



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

AGENDA

Te Koekoeā Committee for Council Controlled Organisations Meeting

Monday, 12 October 2026

Time: 1:00 pm
Location: Council Chamber
Memorial Ave
Kaikohe

Membership:

Chairperson John Vujcich
Deputy Chairperson Gordon Shaw
Cr Rachel Baucke
Cr Ann Court
Cr Felicity Foy
Cr Davina Smolders
Cr Kelly Stratford
(Ex-officio Member) Kahika - Mayor Moko Tepania

	Authorising Body	Mayor/Council
	Status	Standing Committee
COUNCIL COMMITTEE	Title	Te Koekoeā Committee for Council Controlled Organisations Terms of Reference
	Approval Date	11 December 2025
	Responsible Officer	Chief Executive

(1) Kaupapa / Purpose

Te Koekoeā Committee for Council Controlled Organisations safeguards community interests by providing strategic oversight of the Far North District Council's Council-Controlled Organisations (CCOs) by:

- Overseeing the establishment of CCOs and key governance activities under the Local Government Act 2002, including director appointments
- Recommending to Council on the content of Letters of Expectations.
- Reviewing Statements of Intent and ensuring CCO strategies align with Council priorities.
- Monitoring CCO performance to ensure accountability and transparency.
- Promoting a culture of openness and continuous improvement between Council and it's CCOs.
- Reporting to other Council committees and to Council as required.

(2) Ngā Huānga / Membership

The Council will determine the membership of the Committee including at least one independent appointment with suitable financial and risk management knowledge and experience.

The Committee will comprise of elected members, and one independent appointed member, appointed as Deputy-Chairperson with full voting rights.

Kahika / Mayor Moko Tepania is an ex-officio member of all Committees.

Cr John Vujcich – Chairperson

Gordon Shaw – Deputy Chairperson and Independent Member

Cr Rachel Baucke

Cr Ann Court

Cr Felicity Foy

Cr Davina Smolders

Cr Kelly Stratford

(3) Kōrama / Quorum

The quorum at a meeting of the Committee is 4 members.

(4) Ngā Hui / Frequency of Meetings

The Committee shall meet 8 weekly.

(5) Ngā Apatono / Power to Delegate

The Committee may not delegate any of its responsibilities, duties or powers.

(6) Ngā Herenga Paetae / Responsibilities

The Committee's responsibilities are described below:

6.1 Establishment Evaluations (s56 LGA)

- 6.1.1** Ensure new CCOs are formed in compliance with LGA and aligned with Council frameworks.

6.2 Director Appointments and Board Evaluations (s57 LGA)

- 6.2.1** Perform 'Appointment Committee' duties in accordance with FNDC Policy: Appointment and Remuneration of Directors for Council Organisations.
- 6.2.2** Recommend external advisors or consultants to Council as required.

6.3 Planning and Statements of Intent (s64; Schedule 8, LGA)

- 6.3.1** Review CCO strategic plans and advise on their suitability.
- 6.3.2** Review and recommend approval of Letters of Expectation.
- 6.3.3** Review draft Statements of Intent (Sols) for clarity, alignment and deliverability.
- 6.3.4** Recommend adoption of final Sols.

6.4 Monitoring and Reporting (s65 – 67 LGA)

- 6.4.1** Review and recommend Council adoption of each CCO's Annual Report as required (s 67 LGA)
- 6.4.2** Review half-yearly or quarterly reports, including performance against Sol requirements (s 66 LGA).
- 6.4.3** Participate in governance-to-governance meetings with CCOs to strengthen oversight and strategic alignment.
- 6.4.4** Request any information or reports from CCO management to fulfil its duties.
- 6.4.5** Receive reports on CCO delivery against strategies and plans.
- 6.4.6** Monitor all CCO reporting and escalate variances or concerns as appropriate.
- 6.4.7** Monitor key risks and emerging issues reported by CCOs and ensure material matters are escalated to Council as required.

(7) Ngā Ture / Rules and Procedures

These Terms of Reference should be read in conjunction with the Local Government Act 2002, the FNDC Code of Conduct, and all other applicable legislation and internal policies, including but not limited to:

- Appointment and Remuneration of Directors for Council Organisations

All Committee meetings will be conducted in accordance with Council's Standing Orders and the FNDC Code of Conduct.

