24 March 2026, which covered off on a substantial package of due diligence. This allowed Council time to consider and decide the approach regarding a range of issues ahead of, and separately to, the final decision of whether to proceed with a joint-council WO. Council made the following decisions on 24 March 2026:
43. Project Update report – this report provided a general project update, including the digital programme, recruitment of a Chief Executive for the WO, the establishment budget and Tangata Whenua.
44. Council passed a resolution to maintain Tangata Whenua participation, engagement and arrangements, with existing commitments and practices either retained or bettered during, and following, the transition to a WO. The resolution also noted that involvement by Tangata Whenua in this process will require a new terms-of-reference and a review of remuneration.
45. Commercial Terms report – this report presented to Council the recommendations of the Joint Working Group² regarding the Commercial Term Sheet. The Commercial Term Sheet informs the drafting of the proposed WO's founding documents (the Shareholders' Agreement and Constitution).
46. Council largely approved the Commercial Term Sheet as it was recommended, with the exception of the proposal for membership of the Joint Committee³, where Council resolved that members representing Council on the Committee must be elected members. Council's decisions included confirming that Class A (voting) shares in the WO may only be held by shareholding councils.
47. Both Council and WBOPDC agreed to work together in good faith to resolve any outstanding commercial terms not yet approved by both councils.
48. Due Diligence report – this report presented due diligence findings for legal, people and workforce and AMOS (asset management, operations and stormwater).
49. Council accepted that no issues or risks were identified which would jeopardise the feasibility of proceeding to establish a multi-council WO with WBOPDC whilst noting that cross boundary issues were being addressed separately. The implementation actions recommended by the due diligence reports will be incorporated in the forward work programme (if Council chooses to proceed with establishing the proposed WO).
50. Financial Implications report – this report covered off three issues: financial due diligence, the cost impacts of establishing a WO and the funding of cross-boundary infrastructure.

² Comprised of representatives from Tauranga City Council, WBOPDC and Tangata Whenua

³ The Joint Committee will replace the Joint Working Group. It will consist of Council, WBOPDC and Tangata Whenua representatives and will make recommendations to the shareholding Councils. It will not be a decision-making body.

51. No financial matters were identified via the due diligence that would prevent Council from proceeding with the establishment of a WO.
52. The work considering cost implications for Council identified an estimated \$9m to \$10m pa of costs remaining in Council which were previously allocated as overheads to the water services activity, which will need to be managed downwards as part of the transition to a WO and right sizing of Council.
53. Cross-boundary funding issues were addressed separately from the due diligence reports. An Issues and Options paper was presented to Council outlining the considerations for Council and the WO regarding access to, and funding of, cross-boundary infrastructure.
54. As a result, Council resolved to progress good faith negotiations with WBOPDC to agree two separate growth-related comprehensive funding agreements by 31 March 2027 for future and current (to be specifically defined) infrastructure, one agreement for each of:
 - Waters infrastructure and services
 - Non-water infrastructure and services

LEGAL IMPLICATIONS / RISKS

55. If Council chooses to proceed with either a Tauranga only WO or to retain water services in-house, this will trigger further public consultation followed by developing an amended Water Services Delivery Plan (WSDP) and submitting this to the Department of Internal Affairs (by no later than 3 September 2026). The Secretary of Local Government may or may not choose to approve a revised WSDP.

FINANCIAL CONSIDERATIONS

56. There are three primary financial considerations for Council. For further information refer to the Local Water Done Well reports from 24 March, specifically the Project Update Council Report and the Financial Implications Council Report (see Attachment 1).
57. The cost to the community – updated financial modelling was presented to Council on 24 March 2026. The updated modelling reaffirmed earlier findings, that a multi-council WO is the lowest-cost option for households and businesses across the sub-region.
58. The most expensive option is retaining water services in-house (status quo).
59. The establishment cost – Council's share of the combined establishment and digital budget for the WO (leading up until July 2027) is projected to be \$8,527,945. This cost is debt funded opex and will be transferred to the WO upon its establishment.
60. The cost implications for Council - The establishment of the WO will significantly reshape Council's organisational structure. Water services currently contribute 24% of total overhead allocations. Once water services transfer, approximately \$9–\$10 million in overheads will remain within Council and will need to be addressed through organisational restructuring and right-sizing.
61. The transition process will commence post-April 2026 and is expected to be largely completed within two years. Transition pathways for existing staff will be developed as a part of this process. For water services staff this process is governed by Local Government (Water Services) Act 2025. For non-waters staff (such as those providing corporate services) this process will occur as part of negotiations between Council and the WO.

