

AGENDA

Extraordinary Council Meeting

Membership:

Kahika - Mayor Moko Tepania - Chairperson
Kōwhai - Deputy Mayor Kelly Stratford
Cr Ann Court
Cr Felicity Foy
Cr Hilda Halkyard-Harawira
Cr Babe Kapa
Cr Penetaui Kleskovic
Cr Steve McNally
Cr Mate Radich
Cr Tāmati Rākena
Cr John Vujcich

Wednesday 2 April 2025

**Time: 12:30pm
Council Chamber,
Memorial Ave, Kaikohe**



**Te Kaunihera
o Te Hiku o te Ika**
Far North District Council

Far North District Council
Extraordinary Council Meeting
will be held in the Council Chamber, Memorial Ave, Kaikohe on:
Wednesday 2 April 2025 at 9:30 AM

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1 KARAKIA TIMATANGA / OPENING PRAYER

Ka tuku mātou kia kaha mai ngā māngai kua whiriwhirihia mō Te Kaunihera o Te Hiku o te Ika ki te mahi me te ngākau auaha me te whakamahi i ngā pūkenga me te mātauranga i roto i ngā wānanga me ngā whakataunga kia whakatūria ai tētahi Hapori e matatika ana, e tū kotahi ana ka mutu ka whakapiki anō i te oranga o tō tātou rohe, ka whakatau anō i ngā take o te rohe i runga i te tika me te pono.

We ask that through Council discussions and decisions the representatives we have elected may govern the Far North District with imagination, skill and wisdom to achieve a fairer and more united Community that enhances the wellbeing of our district and solves the District's problems efficiently and effectively.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Manager - Democracy Services (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

[Elected Member - Register of Interests](#)

3 NGĀ TONO KŌRERO / DEPUTATIONS

No requests for deputations were received at the time of the Agenda going to print.

4 NGĀ KŌRERO A TE KAHIKA / MAYORAL ANNOUNCEMENTS

5 NGĀ PŪRONGO / REPORTS

5.1 PUBLIC CONSULTATION ON THE DRAFT VERSION OF THE LOCAL WATER DONE WELL CONSULTATION DOCUMENT

File Number: A5142938

Author: Margriet Veenstra, Manager - Property Information & Business Compliance

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To seek approval from Council to undertake public consultation for Local Water Done Well (LWDW) as required under the Local Government (Water Services) Bill, between 3 April 2025 and 4 May 2025 on the draft Local Water Done Well consultation document.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- Following the 2023 general election, the new government replaced the Three Waters Reform with the LWDW framework.
- The LWDW framework was developed to provide councils with greater autonomy while ensuring regulatory compliance and sustainable water service management.
- Workshops were held with Councillors in December, February and March to discuss water service delivery options (WSDO), legislation and asset management planning, and share updated financial modelling.
- Council must now determine their preferred governance and WSDO through public consultation before implementing any changes.
- Section 28 of the Act mandates that councils must consult with their communities on the proposed delivery models.
- The consultation document outlines key considerations, including governance models, financial implications, and WSDOs identified by Council at the 13 March 2025 Council Meeting.
- The consultation process will provide an opportunity for the community to have their say on the future of local water service delivery, ensuring that Council can make informed decisions incorporating public feedback.

TŪTOHUNGA / RECOMMENDATION

That Council approve:

- a) the draft Local Water Done Well consultation document, detailed in attachment 1 for public consultation to take place between 3 April 2025 and 4 May 2025, and**
- b) any grammatical, graphical or other minor corrections to the draft Consultation Document and/or supporting information may be approved in writing by either the Chief Executive or Mayor, prior to publication of the draft on 3 April 2025.**

1) TĀHUHU KŌRERO / BACKGROUND

The Government's LWDW reform programme replaces the former Three Waters legislation and provides a new framework for how councils plan, fund, and deliver drinking water, wastewater, and stormwater services.

The framework enables councils to retain local ownership and control of water services, while ensuring delivery models meet strengthened national requirements. Councils can continue to manage services in-house, form standalone or joint water service providers (e.g. council-controlled organisations).

Key features of the framework include:

- **Structural Flexibility:** Councils can choose from several service delivery models, including retaining water services in-house or establishing a new water service provider independently or in partnership with other councils.
- **Financial Separation and Borrowing Capacity:** Water service providers must be financially separate from general council operations. The Local Government Funding Agency (LGFA) will lend to eligible water providers with support from parent councils. Water CCOs can borrow up to 500% of their water-related revenue, while council borrowing limits remain capped at 280% of total revenue (under current LGFA rules).
- **Public Ownership:** Water service providers must remain publicly owned.
- **Economic Regulation:** The Commerce Commission will regulate the financial performance of water service providers, including monitoring whether charges are reasonable, and revenue is sufficient to support required investment.
- **Drinking Water Oversight:** Taumata Arowai remains the national water regulator for drinking water safety.
- **Minimum Requirements:** All water service providers must meet new minimum requirements under the Water Services Entities Amendment Act 2024, including:
 - Financial sustainability.
 - Regulatory compliance.
 - Transparent and ring-fenced funding.
 - Asset management and investment planning.
 - Public reporting and performance monitoring.
 - Strong iwi/Māori and community engagement.

These reforms will take full effect once final legislation is passed. Councils must develop a 10-year Water Services Delivery Plan by 3 September 2025 that outlines how their chosen model will meet these requirements.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Consultation

Section 28 of the Act mandates that councils must consult with their communities on the proposed delivery models. This consultation ensures that the community's views are considered in decisions that will impact public health, environmental sustainability, and economic development.

The consultation process must include making relevant information publicly available, such as the proposed model or arrangements for delivering water services, an analysis of at least two options (including the proposed arrangements/model), and potential impacts of proceeding or not proceeding with the proposal, including on rates, debt, levels of service, and any charges for water services.

Engaging in this consultation process is vital for councils to ensure that decisions regarding water service delivery are transparent, well-informed, and reflective of the community's needs and preferences.

A proposed Local Water Done Well (LWDW) engagement plan has been created and attached to this report (attachment 3).

Discussion of options

The Local Water Done Well consultation document can be found in attachment 1. As per resolution 2025/17 and 2025/18, council will consult on two delivery options:

1. Internal business unit ("status quo") (preferred)
2. Multi-Council CCO water organisation.

Council directed the Chief Executive Officer to prepare a Statement of Intent (SOI) by 31 March 2025 to enter into a Heads of Agreement with Whangarei District Council (WDC) and Kaipara District Council (KDC) for the potential future formation of a Multi-Council CCO water Organisation. A copy of the SOI is attached (attachment 2).