2026 Work Plan

Te Koekoë Committee for Council Controlled Organisations

Workstream	Ref	ToC Reference	Action Item	24-Feb	21-Apr	16-Jun	18-Aug	13-Oct	8-Dec
Planning & Statements of Intent (s64)	6.3.1	Review CCO strategic plans and advise on their suitability.	High-level review of each CCO's strategic plan to assess strategic coherence, alignment with Council priorities	FNHL		FNHL	X	TBC	TBC
Planning & Statements of Intent (s64)	6.3.2	Review and recommend approval of Letters of Expectation.	Letter of Expectation – Committee review and endorsement	FNHL			NWDW	FNHL	
Planning & Statements of Intent (s64)	6.3.3	Review draft Statements of Intent (Sols) for clarity, alignment and deliverability.	Draft Statement of Intent – Committee review and shareholder feedback		FNHL NINC				
Planning & Statements of Intent (s64)	6.3.4	Recommend adoption of final Sols.	Committee recommendation of Statement of Intent to Council				FNHL NINC		
Monitoring & reporting (ss65–67)	6.4.1	Review and recommend Council adoption of each CCO's Annual Report as required (s 67 LGA)	Audited Annual Reports – Committee review and recommendation to Council					FNHL	
Monitoring & reporting (ss65–67)	6.4.2	Review half-yearly or quarterly reports, including performance against Sol requirements (s 66 LGA).	Quarterly CCO Performance Pack	FNHL Q2		FNHL Q3			
Monitoring & reporting (ss65–67)	6.4.5	Receive reports on CCO delivery against strategies and plans.	Thematic governance-level deep dive into CCO performance				X		
Monitoring & reporting (ss65–67)	6.4.7	Monitor key risks and emerging issues reported by CCOs and ensure material matters are escalated to Council as required.	Governance-level review of CCO risk registers relevant to the shareholder				X		
Monitoring & reporting (ss65–67)	6.4	Monitoring and Reporting (s65 – 67 LGA)	Performance measures & reporting integrity review				X		
Monitoring & reporting (ss65–67)	6.4.4	Request any information or reports from CCO management to fulfil its duties.	Targeted requests for information from CCO boards where required to support the Committee's responsibilities	AR	AR	AR	AR	AR	AR
Monitoring & reporting (ss65–67)	6.4.6	Monitor all CCO reporting and escalate variances or concerns as appropriate	Oversight of CCO reporting, including identification of material variances, emerging issues, or matters requiring escalation	AR	AR	AR	X	AR	AR
Monitoring & reporting (ss65–67)	6.4	Monitoring and Reporting (s65 – 67 LGA)	Receive reports from Council Organisations as required	AR	AR	AR	AR	AR	AR
Director appointments & board evaluations (s57)	6.2.1	Perform 'Appointment Committee' duties in accordance with FNDC Policy: Appointment and Remuneration of Directors for Council Organisations.	Annual director plan: term expiries, skills matrix, succession, process/timing			FNHL			NINC
Director appointments & board evaluations (s57)	6.2.1	Perform 'Appointment Committee' duties in accordance with FNDC Policy: Appointment and Remuneration of Directors for Council Organisations.	Board performance and remuneration review						X
Director appointments & board evaluations (s57)	6.2.1	Perform 'Appointment Committee' duties in accordance with FNDC Policy: Appointment and Remuneration of Directors for Council Organisations.	Director appointments / changes / vacancies	AR	FNHL	AR	AR	AR	AR
Director appointments & board evaluations (s57)	6.2.2	Recommend external advisors or consultants to Council as required.	External advisor or consultants appointments	AR	AR	AR	AR	AR	AR
Governance-to-governance engagement	6.4.3	Participate in governance-to-governance meetings with CCOs to strengthen oversight and strategic alignment.	Governance-to-governance meeting	AR (FNHL 29 Jan)	AR	AR	AR	FNHL	NWDW NINC
Committee effectiveness / forward planning	6.4	Monitoring and Reporting (s65 – 67 LGA)	Forward work plan refresh for next cycle						X
Committee effectiveness / forward planning	6.4	Monitoring and Reporting (s65 – 67 LGA)	Committee effectiveness review						X
Committee effectiveness / forward planning	6.4	Monitoring and Reporting (s65 – 67 LGA)	Open resolutions review	X	X	X	X	X	X
Committee effectiveness / forward planning	6.4	Monitoring and Reporting (s65 – 67 LGA)	Review of related-party matters and/or disclosure of conflicts	AR	AR	AR	X	AR	AR
Establishment Evaluations (s56 LGA)	6.1.1	Ensure new CCOs are formed in compliance with LGA and aligned with Council frameworks.	Review and Endorsement of Council Controlled Organisation establishment	AR	NWDW	AR	AR	AR	AR

X = All CCOs

FNHL = Far North Holdings Ltd

NINC = Northland Inc (Primary oversight managed by a Joint Regional Committee)

NWDW = Northland Water Done Well/Northland Waters Ltd (Primary oversight managed by a Joint Regional Committee)

AR = As Required

Far North District Council
Te Koekoeā Committee for Council Controlled Organisations Meeting
will be held in the Council Chamber, Memorial Ave, Kaikohe on:
Monday 12 October 2026 at 1:00 pm

Te Paeroa Mahi / Order of Business

1	Karakia Tīmatanga / Opening Prayer	7
2	Ngā Whakapāha Me Ngā Pānga Mema / Apologies and Declarations of Interest	7
3	Ngā Tono Kōrero / Deputation.....	7
4	Te Whakaaetanga o Ngā Meneti o Mua / Confirmation of Previous Minutes	8
	4.1 Confirmation of Previous Minutes	8
5	Ngā Pūrongo / Reports.....	14
	5.1 Northland Waters Limited - Statement of Expectations	14
6	Ngā Pūrongo Taipitopito / Information Reports	35
	6.1 Northland Waters Limited - Establishment Update	35
	6.2 Open Resolutions and Action Points Update - October 2026	38
7	Te Wāhanga Tūmataiti / Public Excluded	41
	7.1 Confirmation of Previous Minutes - Public Excluded	41
	7.2 Far North Holdings Limited - Annual Report.....	41
	7.3 Far North Holdings Limited - Board Appointments Recommendation.....	41
	7.4 Far North Holdings Limited - Letter of Expectations 2027-2030	42
	7.5 Public Excluded Open Resolutions and Action Points Update - October 2026	42
8	Karakia Whakamutunga / Closing Prayer	43
9	Te Kapinga Hui / Meeting Close	43

1 KARAKIA TĪMATANGA / OPENING PRAYER

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 Committee 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.

3 NGĀ TONO KŌRERO / DEPUTATION

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

4 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A5998094

Author: Marysa Maheno, Democracy Advisor

Authoriser: Aisha Huriwai, Manager - Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The minutes are attached to allow the Committee to confirm that the minutes are a true and correct record of previous meetings.