OPTIONS ANALYSIS

62. There has been no significant new or changed information arising through the due diligence process which has changed the analysis and previous conclusions of the service delivery options. The option assessment is summarised below, and further details can be found in the business case (December 2024) and previous reports to Council.
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63. Option 1: Form a multi-council WO with WBOPDC (with the option of additional councils joining at a later date) (RECOMMENDED)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lowest cost option for the community/user • Delivers a fully integrated sub-regional approach for water, maximising environmental benefits and emergency management responses. • Increased economies of scale, efficiencies and access to shared expertise. • Initial ring-fencing prevents cross-subsidisation (can only be removed via subsequent Council decision). • Attractive employment option for specialist staff. • Joint investment in technology, allowing for future shared service arrangements. • Day-to-day governance provided by a competency-based Board of Directors. • Covenants provided by the LGA provided higher ratios of debt to revenue which will create investment capacity. • The removal of the waters business (and associated debt) means Council is not forecast to breach its debt limits. • Legal protections will prevent privatisation. • Council can still influence the direction of the WO via founding documents (including the Statement of Expectations). • Strongest alignment with central government’s preferred service delivery model. 	<ul style="list-style-type: none"> • The WO will have a sub-regional focus which may risk prioritisation of Tauranga specific issues. • Degree of separation between the community and operational decisions for water services. • There may be confusion from the community as to who is responsible for different services. • Council will need to address \$9m-\$10m of overheads remaining in the business via transition arrangements with the WO and right-sizing the remaining organisation.

64. Option 2: Form a standalone WO (with the option of additional councils joining at a later date, including potentially WBOPDC)

Advantages	Disadvantages
<ul style="list-style-type: none"> • Is still modelled to be a lower cost model than in-house delivery. • Is focused solely on the needs of Tauranga. • Still likely to be a more attractive employment option for skilled staff than an in-house model. • Day-to-day governance provided by a competency-based Board of Directors. • Covenants provided by the LGA provided higher ratios of debt to revenue which will 	<ul style="list-style-type: none"> • Has decreased efficiencies due to a smaller scale organisation. • Does not provide an integrated sub-regional approach and the resulting benefits. • Less attractive employment option for specialist staff. • Degree of separation between the community and operational decisions for water services. • There may be confusion from the

<p>create investment capacity.</p> <ul style="list-style-type: none"> • The removal of the waters business (and associated debt) means Council is not forecast to breach its debt limits. • Legal protections will prevent privatisation. • Council can still influence the direction of the WO via founding documents (including the Statement of Expectations). • Lower transition risks. • Some alignment with central government’s preferred service delivery model. 	<p>community as to who is responsible for different services.</p> <ul style="list-style-type: none"> • May compromise partnership approach to technology investment moving forward. • Council will need to address \$9m-\$10m of overheads remaining in the business via transition arrangements with the WO and right-sizing the remaining organisation.
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65. Option 3: Retain water service delivery in-house via a business unit.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Is focused solely on the needs of Tauranga. • Greater community connection via Council consultation and engagement processes. • Retaining the status quo means no confusion for customers/the community. • Council will continue to receive the current level of overhead allocations from the water service activity. • Minimal transition risks (although still requires setting up an in-house business unit). 	<ul style="list-style-type: none"> • The highest cost model for the community. • Does not provide an integrated sub-regional approach and the resulting benefits. • Least attractive employment option for specialist staff. • Council is at risk of breaching its debt limits based on current forecasts. • Does not achieve the forecasted efficiencies of a WO. • May compromise partnership approach to technology investment moving forward. • Does not have a competency-based Board of Directors. • The water services activity does not benefit from greater borrowing capacity. • May not be accepted by the Local Government Secretary as it is not more favourable than the multi-Council WO option.

STRATEGIC ALIGNMENT

66. Council’s overall response to the Local Water Done Well reforms support delivery of the following community outcomes.

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	<input checked="" type="checkbox"/>
We are a well-planned city that is easy to move around	<input checked="" type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>
We are a vibrant city that embraces events	<input type="checkbox"/>

67. This report, and the wider water reform programme, are part of ensuring Tauranga has water services that are sustainable, affordable, well-planned and maintained, and of high quality.