Option 1: Council approve the draft Local Water Done Well consultation document, detailed in attachment 1 for public consultation using the Special Consultative Procedure to take place between 3 April 2025 and 4 May 2025 (recommended).

Advantages

- Ensures that the public consultation proceeds as scheduled, allowing for timely community input and feedback.
- Proceeding with consultation between 3 April 2025 and 4 May 2025, will ensure that the Far North District Council's consultation timeline is in alignment with Whangarei District Council (WDC) and Kaipara District Council (KDC).
- An Elected Member steering group can be formed to guide discussions for the potential future formation of a Multi-Council CCO water organisation can commence with WDC and KDC, avoiding delays in decision-making and implementation, as the three Councils are aligned in their stage and timing of decision making.

Disadvantages

- If the public does not fully understand the options as outlined in the consultation document, the feedback may be less useful or misinterpreted, complicating the decision-making process.

Option 2: Council does not approve the draft Local Water Done Well consultation document, detailed in attachment 1 for public consultation using the Special Consultative Procedure to take place 3 April 2025 and 4 May 2025.

Advantages

- Allows additional time for further review of the consultation document.

Disadvantages

- Defers the opportunity to gather insights and feedback from the community between 3 April 2025 and 4 May 2025.
- Failing to consult between 3 April 2025 and 4 May 2025 will misalign the Far North District Council with Whangarei and Kaipara District Councils. This may complicate discussions on forming a Multi-Council CCO water organisation due to Councils differing stages in their decision-making processes.




TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Public engagement is a legal requirement under section 28 of the Local Government (Water Services) Bill. Elected Members have been involved in several workshops that have contributed to the refinement of the consultation document. Proceeding with consultation between 7 April 2025 and 2 May 2025, will ensure that the Far North District Council's consultation timeline is in alignment with Whangarei District Council (WDC) and Kaipara District Council (KDC). An Elected Member steering group can be formed to guide discussions for the potential future formation of a Multi-Council CCO water organisation can commence with WDC and KDC, avoiding delays in decision-making and implementation, as the three Councils are aligned in their stage and timing of decision making.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Please refer to the Consultation Document (CD) (attachment 1) and the Statement of Intent (SOI) (attachment 2) for financial details. Further information will also be made available on the FNDC website.

ĀPITI HANGA / ATTACHMENTS

1. Layout LWDW CD draft 4 14032025 1 - A5143376 [↓](#) 
2. LWDW Statement of Intent - A5143094 [↓](#) 
3. LWDW Engagement Plan - A5142996 [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	High significance in accordance with our Significance and Engagement Policy
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Local Government (Water Services) Bill Local Government (Water Services Preliminary Arrangements) Act 2024 Water Services Acts Repeal Act Water Services Entities Act 2022. (repealed) Water Services Legislation Act 2023. (repealed) Water Services Economic Efficiency and Consumer Protection Act 2023. (repealed)
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	The proposal has District wide relevance
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	There are wide reaching implications for Māori, whenua Māori, awa and moana. Contact will be made with Te Kahu o Taonui before public consultation commences to help ensure awareness is filtered to hapū.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	As this a district wide service, there will be a wide-ranging number of people & groups who will be affected and their views will be considered as part of the consultation process
State the financial implications and where budgetary provisions have been made to support this decision.	Please refer to the Consultation Document (CD) (attachment 1) and the Statement of Intent (SOI) (attachment 2) for financial details. Further information will also be made available on the FNDC website.
Chief Financial Officer review.	This report was not reviewed by the CFO, although the Consultation Document was reviewed by the CFO.



Me pēhea te tuku i ngā ratonga wai? How should we deliver water services?





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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

HE PĀNUI NĀ TE KAUNIHERA

Kia ora koutou

Ngā manaakitanga.

Te Kaunihera o Te Hiku o te Ika



A MESSAGE FROM YOUR COUNCIL

Kia ora koutou

We have an important decision to make about the future of water services in the Far North. Drinking water, wastewater, and stormwater (our “three waters”) are crucial for our wellbeing, but ageing infrastructure and rising costs make it more challenging to deliver them reliably and affordably.

Under Local Water Done Well, we must submit a Water Services Delivery Plan by 3 September 2025. This plan will set out how water services will be delivered in the future, including the water services delivery option, how we will invest in our water infrastructure, and how we will meet new regulatory standards.

We have two options for you to consider:

1. ‘Te pēke’ A strengthened in-house model – **our preferred option**
2. ‘Te kete’ A three-council water services organisation with Whangārei and Kaipara.

Because a multi-council approach could provide regional benefits such as commercial governance, improved investment capacity, operational efficiencies, and stronger resilience, our Chief Executive has prepared a Statement of Intent. It outlines how we plan to explore establishing a three-council water services organisation. This document is available on our website (link provided) and discusses in more detail both the potential benefits—and the challenges—of forming a three-council water services organisation.

For now, **our current preferred option is to continue managing water services internally**, ensuring local oversight and decision-making while we make the improvements required under Local Waters Done Well. We also plan to collaborate further with our neighbours to understand how a three-council water services organisation could work, and if we can ensure it meets your needs.

We are operating under tight government deadlines, but we remain committed to keeping you informed and advocating on your behalf. Your feedback will help our elected members decide which delivery model best serves the Far North. Please read this document, join our drop-in sessions, and have your say by 4 May 2025. Visit [insert link/QR code] or see page XX for more on how to provide feedback.

Thank you very much.

Far North District Council



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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

XX THE CONNECTION BETWEEN TE AO MĀORI AND WATER

We recognise water as a vital taonga for mana whenua, hapū, and iwi. Their involvement is essential to both our community and the care of this taonga.

We believe that hapū and iwi play a key role in water management, and the approach to this will depend on the model chosen for future water service delivery.

We have maintained regular engagement with our hapū and iwi partners and will continue to seek their input.

This process must carefully consider how the interests, involvement, aspirations, and tikanga Māori of hapū and iwi are integrated into the management of water services for our partners and communities.

XX ENGAGING WITH IWI AND HAPŪ

The council has a legal and ethical responsibility to engage meaningfully with Māori, as required under Te Tiriti o Waitangi and the Local Government Act 2002 (LGA). The Council values our relationships with hapū and iwi in Te Tai Tokerau and is committed to authentic engagement. In addition, the Te Pae o Uta framework recognises tangata whenua and ensures their rights, interests, and aspirations are upheld in the council's decision-making.