TŪTOHUNGA / RECOMMENDATION

That Te Koekoeā Committee for Council Controlled Organisations confirm the minutes of the meeting held 18 August 2026 are true and correct.

1) TĀHUHU KŌRERO / BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The minutes of the meeting are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meetings.

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

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

- 1. 2026-08-18 Te Koekoeā Committee for Council Controlled Organisations Minutes - A5918924**  

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	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
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.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
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.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
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).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

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Te Koekoeā Committee for Council Controlled Organisations Meeting
Minutes

18 August 2026

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE KOEKOEĀ COMMITTEE FOR COUNCIL CONTROLLED ORGANISATIONS MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVE, KAIKOHE
ON TUESDAY, 18 AUGUST 2026 AT 10:02AM**

PRESENT: Chairperson John Vujcich, Deputy Chairperson Gordon Shaw, Cr Rachel Baucke, Cr Ann Court (online), Cr Davina Smolders, Cr Felicity Foy (online), (Ex-officio Member) Kahika - Mayor Moko Tepania, Cr Kelly Stratford.

IN ATTENDANCE: Mark Osbourne, Paul Linton and Suzanne Duncan (Northland NZ Representatives).

STAFF PRESENT: Charlie Billington (Group Manager – Corporate Services), Kate Ivicheva (Group Manager – Planning & Policy), Jacine Warmington (Group Manager – Strategic Relationships), Hilary Sumpter (Group Manager – Delivery & Operations), Ken Macdonald (Chief Financial Officer), Aya Morris (Net Zero & Sustainability Programme Lead), Esther Powell (Manager – Climate Action & Resilience), Guy Holroyd (Chief Executive Officer), Marysa Maheno (Democracy Advisor), Aaron Taikato (Manuhautu Te Hono – Group Manager Te Hono).

1 KARAKIA TIMATANGA / OPENING PRAYER

Kahika-Mayor Moko Tepania commenced the meeting with karakia.

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

Chair John Vujcich noted the online attendance from Crs Ann Court and Felicity Foy.

3 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

3.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A5891824, pages 8 - 12 refers

RESOLUTION 2026/9

Moved: Cr Kelly Stratford

Seconded: Chairperson John Vujcich

That Te Koekoeā Committee for Council Controlled Organisations confirm the minutes of the meeting held 16 June 2026 are true and correct.

Abstained: Cr Davina Smolders

CARRIED

4 NGĀ PŪRONGO / REPORTS

4.1 GREENHOUSE GAS EMISSIONS REDUCTION CONSIDERATIONS FOR COUNCIL-CONTROLLED ORGANISATIONS

Agenda item 5.1 document number A5840213, pages 13 - 20 refers

MOTION

Moved: Cr Kelly Stratford

Seconded: Kahika-Mayor Moko Tepania

That Te Koekoeā Committee recommends to Council:

a) GHG emissions reduction targets and requirements for GHG emissions measurement be

UNCONFIRMED

Te Koekoeā Committee for Council Controlled Organisations Meeting
Minutes

18 August 2026

mandated (established) through the statement of expectations for the new CCO, Northland Waters Limited, for the portion of GHG emissions which relate to FNDC; (can we mandate a CCO that doesn't exist)	
b)	GHG emissions reduction targets and requirements for GHG emissions measurement be mandated (established) for Far North Holdings Ltd; (skip/remove)
c)	GHG emissions reduction targets and requirements for GHG emissions measurement be mandated (established) for the portion of Northland Inc (Northland NZ) GHG emissions which relate to FNDC.
The amendment became the substantive motion.	
RESOLUTION 2026/10	
Moved: Cr Davina Smolders	
Seconded: Cr Rachel Baucke	
That Te Koekoeā Committee for Council Controlled Organisations recommend to Council;	
a)	that greenhouse gas emissions measurement requirements be developed for the relevant CCOs, and that any recommendation to mandate emissions-reduction targets be deferred until Council receives;
i)	a Chief Financial Officer-reviewed assessment setting out the expected costs, benefits, infrastructure and dividend impacts, reasonably practicable alternatives, and the comparative cost of offsetting emissions; and
ii)	a legal opinion, including clarification of the statement that FNDC “will be exposed to the costs of offsetting sequestration”.
<u>In Favour:</u>	Crs Rachel Baucke, Ann Court, Felicity Foy and Davina Smolders
<u>Against:</u>	Chairperson John Vujcich, Cr Kelly Stratford and Kahika-Mayor Moko Tepania
<u>Abstained:</u>	Deputy Chair Gordon Shaw
CARRIED	

The meeting adjourned at 10:59AM and resumed at 11:11AM.

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 FUTURE ECONOMIC DEVELOPMENT INVESTMENT AND RESOURCING - FAR NORTH DISTRICT COUNCIL LONG TERM PLAN 2027 - 2037

Agenda item 6.1 document number A5895009, pages 21 - 23 refers

RESOLUTION 2026/11	
Moved: Cr Kelly Stratford	
Seconded: Chairperson John Vujcich	
That the Te Koekoeā Committee for Council Controlled Organisations receive the report Future Economic Development Investment and Resourcing - Far North District Council Long Term Plan 2027 - 2037.	
CARRIED	

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Te Koekoeā Committee for Council Controlled Organisations Meeting
Minutes

18 August 2026

5.2 NORTHLAND NZ STATEMENT OF INTENT 2026-27

Agenda item 6.2 document number A5859298, pages 24 - 83 refers

RESOLUTION 2026/12

Moved: Cr Kelly Stratford
Seconded: Chairperson John Vujcich

That the Te Koekoeā Committee for Council Controlled Organisations receive the report Northland NZ Statement of Intent 2026-27.

