

Te Kaunihera o Te Hiku o te Ika

AGENDA

Supplementary Reports Ordinary Te Kuaka - Te Ao Māori Committee Meeting

Thursday, 24 April 2025

Time: 10:00 AM
Location: Council Chambers
Memorial Avenue
Kaikohe

Membership:

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

Te Paeroa Mahi / Order of Business

6	Ngā Pūrongo Taipitopito / Information Reports	4
6.7	Local Waters Done Well - Update	4

6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

6.7 LOCAL WATERS DONE WELL - UPDATE

File Number: A5162872

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TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an update to Te Kuaka – Te Ao Māori Committee on Far North District Council (FNDC) review of water service delivery under the Government's Local Water Done Well (LWDW) legislation.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- FNDC is currently consulting on how to deliver water services under Local Water Done Well.
- Two options are proposed: a strengthened in-house model (Te pēke – FNDC's preferred option), or a joint water services organisation with Whangārei and Kaipara (Te kete).
- A Water Services Delivery Plan (WSDP) must be submitted to the Government by 3 September 2025.
- No matter the model chosen, FNDC is committed to involving mana whenua in shaping the future of water services.
- Feedback from this Committee, iwi and hapu, and wider consultation will help guide Elected Members decision on which option will be progressed in developing the WSDP.

TŪTOHUNGA / RECOMMENDATION

That the Te Kuaka – Te Ao Māori Committee receive the report Local Waters Done Well - Update.

TĀHUHU KŌRERO / BACKGROUND

Local Water Done Well (LWDW) is the Government's new framework for delivering drinking water, wastewater, and stormwater services. It replaces the previous Three Waters reform. Councils will retain ownership of water assets but must meet stricter financial, operational, and environmental requirements.

Key milestones of LWDW are Councils decision on the Water Service Delivery Option (the option - discussed below) and the development of a Water Services Delivery Plan (WSDP) by 3 September 2025. This plan will outline how FNDC intends to deliver water services into the future. It must include a preferred delivery model, an investment plan, and a summary of consultation. FNDC will be legally required to implement the plan once submitted.

THE FAR NORTH CONTEXT

The Far North is a large, rural district with many small and remote communities. Our geography and population mean that water infrastructure is expensive to maintain, costs are often shared by small communities, and service delivery is complex. At the same time, our people face affordability challenges and we must plan for growth and climate change.

FNDC's current water assets are valued at over \$730 million. Investment of around \$470 million is anticipated over the next 10 years. This work is needed to maintain safe, reliable, and sustainable services across our district.

THE OPTIONS

FNDC has considered a range of models. Two have been short-listed:

Te pēke – Strengthened In-House Model (Preferred Option)

- FNDC continues to deliver water services.
- Adds dedicated water governance and improved compliance.
- Keeps decisions local and flexible.
- Requires ring-fencing of water budgets.
- Aligns with FNDC's values and financial strategy.
-

Te kete – Three-Council Water Services Organisation

- A jointly owned organisation with Whangārei and Kaipara District Councils.
- Shared investment and technical expertise.
- Governed by an independent board.
- May offer long-term cost savings.
- More complex to implement and may reduce local influence.

Further discussion, including advantages and disadvantages of each option, and financial and other implications are outlined in the consultation material in attachment 1.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Te Ao Māori and Water

Water is a vital taonga. Te Ao Māori recognises water as a living entity, deeply connected to whakapapa and wellbeing. This view reinforces the importance of guardianship (kaitiakitanga), intergenerational responsibility, and the protection of wai for future generations.

FNDC understands that the way we manage water must reflect these values. The LWDW process provides an opportunity to strengthen partnerships with hapū and iwi, ensuring that governance, investment, and operations incorporate mana whenua voice and priorities.

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

Consultation and Engagement

FNDC is currently consulting with the community from 3 April to 5 May 2025. This includes drop-in sessions, written submissions, and we are coordinating meetings with mana whenua to seek feedback.

The Local Water Done Well project team will also present the April Te Kahu o Taunui workshop, to share information and receive guidance.

Feedback from consultation will be used to inform Elected Member decision making on the option to proceed with, and include in the WSDP. Council will make a decision in June, allowing sufficient time to prepare the WSDP ahead of the Governments September submission deadline.