No matter which model we choose — staying in-house or joining with other councils — we are committed to involvement of mana whenua. Honouring kaitiakitanga, supporting Māori aspirations, and building respectful relationships which will continue to be part of how we manage water.



ME WHAI KŌRERO KOE HAVE YOUR SAY

We are asking our communities to help shape the future of water services in the Far North. This consultation is part of preparing a Water Services Delivery Plan, which must be finished by September 2025.

After weighing up several options, we have narrowed it down to two:

1. 'Te pēke' A strengthened in-house model – **our preferred option**
2. 'Te kete' A three-council water services organisation with Whangārei and Kaipara.

We want to hear what you think about these options and how they could affect our district now and for generations to come. Your input will guide the council's final decision.

You'll find more details inside this document. Check out page XX for how to make a submission.

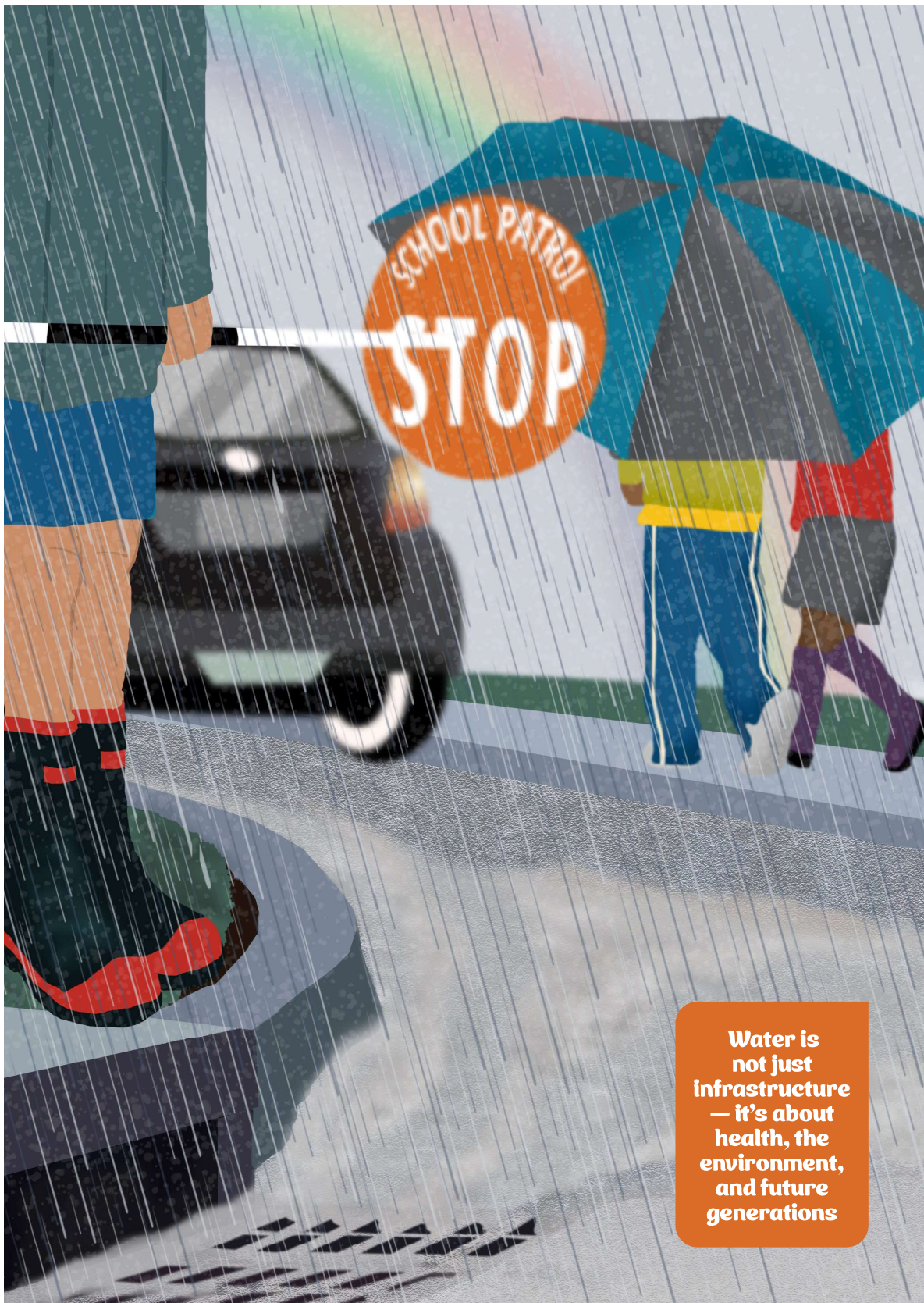
We've chosen the terms 'Te pēke' and 'Te kete' to represent the two options for the Local Water Done Well consultation, reflecting the values of each model.

Te pēke | The bag
represents the strengthened in-house model, where services stay with the council, tightly managed and locally controlled.

Te kete | The basket
represents the three-council water services organisation, where resources and responsibility are shared for greater efficiency and wider collaboration.

NGĀ RĀ KEY DATES

- **3 APRIL - 4 MAY**
Consultation with our communities starts
- **EARLY MAY**
Verbal submissions
- **22 MAY**
Deliberations
- **5 JUNE**
Plan decision adopted



TE TĪMATATANGA INTRODUCTION

The Government has introduced a new system for managing drinking water, wastewater, and stormwater. This is now called 'Local Water done Well'.

Under this system, councils keep ownership of water assets, but must now meet tougher financial, environmental, and safety standards. Every council must submit a Water Services Delivery Plan by 3 September 2025, showing how it will meet these rules.

Whatever model is chosen, the goal is the same. We need safe, reliable, and affordable water services that are well-managed and built to last.

Why the change?

Across Aotearoa, ageing infrastructure, climate change, and past underinvestment have left many water systems stretched. Inconsistent service between communities and growing populations add even more pressure.

At the same time, global standards for water quality are rising. New Zealand must catch up.

Local Water Done Well aims to keep water in public hands while improving funding, accountability, and environmental protection. The council must now prove it can maintain safe, reliable, and sustainable services into the future.

What is changing?

The new system brings some important changes:

- Water services will remain publicly owned
- Stricter environmental, safety, and financial rules now apply
- Councils must decide whether to manage stormwater separately or together with other water services. For more information, please see page XX
- The Commerce Commission will monitor service quality and ensure fair use of public money
- Taumata Arowai will continue to regulate drinking water safety
- Water providers must actively involve communities and tangata whenua in decision-making.