CARRIED

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2026/13

Moved: Chairperson John Vujcich
Seconded: Cr Kelly Stratford

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Confirmation of Previous Minutes - Public Excluded	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - Alteration of resolution 2026/6 from Te Koekoeā Committee Meeting held 16 June 2026	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.3 - Far North Holdings Limited - Board Appointment Update	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Page 3

UNCONFIRMED

Te Koekoeā Committee for Council Controlled Organisations Meeting
Minutes

18 August 2026

7.4 - Far North Holdings Ltd - Statement of Intent	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

Kahika-Mayor Moko Tepania closed the meeting with karakia.

8 MEETING CLOSE

The meeting closed at 1:06PM.

The minutes of this meeting will be confirmed at the Te Koekoeā Committee for Council Controlled Organisations Meeting held on 13 October 2026.

.....
CHAIRPERSON

5 NGĀ PŪRONGO / REPORTS

5.1 NORTHLAND WATERS LIMITED - STATEMENT OF EXPECTATIONS

File Number: A5987275

Author: Andy Dowdle, Transition Manager

Authoriser: Charlie Billington, Group Manager - Corporate Services

To seek the committee's endorsement of the draft Statement of Expectations for Northland Waters Limited (NWL), and its recommendation that Council approves the Statement at its meeting on 22 October 2026.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- The Local Government (Water Services) Act 2025 (the Act) requires the shareholders of a water organisation to give it a Statement of Expectations. The organisation must give effect to the Statement.
- NWL was established on 11 May 2026. The Act requires its first Statement to be provided no later than six months after that date, which is 11 November 2026.
- Far North District Council (FNDC), Whangārei District Council (WDC) and Kaipara District Council (KDC) have prepared the draft together through the Shareholders' Representative Group (SRG). All three councils must agree to adopt it.
- The SRG approved the 30 September 2026 draft on 5 October 2026.

TŪTOHUNGA / RECOMMENDATION

That Te Koekoeā Committee for Council Controlled Organisations:

- a) **endorse the draft Statement of Expectations for Northland Waters Limited (Attachment 1); and**
- b) **recommend that Council, at its meeting on 22 October 2026:**
 - i. **approve and adopts the Statement of Expectations as a Reserved Matter under clause 8 of the Shareholders' Agreement, for the shareholders to provide to Northland Waters Limited under section 225 of the Local Government (Water Services) Act 2025; and**
 - ii. **delegate to the Mayor and Chief Executive authority to agree minor changes to the Statement, including changes in response to comments from Northland Waters Limited, where those changes are consistent with the committee's endorsement.**

1) TĀHUHU KŌRERO / BACKGROUND

What a Statement of Expectations is

A Statement of Expectations sets out what the shareholders expect a water organisation to achieve. The Act requires the shareholders to prepare and adopt a Statement and provide it to the organisation. The Statement must cover at least 10 consecutive financial years. The organisation must give effect to it.

The Act sets out what a Statement must include:

- the outcomes the shareholders expect the organisation to achieve
- requirements about each council's resource management and land use planning
- a requirement that the organisation acts in accordance with the councils' statutory obligations
- the information the organisation must include in its half-yearly report.

The Shareholders' Agreement (SHA) adds further content that all three councils agreed. This includes relationships with hapū and iwi, performance measures, and obligations the councils hold under agreements with third parties.

What the Statement can and cannot do

The Statement sets direction at the level of outcomes and priorities, and the Act places limits on it. It must be consistent with the law, with NWL's Constitution and the SHA, and with NWL's responsibilities under the transfer agreements. It cannot direct how NWL performs a particular duty under the Act. Nor can it require NWL to do, or not do, something for a particular person, unless the Constitution or SHA allow it. If the Statement conflicts with a direction from the Water Services Authority, the Commerce Commission or Northland Regional Council, that direction applies. The shareholders can have only one Statement in place at a time.

How the Statement fits with NWL's other documents

Te Koekoeā oversees Far North Holdings Limited (FNHL) through a Letter of Expectations and a Statement of Intent. The Statement of Intent requirements in the Local Government Act 2002 do not apply to water organisations. The Act uses a different set of documents:

- The Constitution and the SHA set NWL's structure, how it is governed and which decisions the shareholders keep. They are intended to be long-lasting.
- The Transition Agreement governs the establishment period, until NWL begins delivering services on 1 July 2027.
- The Statement of Expectations sets out what the shareholders expect NWL to achieve over at least 10 years.
- The Water Services Strategy is prepared by the NWL Board. It sets NWL's investment programme and service levels, and must be guided by the Statement. The shareholders can comment on the draft Strategy and annual budget, and NWL must consider those comments. The shareholders cannot require changes to the Strategy or approve it.
- The half-yearly and annual reports are how NWL reports back to the shareholders, including the information the Statement requires.

Good practice

The Office of the Auditor-General (OAG) is NWL's auditor under its Constitution. The OAG has published guidance on the governance of council-controlled organisations. The guidance is not binding. It says that:

- councils should set clear objectives for their council-controlled organisations
- a document setting out expectations is a useful way to make roles and responsibilities clear, and to set boundaries on how the board meets its obligations
- oversight is not a means for a council to control the organisation, but an opportunity to set its direction.

For the Statement, this means being clear about the outcomes and priorities the shareholders expect, so the NWL Board knows what it is being held to. It also means leaving the running of NWL to the Board.