TE AO MĀORI APPROACH

68. Council is working in partnership with Tangata Whenua on the establishment of the proposed WO, ensuring that Council's Te Ao Māori principles are considered and integrated into project work. Tangata Whenua were invited to select representatives to work alongside elected members to represent the interests of all Iwi, Hapū, Māori entities, tāngata whenua forums and whenua Māori trusts.
69. Tangata Whenua appointed the following representatives:
- Hakopa Tapiata
 - Kiritapu Allan
 - Kylie Smallman
 - Roana Bennett
 - Rohario Murray
 - Shadrach Rolleston
70. These representatives are members of the Joint Working Group, along with elected members from Council and WBOPDC. The Joint Working Group has been considering a range of work related to the establishment of the proposed WO and making recommendations for decision-making by Council and WBOPDC.
71. On 24 March Council resolved to adopt the principle of maintaining Tangata Whenua participation, engagement and arrangements, with existing commitments and practices either retained or bettered during, and following, the transition to a Water Organisation. Council also noted that involvement by Tangata Whenua in this process will require a new terms of reference and a review of remuneration.
72. At this same meeting Council received the paper 'Local Water Done Well – Commercial Terms' and in response, decided to form a Joint Committee which includes Tangata Whenua, alongside elected members from Council and WBOPDC (subject to deciding to continue to establish a multi-council WO).
73. The proposed Joint Committee will replace the Joint Working Group. Including Tangata Whenua representatives enables their continued involvement in governance discussions. If Council decides to continue with establishment of a multi-council WO, terms of reference for the Joint Committee will be considered by Council on 21 April 2026.

CLIMATE IMPACT

74. This report has no direct climate impacts. If Council decides to proceed with establishment of a multi-council WO with WBOPDC this will enable an integrated sub-regional approach to the management and delivery of water, wastewater and stormwater services, providing opportunities for improved climate and environmental outcomes over time.

CONSULTATION / ENGAGEMENT

75. Consultation regarding the option of establishing a multi-council Water Organisation occurred alongside Council's 2025/2026 Annual Plan consultation process.
76. If Council decides not to proceed with a multi-council WO with WBOPDC, and chooses an alternative delivery model, this will trigger the need to develop a revised WSDP and complete further consultation.

SIGNIFICANCE

77. 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.
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78. 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.
79. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.

ENGAGEMENT

80. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that no further engagement is required prior to Council making a decision, as consultation has already occurred in 2025.
81. However, if Council decides against forming a multi-council WO with WBOPDC, and chooses an alternative water services delivery model, then further public consultation would be required, followed by developing an amended WSDP and resubmitting it for approval by the Department of Internal Affairs by 3 September 2026.

NEXT STEPS

82. The next step is returning to Council on 21 April to seek approval of the:
- Terms of reference for the proposed Joint Committee.
 - Recruitment process for the Board of Directors.

ATTACHMENTS

1. **Past reports and decisions - Local Water Done Well - A19988695**  
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Attachment 1: Links to past Council reports and minutes

Meeting Date	Links to Agendas and Minutes	Resolution #	Summary of decisions*
9 Dec 2024	Local Water Done Well – Indicative Business Case - Agenda - Minutes	CO25/24/9	Adopted the Indicative Business Case and approved that the preferred way forward was to form a three-water jointly owned CCO which was beneficial for Tauranga City Council and partner councils.
24 Mar 2025	Local Water Done Well – Adoption of Consultation Document and Update on Progress - Agenda - Minutes	CO/25/5/7	Adopted the consultation document Agreed to a non-harmonisation / ring-fenced approach, and that any move to price harmonisation would require an explicit Tauranga City Council resolution.
26 May 2025	Local Water Done Well – Deliberations - Agenda - Minutes	CO/25/14/29	Approved an integrated three-water approach for the delivery of water services. Noted that a multi-Council Controlled Organisation continued to be the preferred model.
14 July 2025	Local Water Done Well - Preferred Water Services Delivery Model - Agenda - Minutes	CO/25/21/5	Decided to let the report lie on the table until 5 August Council meeting, to allow more time to engage with Iwi and Hapū.
5 Aug 2025	"Local Water Done Well - Preferred Water Services Delivery Model" Update Report Tabled Document - Tangata Whenua Position Paper on LWDW 31 July 2025 - Agenda - Supplementary Agenda - Tangata Whenua position paper - Minutes	CO/25/22/4 CO/25/22/5 CO/25/22/6	Received the Tangata Whenua position paper and undertook to consider the matters it raised. Approved water to be delivered via an in-house business unit, with the intention of transitioning to a Water Services Council Controlled Organisation by 1 July 2028. Directed the Water Services Delivery Plan (WSDP) to be prepared on the basis of an in-house model. Welcomed other councils to participate in discussions to explore the future of Bay of Plenty waters.