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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

XX OUR CURRENT SITUATION

Like many councils, Far North District Council faces growing pressure to improve the way we deliver water services. Spread-out communities, ageing pipes, and rising costs make providing reliable and affordable services harder.

Our district covers a vast area with a small population. This means it costs more to build, run, and maintain water infrastructure than it does in bigger cities. Some of our key treatment plants and networks are also overdue for major upgrades.

On top of this, climate change is already making its mark. Droughts and severe weather events are placing extra strain on water, wastewater, and stormwater systems. The council also carries a backlog of work due to past underinvestment.

Despite the challenges, the council is in a relatively strong financial position. Our debt levels are low, and we already separate most water revenue from other council funds, which is a key requirement under the new system.

The work has already started. We are improving asset management, investment planning, and how we meet compliance standards. This will continue, no matter which model we choose.

Assets and replacement value (as of 1 March 2025)

Activities	Asset	Replacement cost
Water supply	<ul style="list-style-type: none"> 391,082m of pipes 1,254 hydrants 11,185 water meters 23 treatment water storage 11 treatment plants 17 pump stations 11 water sources 	\$225,846,990
Wastewater	<ul style="list-style-type: none"> 355,632m gravity mains 180,448m pressure pipes 15,005 service connections 1,552 domestic pump stations 16 treatment plants 174 pump stations 16 treatment plants 12 wetlands 1 borefield 93 septic tanks 	\$329,597,302
Stormwater	<ul style="list-style-type: none"> 182,321m of line assets (culverts, channels, pipes) 6,898 point assets (catchpits, manholes, soak holes) 30 other assets (spillways, grills, inlets/outlet structures) 69 floodgates 2 pump station 29 ponds 	\$176,694,480
Asset total		\$732,138,771

Current average costs for ratepayers (2024/25)

Service	Average annual charge (inc GST)
Water Supply	\$295 base rate + \$700 (average metered usage) + \$15 public good rate
Wastewater	\$1,265 + \$15 public good rate
Stormwater (if applicable)	\$375 or \$187.50 based on land use, + \$10 public good rate

The average combined cost for drinking water and wastewater is around \$2300 a year, but this varies depending on location and property type.

Other considerations

Looking ahead, some big challenges are shaping our next steps:

- Increased localised population: we expect greater population growth in popular locations
- Infrastructure is ageing: more investment is needed to meet modern standards
- Climate change: upgrades are needed to handle more extreme weather
- Skilled workers: finding the people to deliver these projects remains tough.

Investing in water — the next 10 years

The council is planning to invest about \$470 million in water infrastructure over the next decade. This work will upgrade drinking water, wastewater, and stormwater systems to meet modern standards and support future growth.

While the current Long Term Plan only covers three years, the Water Services Delivery Plan looks much further ahead making sure we are ready for the next 10 to 25 years.

Area	3-year investment	10-year investment
Kaitiāia	\$17.4 million	\$63.2 million
Kaikohe	\$42.4 million	\$73.4 million
Kerikeri - Waipapa	\$28.0 million	\$100.1 million

This investment will deliver safer, more reliable, and more resilient water services across the district.

Planning for growth

The Far North is expected to grow by around 12,000 people by 2054, especially in the Bay of Islands-Whangaroa Ward. The council is preparing now to make sure water services keep pace with this growth.

We are planning to:

- Build new pipelines
- Install more pump stations for drinking water and wastewater
- Upgrade stormwater systems to handle more severe weather
- Maintain and strengthen existing infrastructure.

This work will help future-proof water services as the district grows and changes.

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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

XX OUR OPTIONS

Our priorities

The council must select a water services model that can reliably fund, govern, and deliver services into the future. It also needs to reflect the unique needs of the Far North and deliver outcomes that matter to our communities.

We've assessed a range of options using both government criteria and our own local priorities. Our local priorities include:



Community at the core

Locally owned, community guided



Iwi / hapū aspirations

Iwi/hapū voices influence how our water services are managed



Dependable and safe

Our communities will receive quality water services that are safe, dependable and efficient



Caring for what sustains us

Our water services reflect kaitiakitanga — care and guardianship for the environment



Financially sustainable

Financially stable, transparent, and focused on affordability



Future proofed

Better asset management to keep services reliable even in extreme conditions

The options

After considering several options, two have been short-listed by elected members for consultation:

1. 'Te pēke' A strengthened in-house model: the council continues to deliver water services directly, with improvements to delivery, governance, compliance, and financial management. **This is the current preferred option.**
2. 'Te kete' A three-council water services organisation: the council would join Whangārei and Kaipara District Councils to form a three-council water services organisation. This option is still being explored.

Other models, such as a standalone council-controlled organisation or a consumer trust, were ruled out due to complexity, higher costs, and financing limitations.



Other considerations

Beyond financial and technical details, there are broader factors to consider. These include how decisions will be made, who makes them, how a transition would work if a new model is chosen, and what these changes could mean for you as a resident or ratepayer.

Governance and oversight

Each option involves a different approach to governance.

If services stay in-house, elected members will remain responsible for performance and decision-making. However, delivering modern water services under new national standards is complex and needs dedicated focus. To meet these challenges, the council is considering setting up a dedicated water committee, which may include independent professional members. This would strengthen long-term planning, financial oversight, and regulatory compliance.

If a multi-council organisation is created, governance would shift to an independent board of directors with commercial and technical expertise. Councils would appoint the board and retain influence through shareholder agreements and joint expectations. This model can improve service delivery focus but would require strong safeguards to make sure local priorities, including Māori participation, remain central.

Legal and transitional planning

The final Local Water Done Well legislation is not yet in place, but the framework is largely understood. Some details are still being confirmed.

If the three-council water services organisation is chosen, the transition would be complex. It would require:

- Careful planning to ensure services continue without disruption
- Transferring staff and retaining essential knowledge
- Aligning IT systems, asset data, and management tools
- Standardising policies and practices across councils
- Formal legal agreements covering governance, decision rights, and ownership shares.

The council recognises that this work is significant. If this option is supported, the transition would be carefully staged, well resourced, and informed by community input. A full business case would be prepared before anything proceeds.