Statements prepared for other water organisations

Other water organisations have already received Statements from their shareholders. The first draft followed the general approach of those statements, which includes:

- a clear statement of purpose and outcomes
- a focus on establishment and transition in the early years
- alignment with council planning
- an emphasis on relationships, transparency and reporting.

In preparing its feedback, FNDC compared the draft with the Statements for three other water organisations:

- Selwyn Water Limited (Selwyn District Council)
- Tiaki Wai (metropolitan Wellington)
- Waikato Waters Limited (a group of Waikato councils).

Previous decision

On 20 May 2026, Council resolved that FNDC would join NWL as a shareholder (Resolution 2026/17). Council authorised FNDC to enter the SHA, the Constitution and the Transition Agreement. It also appointed Mayor Moko Tepania and Cr John Vujcich as FNDC's SRG representatives, with Cr Arohanui Allen and Cr Kelly Stratford as alternates.

How the Statement is prepared and adopted

Under the SHA, each council provides input to the Statement. The SRG reviews and refines the draft and consults NWL. The shareholders then approve and adopt the Statement as a Reserved Matter.

The SHA lists a set of Reserved Matters. These are decisions the shareholders have kept for themselves rather than leaving to the NWL Board. For each one, the SHA sets how many shareholders must agree. Adopting the Statement of Expectations is a Reserved Matter that needs a unanimous resolution, so all three councils must agree. If any one council does not agree, the Statement cannot be adopted.

Process to date

The SRG considered a first draft on 29 June 2026. The councils gave feedback during July and August 2026. Te Koekoeā held a workshop on the draft on 18 August 2026. FNDC gave its feedback to the SRG on 26 August 2026, drawing on:

- the Te Koekoeā workshop
- input from FNDC's climate and resilience staff
- technical advice from the adviser to Te Koukou, the Committee for Transport and Infrastructure
- NWL's foundation documents
- the OAG guidance
- the comparison with the three other Statements.

The SRG then reviewed the draft at workshops and online meetings in September 2026. The 30 September draft (attachment 1) was subsequently approved by the SRG on 5 October 2026.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

What the committee is being asked to decide

The committee is asked whether to recommend that Council agrees to the Statement. If all three councils agree, the Statement becomes the shareholders' formal expectations of NWL until 30 June 2037. NWL must give effect to it, and it will guide NWL's Water Services Strategy. Changing it later would follow the same process, including the agreement of all three councils.

What the draft covers

The draft sets expectations in these areas:

- customers and communities
- financial sustainability and transparency
- resilient and reliable infrastructure
- safe and compliant operations
- integrated regional service delivery
- relationships with iwi and hapū
- alignment with council planning
- relationships and collaboration
- reporting and accountability
- the transition to the operational date of 1 July 2027.

The draft also requires the NWL Water Services Strategy to be independently reviewed or audited at least once every three years. If adopted, the Statement would remain in force until 30 June 2037.

Where drafting is at

The draft Statement has been through several revisions following input from the SRG and feedback from the three councils. The draft dated 30 September 2026 is attached to this report and was

approved by the SRG on 5 October 2026. The shareholders will now provide the draft to NWL for comment, as required by section 229 of the Act, before the Statement is finalised for adoption by the three councils.

Why this decision goes to Council

Adopting the Statement is a Reserved Matter under the SHA and requires approval by each shareholder council. It is not delegated to the SRG representatives or to Te Koekoeā. WDC and KDC are also taking the Statement to their full councils for approval. For these reasons, Te Koekoeā is asked to endorse the draft and recommend approval to Council.

Relevant legislation

The relevant provisions are sections 223 to 229 of the Act, and clause 8 and Schedules 3 and 6 of the SHA.

Implications for Māori

Section 3 of the draft sets expectations for NWL's relationships with iwi and hapū. NWL would act in accordance with its statutory obligations to Māori, including Treaty settlement obligations. It would also act in accordance with the councils' relationship agreements with iwi, hapū and Māori organisations. In the Far North, NWL would also be expected to:

- build relationships with hapū and iwi
- develop engagement approaches with them
- have regard to mātauranga Māori and to hapū and iwi perspectives in its planning and decisions.

Te Kahu o Taonui is the forum of iwi chairs in Te Tai Tokerau. Mayor Tepania and FNDC staff attended its Chairs hui in Kerikeri on 17 July 2026 to seek iwi input into the Statement. Iwi and hapū representatives were also invited to the Te Koekoeā workshop on the Statement on 18 August 2026. If the Statement is adopted, NWL would continue existing relationships and be expected to develop its own relationships and engagement arrangements with hapū and iwi in the Far North.

Risks and mitigations

Risk	Mitigation
The Statement is not provided by 11 November 2026.	Council considers the Statement on 22 October 2026. The delegation avoids a further Council meeting for minor changes.
One council does not agree, so the resolution cannot be unanimous.	The SRG approved the 30 September draft on 5 October 2026, supporting a coordinated approval process across the three shareholder councils.
The text changes after the committee meeting.	The delegation covers minor changes only. Substantive changes would return to Council.
NWL's comments arrive too late to be considered before Council meets on 22 October 2026.	The delegation covers minor changes in response. A substantive change would need Council to meet again before 11 November 2026.

Options:

Option 1: Endorse the Statement and recommend that Council approves it on 22 October 2026.

The committee endorses the Statement agreed by the SRG, and Council considers it on 22 October 2026. The Mayor and Chief Executive could agree minor final changes.

Advantages

- FNDC stays on track to provide the Statement by the statutory deadline of 11 November 2026.
- It supports a unanimous resolution of the three councils.
- Minor final changes, including any in response to NWL's comments, can be agreed without another Council meeting.
- NWL would have settled expectations from its shareholders as it prepares to deliver services from 1 July 2027.