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

The financial implications of decisions made, in determining which method of delivering water services is selected, are significant and outlined in some detail in the attached Consultation Document.

ĀPITIHINGA / ATTACHMENTS

1. FNDC-how-should-we-deliver-water-services-cd - A5163671 [↓](#) 



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





Adopted 2 APRIL 2025

We have a big decision to make about the future of our water service delivery

NGĀ KAUPAPA CONTENTS

He pānui nā te kaunihera A message from your council	1
Te hononga tahitanga o Te Ao Māori me te wai The connection between Te Ao Māori and water	3
Te whai wāhi ki ngā iwi me ngā hapū Engaging with iwi and hapū	3
Me whai kōrero koe Have your say	4
Ngā rā Key dates	4
Te tīmatatanga Introduction.	6
Tō mātou tūranga o aiānei Our current situation	7
Ā mātou kōwhiringa Our options	9
He rāpopoto o ā mātou kōwhiringa Our options summary	17
He kōrero atu anō Other information	18
Māmā noa iho te whakapā mai! Making a submission is easy!	19
Rārangi wā Timeline	19



1

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

HE PĀNUI NĀ TE KAUNIHERA

Kia ora koutou

He whakatau nui tā mātou mō te anamata o ngā ratonga wai i Te Hiku o Ika. He mea nui te wai inu, te waipara me te wai ua (ō mātou “wai e toru”) ki tō tātou oranga, heoi, nā te kaumātua haeretanga o te hanganga me kakenga o te utu e pakeke haere nei te tukunga o ngā ratonga tika me te pai ā-utu.

I raro i te kaupapa o Local Water Done Well, me tuku e mātou tētahi Mahere Tuku Ratonga Wai hei te 3 o Hepetema 2025. Mā tēnei mahere e whakatau ai te āhua ki ngā whakahaere o ngā ratonga wai ā te wā, tae atu ki te kōwhiringa o te whakahaere ratonga wai, te āhua ki ā mātou haumitanga ki ngā hanganga wai, me te āhua o tā mātou whakatutuki i ngā paerewa ture hōu.

E rua ngā kōwhiringa hei whakaarotanga māu:

1. ‘Te Pēke’ He tauira whakakaha rāroto – **ko tā mātou kōwhiringa matua**
2. ‘Te Kete’ He kāhui whakahaere ratonga wai nā ngā kaunihera-takitoru, arā, ko mātou, ko Kaipara, ko Whangārei.

He nui pea nō ngā hua a te huarahi kaunihera-maha pēnei i te kāwanatanga arumoni, te pikinga o te haumi pūtea, te kounga o ngā whakahaere, me te kaha o te manawaroa, kua whakaritea e te tumuaki tētahi pānui whāinga.

E whakaatu ana tēnei tuhinga i tā mātou mahere ki te torotoro i te whakatūnga o tētahi whakahaere ratonga wai nā ngā kaunihera e toru. Kei tō mātou paetukutuku tēnei tuhinga (kua whakaratohia te hononga), ā, e hōhonu ake te kōrero mō ngā painga pea — me ngā wero hoki — o te whakatū i tētahi whakahaere ratonga wai e toru ngā kaunihera.

I tēnei wā, ko tā mātou kōwhiringa matua, **ko te whakahaere tonu i ngā ratonga wai i raro i a mātou**, kia mātua noho ngā whakahaere tikanga me ngā whakatau i te kāinga, i a mātou e whakapai haere ana i raro i te kaupapa Local Water Done Well. E whakarite ana hoki mātou kia mahi tahi tonu ki ō mātou hoa tata, kia mārama ai mātou ki āhua o te whakahaere tahi a te takitoru-kaunihera i te ratonga wai, me te whakatūturu kia tutuki ō hiahia.

Ko ā mātou whakahaere e aukatihia nei e te kāwanatanga, heoi e ū tonu ana mātou ki te whakamōhio atu, me te taunaki i a koutou. Mā ō urupare e āwhina ai ō mātou mema pōti ki te whakatau ko tēhea tauira e tino whaihua ana ki Te Hiku o te ika. Tēnā, pānuhia tēnei tuhinga, hau mai ki ngā hui teretere, ā, tukuna mai ō whakaaro mō mua mai i te 4 o Mei 2025. Toro mai (whakaurua te paehono/ waehera QR), tirohia rānei te whārangi XX mō ētahi atu mōhiohio ki te tuku urupare.