Costs and compliance

All councils will face rising costs due to new national standards and stricter compliance rules. Local Water Done Well requires:

- Separate (ringfenced) water revenues and expenses
- Detailed infrastructure and investment planning
- Stronger monitoring of environmental, safety, and performance outcomes
- Public reporting on service levels and financial results
- Better governance and clearer separation between operations and oversight
- Contributions to fund the new regulators, Taumata Arowai and the Commerce Commission



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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

These requirements apply no matter which option is chosen. However, the scale, capability, and structure of the provider will influence how well these requirements can be met.

There will also be additional planning and transition costs. This includes preparing the Water Services Delivery Plan, setting up new compliance systems, and, if a joint organisation is chosen, costs to establish it.

Future water charges

If you are connected to the council's water services, or could be in the future, you will continue to receive drinking water, wastewater, and stormwater services under either option. Charges will change depending on the model.

- If the council keeps services in-house, charges may rise steadily as costs are shared among fewer people.
- If a joint organisation is created, charges may be higher at first due to set-up costs, but could reduce over time as costs are spread across more councils. Both options are expected to result in similar charges after about 20 years.

Charges may differ between districts unless councils later agree to standardise them, which would require consultation.

Financial sustainability and access to funding

Both options must deliver affordable and sustainable water services.

- Under the in-house model, the council can borrow up to 280 per cent of total revenue, but this limit applies to all council activities, not just water.
- A joint organisation could borrow up to 500 per cent of its own water-related revenue, giving greater flexibility for future investment.

The council's current low debt allows early investment under either option, but the joint model may provide more borrowing capacity in the long term.

Compliance with water standards

Meeting drinking water and environmental standards is a core requirement under Local Water Done Well. Taumata Arowai will continue to regulate drinking water quality, while the Commerce Commission will oversee economic performance and consumer protection.

All water service providers, whether council-run or a joint organisation, must publicly report on their performance, investment, and compliance. These reports will be benchmarked to promote transparency and continuous improvement.

Choosing a model that can consistently meet these expectations is vital to avoid non-compliance, enforcement action, or reduced service quality. Local input will remain essential, no matter which model is chosen. The council currently works with local groups to help shape planning, investment, and service decisions. Any future model must continue to:

- Enable community input
- Uphold Te Tiriti o Waitangi
- Reflect local priorities when planning and delivering water services.

Strong partnerships with mana whenua and community voices will continue to guide how water services are managed.





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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

OPTION

1

'TE PĒKE'

THE IN-HOUSE MODEL – COUNCIL CONTINUES TO DELIVER WATER SERVICES THE SAME (WITH A FEW IMPORTANT CHANGES)

Under this option, the council would continue to deliver water services directly. While the structure stays familiar, new national rules mean some important changes are required.

The council would need to:

- Keep water-related funding fully separate from other council finances
- Maintain separate financial records for water
- Produce an annual audited water report
- Meet stricter financial and operational performance standards.

To strengthen oversight, the council is considering creating a dedicated water committee, including independent members. This would improve planning, financial discipline, and compliance.

This is the council's **current preferred option**, as it offers affordability, easier implementation, and keeps decision-making local. It also leaves the door open to join a regional model later if needed.

While services would stay in-house, this option still requires more formal planning, stronger governance, and clear reporting.

Levels of service

Current service levels for water are set in our Long Term Plan. In the short term, the proposed models won't change these levels.

If a three-council water services organisation is formed, service levels may be adjusted for consistency, to meet new regulations, and to find cost savings. It would also improve emergency response and recovery coordination across the region.

Estimated additional costs

Under the in-house model, the council would face additional operating costs, including:

- Additional audit costs
- Governance (committee establishment and independent members)
- Regulator levies
- Other compliance-related administration.

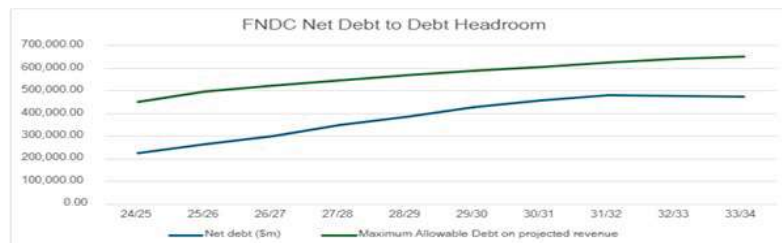
These costs are estimated to be between \$800,000 and \$1,000,000 per year.



Rates cost to customer in today's dollars (for water and wastewater only)

Year	Rates
2024/25	\$2,933
2025/26	\$3,324
2026/27	\$3,492
2027/28	\$3,609
2028/29	\$3,634
2029/30	\$3,697
2030/31	\$3,748
2031/32	\$3,741
2032/33	\$3,721
2033/34	\$3,644

Debt



Net debt: Borrowings less repayments

Maximum allowable debt on projected revenue: The quantified limit is that net debt be no higher than 280% of revenue excluding subsidies

Levels of service

No change

Alignment with the council priorities



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Far North District Council | Me pēhea te tuku i ngā ratonga wai? | How should we deliver water services?

Advantages

- Simple and least disruptive
- Lowest implementation costs
- Local control maintained
- No disruption to service delivery
- Community and iwi relationships stay the same
- Flexibility to transition to a regional model later

Disadvantages

- Financial constraints
- Potential credit rating impact
- Ratepayer cost pressures
- Governance focus may compete with other priorities
- Limited efficiency gains



OPTION**2****'TE KETE'****THREE-COUNCIL WATER SERVICES ORGANISATION**

The Chief Executive has signed a statement of intent to explore forming a three-council water services organisation with Whangārei and Kaipara District Councils. This new organisation would manage drinking water and wastewater services for all three councils.

Key features

- Shared ownership by the Far North District Council, Whangārei District Council, and Kaipara District Council
- Governed by an independent board with water expertise
- Greater borrowing capacity (up to 500% of annual water revenue)
- Higher initial setup costs, but potential for long-term savings through efficiencies
- Regional pricing could lower costs in the Far North.

Consumer costs

Initial costs are expected to be higher due to setup expenses. Over time, these should be offset by efficiencies, and regional pricing could help reduce overall costs for the Far North.

Levels of service

We have set and agreed-upon service levels for our water services, outlined in our Long-Term Plans and reviewed annually. In the short term, these service levels will remain unchanged, regardless of which model is chosen.

If a three-council water services organisation is formed, service levels may be adjusted to ensure consistency, meet new regulations, and achieve cost savings through shared resources. A single organisation would also improve coordination for emergency responses and disaster recovery across the region.