Meeting Date	Links to Agendas and Minutes	Resolution #	Summary of decisions*
15 Aug 2025 (Extraordinary Meeting)	Local Water Done Well – Update Report - Agenda - Minutes	CO/25/0/1 (Part 1) CO/25/0/2 (Part 2) CO/25/0/3 (Part 3) CO/25/0/4 (Part 4) CO/25/0/5 (Part 5) CO/25/0/6 (Part 6)	Noted the WSDP would include stormwater but further work would be completed looking at options for stormwater management. Noted that the establishment of a multi-council water organisation would be subject to partner councils being satisfied with the results of the due diligence process. Requests the WSDP be prepared on the basis of an in-house delivery model to 1 July 2027, and thereafter with WBOPDC (and Thames-Coromandel District Council, subject to confirmation by WBOPDC). Due diligence to include comparison of in-house and CCO options. Requested a project plan and quarterly reporting on progress, including budget tracking.
26 Aug 2025	Local Water Done Well - Water Services Delivery Plan and Commitment Agreement - Supplementary Agenda - Minutes	CO/25/23/5 CO/25/23/6	Endorses the draft Commitment Agreement (with WBOPDC) and delegates authority to the Mayor and CE to finalise and execute it. Approves the WSDP for submission to the Department of Internal Affairs.
29 Oct 2025	Local Water Done Well - Work Programme and Due Diligence - Supplementary Report	CO/25/26/12	Endorsed the 'Multi-Council Water Organisation Summary Plan (including Due Diligence)'. Approved the terms of reference for the 'Tauranga City Council Elected Members Working Group'
16 Dec 2025	Local Water Done Well - Project Update and Recruitment - Supplementary Agenda - Minutes	CO/25/0/06	Agreed to the appointment of an Establishment Chief Executive. Endorsed appointment of Tangata Whenua representatives to the Joint Working Group (JWG), and approved the terms of reference for the JWG

Meeting Date	Links to Agendas and Minutes	Resolution #	Summary of decisions*
16 Dec 2025	Local Water Done Well – Digital Programme (Public Excluded)	CO/25/0/13	Approved entering into a partnership with WBOPDC and IAWAI to deliver shared technology to support delivery and management of water services, endorsed the 'Business Case: Water Services Organisation – Technology Partnership', and approved delivery of Phase 1 of the digital delivery programme for water services, the exit from Watercare. <i>(Note – the Council report and full suite of resolutions currently remain in public excluded due to commercial sensitivity)</i>
10 Feb 2026	Local Water Done Well – Stormwater Options - Agenda - Minutes - tbc	CO/26/2/3 (tbc)	Approved an integrated approach for the responsibility and delivery of stormwater, water supply and wastewater (i.e. if a WO is established, the responsibility for stormwater will transfer to that organisation alongside water supply and wastewater). Decided that Council's general approach would be to retain ownership of land used for stormwater purposes (with exceptions made on a case-by-case basis) and that stormwater 'hard' assets would transfer to a WO (if one is established). Noted that Council may consider a 'pass through' model for the charging of stormwater costs (i.e. the WO would invoice Council and Council would recoup the cost via rates).
24 Mar 2026	Local Water Done Well – Project Update - Agenda - Minutes: tbc	tbc	tbc Committed to maintaining Tangata Whenua participation, engagement and arrangements, with existing commitments and practices either retained or bettered during, and following, the transition to a WO. Noted that involvement by Tangata Whenua in this process will require a new terms-of-reference and a review of remuneration.

Meeting Date	Links to Agendas and Minutes	Resolution #	Summary of decisions*
24 Mar 2026	Local Water Done Well – Commerical Terms - Agenda - Minutes: tbc	tbc	tbc Largely approved commercial terms as proposed, including confirming that Class A (voting) shared may only be held by shareholding councils. Decided that only TCC elected members could represent TCC on the Joint Committee
24 Mar 2026	Local Water Done Well – Due Diligence - Agenda - Minutes: tbc	tbc	tbc Accepted that no issues or risks were identified which would jeopardise the feasibility of proceeding to establish a multi-council WO with WBOPDC whilst noting that cross boundary issues were being addressed separately
24 Mar 2026	Local Water Done Well – Financial Implications - Agenda - Minutes: tbc	tbc	tbc Noted no financial due diligence issues. Noted the estimated \$9m to \$10m pa of costs remaining in Council which were previously which were previously allocated as overheads to the water services activity, which will need to be managed downwards as part of the transition to a WO and right sizing of Council. Decided to progress good faith negotiations with WBOPDC to agree two separate growth-related comprehensive funding agreements by 31 March 2027 (one for water-related infrastructure and services and one for non-water infrastructure and services).

*Please refer to the meeting minutes to see the complete set of resolutions for each meeting.

5 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>55 - Local Water Done Well - Appointment of an Establishment Chief Executive</p>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

6 CLOSING KARAKIA