Ngā mihi nui ki a koe.

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 Council’s water services will be delivered in the future, including the water services delivery option, investing in our water infrastructure, and meeting 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 Kaipara and Whangārei.

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 www.fndc.govt.nz/yoursay or see page 19 for more on how to provide feedback.

Thank you very much.

Far North District Council

3

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

TE HONONGA TAHITANGA O TE AO MĀORI ME TE WAI 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.

TE WHAI WĀHI KI NGĀ IWI ME NGĀ HAPŪ 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.

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 Kaipara and Whangārei.

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 19 for how to make a submission.

NGĀ RĀ KEY DATES

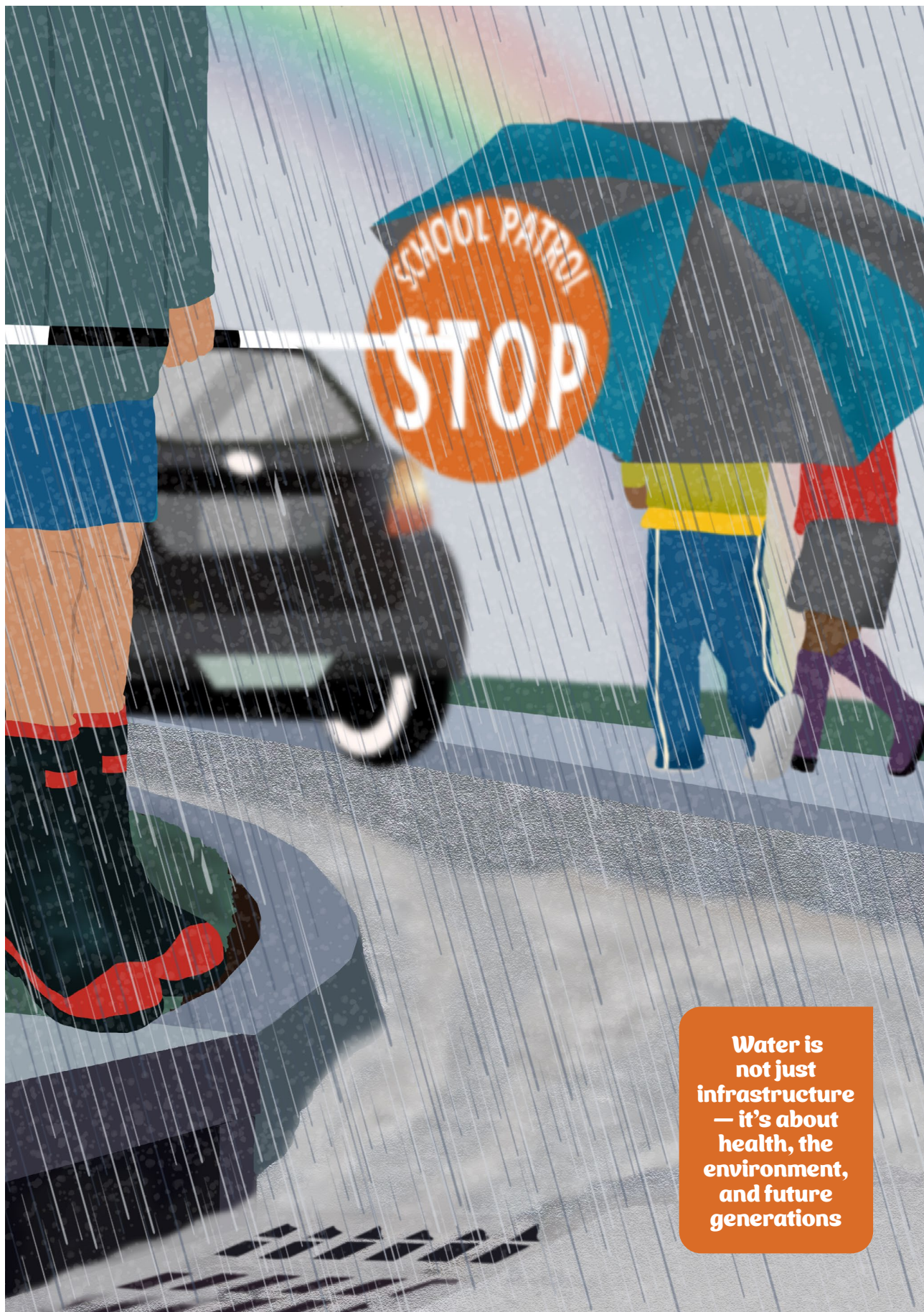
- **3 APRIL - 5 MAY**
Consultation with our communities starts
- **EARLY MAY**
Verbal submissions
- **22 MAY**
Deliberations
- **5 JUNE**
Plan decision adopted