Water charges under a joint model

Each council currently charges for water services differently. If a three-council water services organisation is formed, charges won't be standardised immediately across the region.

The organisation would first focus on improving operations and financial sustainability. Regional pricing decisions would be made later, following negotiations between the councils.

The Government plans to remove property value-based charging, affecting both the in-house and joint models. This could shift charges toward usage-based or targeted methods.



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Any decision to standardise charges would be made by the three-council water services organisation, with oversight from the councils through shareholder agreements.

Financial modelling for the next 10 years is more reliable. Projections beyond 20–30 years are less certain due to inflation, population changes, and evolving regulations. Further details on the modelling assumptions are available in the FAQs on our website.

**Rates cost to customer in today's dollars
(for water and wastewater only)**

Year	Includes water by meter
2024/25	\$2,466
2025/26	\$2,738
2026/27	\$3,050
2027/28	\$3,224
2028/29	\$3,569
2029/30	\$3,932
2030/31	\$3,851
2031/32	\$3,793
2032/33	\$3,703
2033/34	\$3,607

Debt

A water services organisation owned by the council could borrow a lot more money because it would be allowed to borrow up to five times its annual revenue from the Local Government Funding Agency. This borrowing limit is based on the combined revenue of the water services across all three districts, not just one. This means it could borrow more than the council's current model allows. However, how much of that borrowing actually gets used for water projects depends on decisions made by the three-council water services organisation that runs the water services.



Levels of service

No change

Alignment with the council priorities



Advantages

- Enhanced borrowing capacity
- Potential for long-term savings through efficiencies
- Professional board with water expertise
- Shared resources for improved service delivery
- Regional pricing could lower costs for the Far North.

Disadvantages

- High initial setup costs
- Complex to establish within the timeline
- Reduced local decision-making
- Potential for less iwi and Māori involvement
- Risk of misalignment with council goals.

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XX OUR OPTIONS SUMMARY

OPTION

1

OPTION 1 'TE PĒKE' THE IN-HOUSE MODEL – COUNCIL CONTINUES TO DELIVER WATER SERVICES THE SAME (WITH A FEW IMPORTANT CHANGES)

- Local control: The council maintains direct oversight of water services.
- Lower immediate costs: No need for large setup or transition expenses.
- Flexibility: Allows for future changes if needed without major disruption.
- Community involvement: Local decision-making remains close to the community.
- Continuity: Services continue without disruption, and existing relationships are maintained.



OPTION

2

OPTION 2: 'TE KETE' THREE-COUNCIL WATER SERVICES ORGANISATION

- Shared control: Management and decision-making are spread across three councils.
- Higher initial costs: Set-up expenses are significant due to the creation of a new entity.
- Complexity: The establishment and alignment of three councils could take time and effort.
- Reduced local influence: Local councils may have less direct control over day-to-day decisions.
- Efficiency gains over time: Potential for cost savings through shared resources and economies of scale.
- Regional pricing: Could help lower long-term costs across the region.

**REMEMBER:
THE COST OF
STORMWATER
SERVICES IS NOT
INCLUDED IN
EITHER OPTION**

HE KŌRERO ATU ANŌ OTHER INFORMATION

What about stormwater?

Stormwater is closely linked to other council systems – roads, parks, and open spaces. Roads help channel rainfall, and green areas absorb water. Both play a role in managing runoff and the potential for flooding.

Far North District Council is committed to effective stormwater management and addressing climate change impacts. We are developing a stormwater strategy and updated flood models to guide long-term planning and investment. This includes work to improve drainage, clear key infrastructure, and increase the resilience of our urban areas.

Rates

Stormwater (if applicable) \$375 or \$187.50 based on land use, + \$10 public good rate. The public good charge applies to all ratepayers, while stormwater charges only apply to certain rating areas.

Disclaimer

The modelling in this document uses the best available information at the time and will be updated as the Water Services Delivery Plan is finalised.

Pricing shown reflects the average cost per water and wastewater connection across the Far North District. These figures are indicative only, as Council does not rate water services at a district-wide level. For current rating methodologies, refer to the adopted Funding Impact Statement (FIS) on our website.

The public good levy (currently \$15.00 per household) will need to be reviewed under both delivery options.

Stormwater is excluded from the modelling but will need to be considered as it may impact total costs for ratepayers in area of benefit.

All prices are inclusive of GST.



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MĀMĀ NOA IHO TE WHAKAPĀ MAI! MAKING A SUBMISSION IS EASY!



You can submit online at:
www.fndc.govt.nz/yoursay
Online submissions saves cost and time!



You can email your feedback to:
submissions@fndc.govt.nz



You can come and fill in a printed form at a service centre near you, complete it there or take it away and post it back to us.



You can post your form back to us at:
Water delivery submissions
Far North District Council
Private Bag 752
Kaikohe 0440



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WHAKAPĀ MAI
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Local Waters Done Well (LWDW)

Engagement Plan April 2025

Refer to the Significance and Engagement Policy 2021 Far North District Council (fndc.govt.nz) before you complete your project engagement plan.

This template is based on IAP2 engagement practice. Refer to Adopting an Engagement Mindset Dec 21 (PowerPoint) for an overview.

Contact the **Engagement Team** for support.

Part 1: Engagement Design

Understand Context (tell us the history)

Following the 2023 general election, the new government replaced the Three Waters Reform with the Local Water Done Well (LWDW) framework. This framework was designed to give councils greater autonomy while ensuring regulatory compliance and sustainable water service management.

To explore water service delivery options (WSDOs), Council held workshops with Councillors in December 2024, February, and March 2025. These workshops covered legislation, asset management planning, financial modelling, and joint Council-Controlled Organisation (CCO) modelling options.

Council must now determine its preferred governance and service delivery model through public consultation before implementing any changes—either by partnering with other Northland councils or managing water services independently.

A Special Consultative Procedure (SCP) is proposed for the final phase of public consultation on the draft Local Water Done Well (LWDW) consultation document. This document outlines key considerations, including governance models, financial implications, and the WSDOs identified by Council at the 13 March 2025 Council Meeting.

The consultation process will provide the community with an opportunity to have their say on the future of local water service delivery, helping Council make informed decisions guided by public feedback.

Scope the work (the 'what' of the project)

Local Water Done Well is a central-government mandated initiative to address concerns about New Zealand's water infrastructure and water quality.

It seeks to do this by:

- Requiring councils to develop a fit-for-purpose plan to deliver water services to its residents.
- Ensuring water services are future-proofed and financially sustainable.
- Introducing greater central government oversight, and economic and quality regulation.