Disadvantages

- Any matter FNDC raised that is not reflected in the version agreed by the SRG would not be pursued further before adoption.
- There may be little time to consider NWL's comments before Council meets on 22 October 2026.
- The delegation relies on a judgement about what counts as a minor change.
- Once adopted, any change would need the agreement of all three councils.

Option 2: Endorse the Statement subject to changes the committee specifies.

The committee identifies changes it wants and endorses the Statement on the condition that those changes are made. FNDC's SRG representatives would then seek the changes from WDC and KDC.

Advantages

- FNDC's SRG representatives would have a clear mandate on particular clauses.
- The committee's position on the matters it considers most important would be on the record.
- If WDC and KDC agree, the Statement would more closely reflect the committee's priorities.

Disadvantages

- WDC and KDC would need to agree to any change, which may reopen negotiation.
- Adoption may be delayed beyond 22 October 2026, putting the 11 November 2026 statutory deadline at risk.
- If WDC or KDC have already approved the Statement, they would need to reconsider it.
- NWL may need a further opportunity to comment on the changed text.

Option 3: Decline to endorse the Statement, or defer the decision.

The committee does not endorse the Statement at this meeting, and Council does not consider it on 22 October 2026.

Advantages

- More time would be available to resolve outstanding matters.
- The committee could seek further information before deciding.

Disadvantages

- The shareholders would be unlikely to meet the 11 November 2026 statutory deadline.
- WDC and KDC could not complete adoption, because it needs all three councils to agree.
- NWL would continue its establishment without settled expectations from its shareholders.

No option has a direct cost to FNDC. Option 3 may need more staff and legal time.

Next steps:

- The SRG approved the draft on 5 October 2026. The shareholders will provide it to NWL for comment, as section 229 of the Act requires, and must consider NWL's comments before finalising the Statement.
- If Council approves the Statement on 22 October 2026, and WDC and KDC also approve it, the shareholders will provide it to NWL by 11 November 2026.
- FNDC and NWL must each publish the Statement on their websites within one month of adoption, and keep it there for at least seven years.
- Staff are currently drafting a performance framework that gives effect to the Statement which will be considered by the SRG.

Take Tūtohunga / Reason for the Recommendation

Option 1 allows FNDC to join a unanimous resolution in time to meet the statutory date of 11 November 2026. The delegation allows minor final changes without another Council meeting.

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

Approving the Statement has no direct financial implications for FNDC. NWL would meet the Statement's expectations within its own funding. FNDC's share of establishment costs is dealt with under the Transition Agreement.

ĀPITI HANGA / ATTACHMENTS

1. **NWL Statement of Expectations (30 Sept draft) SRG Approved - A5995886** [!\[\]\(24180132e7ad141ac8d162de88314f32_img.jpg\)](#) 

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	Staff assess this decision as low to moderate significance under the Significance and Engagement Policy 2021. The decision gives effect to Council's decision of 20 May 2026 to join NWL (Resolution 2026/17). It does not transfer a strategic asset and involves no unbudgeted spending. The Act requires the shareholders to consult NWL on the draft. It does not require public consultation. The Statement would shape how water services are delivered until 30 June 2037, and public interest in water services reform is high.
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) Act 2025, sections 223 to 229. Local Government Act 2002, sections 76 to 82 (decision-making). Shareholders' Agreement for Northland Waters Limited, clause 8 and Schedules 3 and 6. Council Resolution 2026/17 (20 May 2026). FNDC Significance and Engagement Policy 2021.
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 Statement applies across the whole district. The matter sits outside Community Board delegations.
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.	See "Implications for Māori" in section 2 of this report.

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).	Water supply and wastewater customers in the Far North, including ratepayers, developers and businesses, and iwi and hapū. If adopted, the Statement would guide how NWL delivers services to them from 1 July 2027. The Act does not require public consultation on the Statement. The views of iwi and hapū are covered in section 2 of this report.
State the financial implications and where budgetary provisions have been made to support this decision.	See section 3 of this report. No direct financial implications arise from this decision.
Chief Financial Officer review.	The CFO has not reviewed this report as there are no budgetary impacts for FNDC.

STATEMENT OF EXPECTATIONS

Prepared by: Far North District Council

Whangārei District Council

Kaipara District Council

For: Northland Waters Limited

This Statement of Expectations is issued by the Shareholders of Northland Waters Limited in accordance with section 224 of the Local Government (Water Services) Act 2025.

The terms in this Statement of Expectations have the same meaning as defined in the Shareholders' Agreement and Constitution unless otherwise specified.

1. Strategic Direction for Water Services in Northland

- 1.1. The Shareholders expect the Company to manage and develop affordable drinking water and wastewater services that are safe, reliable and resilient, and that actively support the region's long-term housing, social and economic development. In delivering these outcomes, the Company is expected to balance affordability, resilience, growth and long-term investment needs in a transparent and financially sustainable manner.
- 1.2. The Company will build and maintain public and commercial confidence in water services through transparent, accountable and responsive service delivery. The Company will operate as an integrated regional service including by responding in a timely and practical manner to the needs of customers, developers and businesses, particularly where service responsiveness is critical.
- 1.3. Northland includes a mix of dispersed communities, diverse hapū and iwi interests and aspirations, areas of rapid growth, centres of economic activity, infrastructure capacity constraints and environmental sensitivities. The Company is expected to respond to this context by delivering services in a manner that is regionally coordinated, commercially agile and locally responsive.