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.





Water is not just infrastructure — it's about health, the environment, and future generations

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 18
- 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

7

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

TŌ MĀTOU TŪRANGA O AIĀNEI 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	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	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	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. The below table outlines key investment across our three largest towns.

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. The council is actively developing the water services delivery plan, including the longer-term capital programme which will be made available in September 2025.

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.

Ā MĀTOU KŌWHIRINGA 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 Kaipara and Whangārei 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 would include independent professional members. This would ensure continuity of decision-making, strengthening 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 (ring-fenced) 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

11

Far North District Council | Me pēhea tā mātou 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 will 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 has power to intervene if a water service provider is charging too much or under-investing, overseeing 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.



**No matter
which option
we choose,
water costs
will rise —
but how we
manage them
is up to us**

13

Far North District Council | Me pēhea tā mātou 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, which would include independent members. This would ensure continuity of decision-making, strengthening long-term planning, financial oversight, and regulatory 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

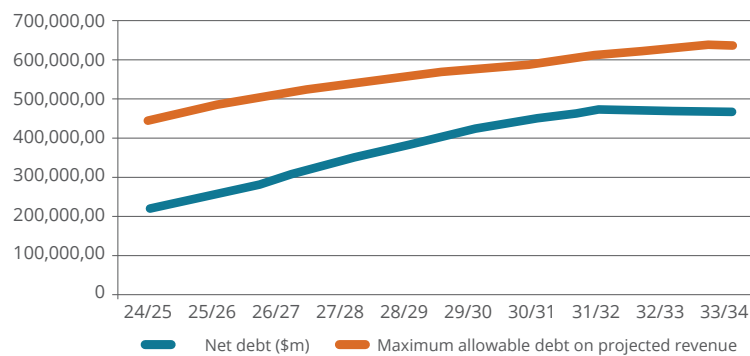
These costs are estimated to be between \$800,000 and \$1,000,000 per year. We do not anticipate material establishment costs for this option.

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

Year	Average cost per connection
2024/25	\$2,713
2025/26	\$2,983
2026/27	\$3,289
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

Reflects today's equivalent pricing. See disclaimer on page 18.

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

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 district or council priorities
- ✗ Limited efficiency gains
- ✗ Electoral cycle change

Alignment with the council priorities



Levels of service



15

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

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 Kaipara and Whangārei District Councils. This new organisation would manage drinking water and wastewater services for all three councils.

Key features

- Shared ownership by the Far North, Kaipara and Whangārei District Councils
- 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, estimated at \$9 million and ongoing operational expenses of \$2.2 to \$2.5 million. These costs would be shared between councils. 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.

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, key words: local waters done well.

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

Year	Average cost per connection
2024/25	\$2,532
2025/26	\$2,813
2026/27	\$3,123
2027/28	\$3,294
2028/29	\$3,639
2029/30	\$4,001
2030/31	\$3,917
2031/32	\$3,857
2032/33	\$3,765
2033/34	\$3,667

Reflects today's equivalent pricing. See disclaimer on page 18.

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.

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

Alignment with the council priorities



Community
at the core



Financially
sustainable



Dependable
and safe



Caring for what
sustains us



Future
proofed


Levels of service



No
change


HE RĀPOPOTO O Ā MĀTOU KŌWHIRINGA OUR OPTIONS SUMMARY

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



'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