Negotiables/non-negotiables

Note: *if there is nothing that the community can influence then you are communicating only, not engaging.*

Non-negotiables (what cannot be influenced by the people you are engaging with?)

Example: legislative requirements, budget, or timeframe

- Compliance with section 28 of the local government act
- Public ownership of water service providers
- Financial sustainability and regulatory compliance

Negotiables (what can the people have an influence on?)

Example: Design of new community building

- The preferred governance model for water service delivery (Local or Merged)
- Timelines for implementation and transition processes
- Methods of ongoing public engagement beyond this consultation phase.

Understanding People

Our community is diverse, with varying needs and expectations regarding water services.

As part of this process, iwi will be advised before consultation begins as a courtesy and to provide a heads-up on the consultation process.

Why are we engaging? (what's the purpose of the engagement?)

- Inform the public about the proposed water service delivery models and their implications.
- Collect feedback to ensure community needs and concerns are addressed in Council's decision-making process.
- Fulfil legal obligations for public consultation under the Local Government (Water Services) Bill.
- Align Council's decision-making timeline with Whangarei District Council (WDC) and Kaipara District Council (KDC).

Goals

Engagement goals will link to the purpose. You may need to ensure there is general support and understanding of the project. You might need to better understand the implications of a proposal. Identify success criteria so you can evaluate the engagement.

- Provide clear, accessible, and transparent information on the LWDW consultation document.
- Ensure all community members have an opportunity to provide feedback.
- Gather meaningful input to inform Council's final decision.
- Align engagement efforts with neighbouring councils for consistency in regional decision-making.
- Build public trust and confidence in the consultation process.

Shape influence

The combination of context, scope, people and purpose will help shape the nature of the relationship between our organisation and the community in the engagement response and help define the methods we select to implement the engagement. There are two key frameworks to support this thinking. The IAP2 Spectrum of Public Participation and the Community Engagement Model (we sometimes call it the "hive model"). The level of influence you grant your partners, stakeholders and community will have implications on the duration and resource required to successfully implement your engagement plan. Talk to your Engagement Specialist to work through this section and refer to p.33-37 of the IAP2 Engagement Design Manual.

Increasing impact on the decision

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Promise to the Public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Community Engagement Model



Leadership commitment

- Elected Members: Ensuring active participation in engagement events and clear communication with constituents.
- Council Officers: Providing accurate and timely information to the public.
- Community Leaders and Stakeholders: Helping facilitate discussions and encouraging community participation.

Engagement Sequence

There are four phases to engagement sequencing, shown below. Different stages of the sequence will trigger or achieve different purposes/goals and will require different methods and represent different levels of influence. See p.40 of the Engagement Design Manual.



Methods of engagement

- Direct email communication with Iwi, key stakeholders, advisory groups, and the engagement database.
- Online platforms: Council website, online surveys, and social media engagement.
- Consultation materials available at service centers/libraries
- In-person events: drop-in sessions in Kaitia, Kerikeri and Kaikohe. Verbal Submissions in Kaikohe.
- Media campaigns: News Story, and fortnightly newspaper ads.

Design, Plan, Manage (DPM) Model step	Project considerations	Implications for Method Selection
DESIGN PLATFORM 1. Understand the context	What is happening at the personal, organisational, community, political and world level that impacts on the engagement process?	What is the engagement context? Does the following exist: <ul style="list-style-type: none"> ▪ Low trust ▪ Low interest ▪ High complexity ▪ Tight time frames ▪ A need for new solutions ▪ Hard-to-reach audiences ▪ High level of politics ▪ High emotion or outrage ▪ A need to understand the community better. Is there a legal requirement for a certain type of method? Is there a political, social or organisational will to use certain methods?
DESIGN PLATFORM 2. Scope project	What is the focus of the engagement?	Are there certain methods that are more likely to suit the focus? For instance, enquiry by design methods are useful for land planning projects.
DESIGN PLATFORM 3. Understand people	What communities and stakeholders do we need to engage? What are their needs, interests, values, knowledge?	Are my community or stakeholders likely to want to participate in the method?
DESIGN PLATFORM 4. Set engagement purpose	What are the purposes for engaging? The purposes might include: <ul style="list-style-type: none"> ▪ informing ▪ legal compliance ▪ understanding reaction ▪ generating options; identifying problems to solve ▪ relationship development ▪ community capacity building ▪ behaviour change ▪ support for action/social license to operate ▪ community adaptive capacity ▪ innovation or others. What are the goals and success measures?	If the purpose is to foster innovation, what methods are more likely to create new thinking? If we want to make decisions, what methods enable informed decision making, and from a sample of the community that builds trust and reliability in the decision made? If our purpose is to build community capacity, which methods create strengthening relationships, develop skills and build ownership? What methods will meet our goals and success measures?
DESIGN PLATFORM 5. Shape influence	What is the level of influence that the community and stakeholders will have over the engagement program?	What methods suit the level of influence on the engagement spectrum?

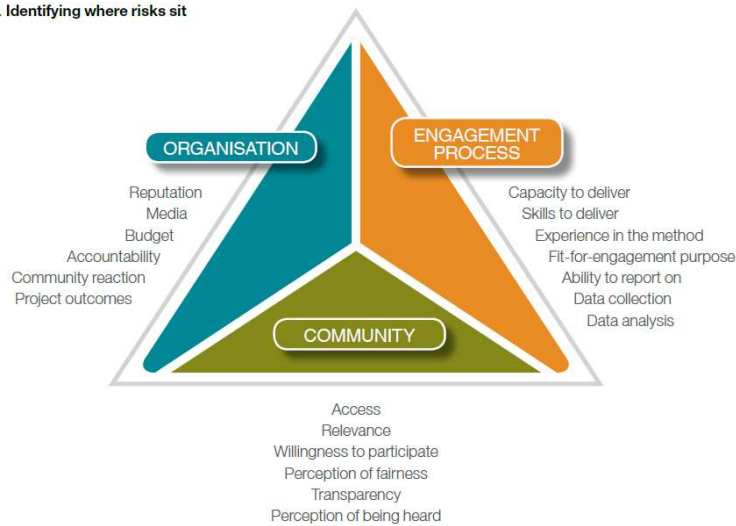
Method 1:...