1.4. The Company will act in accordance with any relevant statutory obligation that applies to a Shareholder that is a territorial authority.

1.5. Subject to applicable law, the Company will act in accordance with any obligation that a Shareholder that is a territorial authority may have with a third party (including with hapū, iwi, or other Māori organisations) under a contract or other agreement, to the extent those obligations relate to the Water Services provided by the Company or its functions within the relevant Service Area.

2. Outcomes and Strategic Expectations

The Company is expected to give effect to the following strategic outcomes.

2.1. Customers, Communities and Service Users

- a. The Company will provide services that reflect the practical needs and commercial experiences of customers, communities, developers, businesses and other users of water services. The Company will build and maintain public confidence throughout the transition and into ongoing operations.
- b. The Company will ensure that:
 - services are delivered safely and reliably from the Operational Date, with appropriate planning, risk management and response arrangements in place to minimise service interruptions and disruptions;
 - customer interfaces, including billing, contact channels and service requests, are clear, stable and accessible from the Operational Date, so that responsibility for service delivery is well understood;
 - billing arrangements are accurate and implemented in a way that supports customer understanding, including through clear communication of charges, billing timeframes and any changes from previous charging approaches;
 - the transition to the Company is clearly communicated so that customers understand what has changed and how to engage with the Company;

- issues raised by customers are addressed in a timely, predictable, and transparent manner, and information about service performance is communicated clearly;
- developers and businesses are provided with consistent, timely and practical information, responses and services that recognise the role of water services in enabling development and economic activity, supported by clear and publicly available service standards that provide certainty around timeframes for key interactions and decisions;
- key relationships with hapū and iwi, regulators, service providers and community stakeholders, are identified early and transitioned in a coordinated and deliberate manner; and
- it works in good faith with the Shareholders recognising the role they play in planning for their district's development, and the role good water services play in supporting that development.

2.2. Financial Sustainability and Transparency

- a. The Company will operate in a financially sustainable and prudent manner while maintaining affordability for current and future customers and having regard to the long-term implications of investment and funding decisions.
- b. The Company will consider affordability as a key factor when developing its Water Services Strategy, Water Services Annual Budgets and major investment proposals. In doing so, the Company will be transparent about affordability impacts, the trade-offs between affordability, resilience and investment, and the implications of deferring or accelerating expenditure.
- c. The Company will:
 - be financially and operationally ready to perform its Water Service responsibilities from the Operational Date;
 - maintain sufficient funding and working capital to meet operational and capital commitments as they fall due;
 - ensure that appropriate financial management and reporting arrangements are in place from the Operational Date;

- implement a long-term financial strategy that balances investment, resilience and affordability;
 - seek opportunities for innovation and continuous improvement that enhance service delivery, resilience, efficiency and value for customers;
 - provide financial reporting that clearly explains performance, including the drivers of cost, investment priorities and service outcomes;
 - ensure that its billing and financial systems support, where appropriate, the implementation of Council-led financial support mechanisms, including rates assistance schemes, while maintaining the Company's financial sustainability;
 - plan and fund growth-related infrastructure in a way that reflects the costs of growth, provides transparent allocation of investment, and supports agreed sequencing of development across Service Areas; and
 - comply with the applicable economic regulation and information disclosure requirements administered by the Commerce Commission.
- d. The Company will provide reporting that enables the Shareholders to understand financial performance within each Service Area, including information relating to costs, revenue, debt and investment associated with each Service Area.
- e. The Company will consider and report on potential options for moving towards a price harmonisation model for water charges across all Service Areas within 3.5 years of incorporation, as required by the Shareholders' Agreement.

2.3. Resilient and Reliable Water Infrastructure

- a. The Company will build, maintain and operate infrastructure that supports reliable service delivery and enables the long-term economic development of the region.
- b. The Company will have regard to the importance of protecting and enhancing the health and wellbeing of water bodies when undertaking planning, investment and decision-making relating to Water Services.

c. The Company will:

- be ready to continue delivery of the agreed capital programme from the Operational Date, including the agreed capital programme for 2027/2028 while supporting continuity of works and confidence for suppliers and delivery partners;
- identify and assess asset condition, network constraints and service risks across the region and use that information to inform prioritisation and investment decisions;
- identify critical assets, understand key risks associated with those assets, and implement appropriate mitigation measures;
- base investment decisions on long-term planning, projected growth and required levels of service, including prioritising investment to address known network capacity constraints that limit development; and
- incorporate climate adaptation and resilience considerations into infrastructure planning and asset management.

d. The Company will plan and deliver its capital programme in a way that provides clear sequencing of works across Service Areas, ensures transparency of prioritisation decisions, maintains confidence in delivery, and provides clear reasons for any material reprioritisation, disruption or deferral of planned works, particularly where significant growth or infrastructure investment is planned.

e. The Company will operate in a way that seeks to improve service performance across the region while ensuring that no Service Area experiences a reduction in service levels or an unreasonable delay in planned investment.

2.4. Safe and Compliant Operations

a. The Company will maintain high standards of safety, regulatory compliance and environmental management.

b. The Company will:

- identify and manage its regulatory obligations from the Operational Date and maintain appropriate arrangements for achieving and demonstrating compliance;

- seek to contribute to improved environmental outcomes and the long-term health of water bodies through its planning, investment and operational decision-making;
- maintain effective systems and processes to support compliance with applicable requirements of Taumata Arowai and other relevant regulators;
- develop, implement and maintain appropriate governance, risk, information, complaints and emergency management frameworks to support the safe and accountable delivery of Water Services;
- implement health, safety and emergency response arrangements that are fully operational and clearly understood, including defined roles and escalation processes;
- ensure that systems and data required for safe and compliant operations are in place from the Operational Date; and
- foster an organisational culture that prioritises safety and compliance in both decision-making and supports a balanced approach to risk and investment while maintaining appropriate standards.