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Risk

Engagement carries risk. It needs to be identified and managed through the design and planning process. The project is likely to have a risk register attached. Cross reference that. Alternatively consider risk under the following framework:

Figure 3. Identifying where risks sit



Risk:

Mitigation:

Resources

- Dedicated Have your say website with additional information
- Consultation materials available at service centers/libraries

Appendix 1: Stakeholder Analysis Matrix

Community or stakeholder groups/individuals/sectors	Topics of interest	Level of interest (low, moderate, high, and why)	Impacts, potential impacts or consequences	Level of impact (low, moderate, high)	IAP2 Level of influence	Engagement needs/expectations/barriers/enablers to engage	Benefits of engagement – what can they bring to the project?	Quality of relationship (e.g. poor, very strong)
Example: People living with a disability	Range of accessibility services Parking	Moderate	Potential improved access Para sports facilities Rehab services	High	Involve, collaborate (may vary across project stages)	Early involvement to share needs Test design for inclusivity Information accessible	Can identify improvements and improve accessibility	Very strong

Appendix 2: Outputs / Actions

OUTPUT	RESPONSIBLE	ACTIONS	DUE	LINK / OBJ REF	STATUS
Engagement scoping					
Stakeholder analysis					
Risks/opportunities					
Key messages					
Website content					
FAQs					
Media release					
Newsprint advertising / radio / online					
Rates newsletter					
Video		-			

Other notes

Māori is a significant part of your thinking in relation to a project's context. Refer to resources available on Te Hono's [intranet page](#). Must reads include: Iwi/hapu environmental management plans, Treaty Settlements, relevant cultural impact assessments (CIAs) and Council's LTP statement on Māori outcomes.



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Date: 31 March 2025

Simon Weston

Chief Executive

Whangarei District Council

Email: simon.weston@wdc.govt.nz

Jason Marris

Chief Executive

Kaipara District Council

Email: jmarris@kaipara.govt.nz

Tēnā koe Simon and Jason,

Subject: Statement of Intent – Local Water Done Well

The Far North District Council (FNDC) is committed to ensuring the long-term sustainability, efficiency, and regulatory compliance of water service delivery. This Statement of Intent outlines FNDC's objective to explore, with the guidance of a Multi-Council Elected Member Steering Group, the formation of a Multi-Council Council-Controlled Organisation (CCO) for regional water services with Whangārei (WDC) and Kaipara (KDC) District Councils. The establishment of this entity could represent a meaningful step towards improving services, financial sustainability, and operational effectiveness of water delivery in Northland.

In publishing this statement, FNDC affirms a strong commitment to exploring options under the Local Waters Done Well legislation, including where we can work collaboratively with other councils. We will work in good faith with our regional partners to address water infrastructure challenges and serve the best interests of our communities, residents, and ratepayers.

FNDC acknowledges that negotiating such an agreement is a complex process, requiring careful consideration of financial structures, pricing and investment arrangements, governance models, and regulatory obligations. This initiative will be approached with full transparency and collaboration, ensuring that all partners, stakeholders, and communities are actively engaged. A rigorous and evidence-based approach will be taken to assess the feasibility and benefits of a regional CCO before making any final commitments.

What FNDC Intends to Do

FNDC intends to enter into a Heads of Terms Agreement with WDC and KDC as the foundation for establishing a Multi-Council CCO responsible for delivering and managing water services across the Northland region. The objective of this negotiation process is to explore and agree on a shared way forward that meets requirements set by the Local Water Done Well (LWDW) framework while ensuring an equitable and efficient model for all participating councils on behalf of their districts.

This initiative will focus on:

- Exploring the feasibility of a joint model that leverages a regional approach to improve efficiency and service delivery.

- Ensuring that all the respective council's interests, particularly regarding financial sustainability and community engagement, are protected throughout the negotiation process.
- Establishing a clear roadmap for how the councils can work together to address current and future water infrastructure challenges.

Why FNDC is Pursuing This Approach

The decision to explore a Multi-Council CCO is based on the following strategic considerations:

- **Financial Sustainability:** A joint regional entity could enable mechanisms for sharing resources and costs that may reduce financial pressure on individual councils. This approach will provide greater access to capital, such as through the Local Government Funding Agency (LGFA), and achieving economies of scale in procurement, infrastructure investment, and service operations.
- **Operational Efficiencies:** The formation of a Multi-Council CCO would allow councils to pool resources, technical expertise, and management structures, reducing duplication and optimising service delivery.
- **Regulatory Compliance:** The evolving legislative landscape under LWDW requires councils to meet stringent regulatory requirements enforced by Taumata Arowai and the Commerce Commission. It is expected that a dedicated water entity will have the governance structure and operational focus necessary to ensure long-term compliance with national water quality and service delivery standards.
- **Resilience and Future-Proofing:** Northland faces unique environmental and climate challenges, including water scarcity and extreme weather events. A Multi-Council CCO could have the capacity to invest in regional infrastructure projects that enhance resilience, supporting growth, ensuring sustainable and secure water services for the future.
- **Community and Stakeholder Engagement:** FNDC recognises the importance of engaging with iwi, local communities, and businesses to ensure that water services remain responsive to the districts' needs. A collaborative model needs to provide opportunities for enhanced transparency and public accountability.

Key Challenges and Complexities in Negotiation

While the benefits of a Multi-Council CCO could be significant, achieving consensus on critical elements of the agreement presents challenges. FNDC acknowledges that successful negotiations will require all parties to:

Agree on key structural and financial details, including:

- Shareholding arrangements and equity structures among councils.
- Governance frameworks, including representation, decision-making processes, and oversight mechanisms.
- Pricing strategies that ensure affordability and investment sufficiency to sustain compliant operations.
- Investment prioritisation and allocation of funds for capital upgrades, compliance, and future growth.
- Workplace locations and the distribution of operational functions across districts.
- Transitioning and harmonising existing contracts, particularly for Operations & Maintenance (O&M) services or infrastructure projects that are partially completed.

Standardise IT systems, asset management data and planning methodologies, as currently, each council operates under different systems and data standards. This misalignment could impact:

- The ability to accurately assess infrastructure conditions across districts.
- Investment planning for future growth and regulatory compliance.
- The development of a unified financial strategy that ensures sufficient revenue and long-term asset sustainability.
- Develop a shared approach to investment, financing, and risk management, including:
- Securing sustainable funding models to support both compliance-driven upgrades and infrastructure expansion.
- Aligning financing strategies across the participating councils to optimise borrowing and cost management.

- 6 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER**
- 7 TE KAPINGA HUI / MEETING CLOSE**