2.5. Integrated Regional Service Delivery

- a. The Company will operate as a regional organisation, coordinating the efficient delivery of Water Services across Northland, while remaining responsive to differing circumstances, needs and priorities of each Service Area.
- b. The Company will:
 - Support an orderly transition of staff in a way that ensures continuity of employment arrangements, accuracy of remuneration and retention of institutional knowledge;
 - ensure that the governance and organisational capability required to deliver Water Services is in place from the Operational Date;
 - develop and adopt a Water Services Strategy that provides a clear long-term framework for investment, service delivery and decision-making;

- explain in the Water Services Strategy how affordability has been considered and balanced alongside service levels, resilience, growth and regulatory requirements; and
 - deliver services through a regionally coordinated approach while remaining responsive to local service needs, and avoid unnecessary delays in design and implementation.
- c. The Shareholders recognise that differences in local circumstances, service characteristics and legacy arrangements may require variations in approach. Where this occurs, area-specific expectations or requirements may be developed and applied.

3. Relationships with Iwi and Hapū

3.1. The Company will act in accordance with:

- a. its statutory obligations in relation to Māori, including relevant Treaty settlement obligations; and
- b. the obligations and commitments held by the Shareholders under existing relationship agreements with iwi, hapū and Māori organisations, to the extent those obligations are relevant to the Water Services provided by the Company or its functions within the relevant Service Area.

This clause applies in all Service Areas.

3.2. In giving effect to clause 3.1, Whangārei District Council expects the Company, in Whangārei District Council's Service Area, to:

- a. build and maintain effective relationships with hapū, iwi and Māori organisations and reflect those relationships in its planning, decision-making and delivery of Water Services. The Company recognises that those relationships contribute to positive water, environmental and community outcomes.
- b. work with hapū and iwi to develop and maintain engagement approaches and relationship arrangements that support ongoing dialogue, advice, participation and information-sharing; and
- c. have regard to mātauranga Māori, local knowledge, and hapū and iwi perspectives, when undertaking planning, investment and decision-making activities relevant to Water Services.

3.3. Far North District Council expects the Company, in Far North District Council's Service Area, to:

- a. build and maintain effective relationships with hapū, iwi and Māori organisations and reflect those relationships in its planning, decision-making and delivery of Water Services. The Company recognises that those relationships contribute to positive water, environmental and community outcomes.
- b. work with hapū and iwi to develop and maintain engagement approaches and relationship arrangements that support ongoing dialogue, advice, participation and information-sharing; and
- c. have regard to mātauranga Māori, local knowledge, and hapū and iwi perspectives, when undertaking planning, investment and decision-making activities relevant to Water Services.

4. Independent Review of Water Services Strategy

- 4.1. The Company will ensure that all or part of the Water Services Strategy is independently reviewed or audited, at least once every 3 years.
- 4.2. The Shareholders will set the scope, timing and reporting arrangements for each independent review or audit to be undertaken.

5. Planning and Strategy Alignment

- 5.1. The Company will operate in a manner that aligns with the planning frameworks and statutory responsibilities of the Shareholders.
- 5.2. The Company will:
 - a. have regard to relevant resource management, land use and growth planning frameworks, including the Future Development Strategy, any Regional Spatial Plan, Infrastructure Strategies, Long-Term Plans and other strategic planning documents of the Shareholders;
 - b. ensure that its Water Services Strategy provides a clear connection between the Shareholders' priorities and relevant Long-Term Plan outcomes, and the Company's planning and investment decisions;
 - c. seek to understand the priorities, interests and aspirations of affected hapū and iwi, and consider these when developing its Water Services Strategy and other significant planning documents;

- d. engage with the Shareholders at an early stage where decisions may have significant implications for growth, infrastructure sequencing or community outcomes;
- e. work with relevant Shareholder functions, including transport, stormwater, drainage and flood management, to support integrated planning, investment and delivery outcomes;
- f. provide technical advice and information to support Shareholder planning, policy development and decision-making in matters relating to Water Services; and
- g. ensure that planning, asset and operational information is aligned and shared with the Shareholders to support coordinated delivery and clear visibility across council functions.

5.3. In making planning and investment decisions, the Company will ensure that infrastructure sequencing aligns with agreed growth priorities and existing delivery programmes across each Service Area, and that any proposed changes are clearly explained and discussed with the Shareholders.

6. Relationships and Collaboration

6.1. The Company will maintain effective and constructive relationships with the Shareholders, customers, developers, businesses and other stakeholders, and will develop and maintain its own relationships with the communities it serves.

6.2. The Company will:

- a. engage with the Shareholders and stakeholders, including the commercial sector, in a professional and constructive manner;
- b. provide information reasonably required by the Shareholders to support their statutory, governance and adopted policy obligations in a timely manner;
- c. recognise and work constructively with local governance, advisory and engagement arrangements established by the Shareholders, where these are relevant to the provision of Water Services;
- d. work constructively with infrastructure and utility providers where coordination is required to support infrastructure planning, delivery and maintenance activities;
- e. ensure that communication is timely, transparent and consistent with a 'no surprises' approach;
- f. provide early visibility of emerging issues, risks and material decisions that may affect the Shareholders, communities, or the delivery and sequencing of planned growth; and

- g. undertake meaningful engagement with communities and service users and collaborate with relevant parties where this contributes to better outcomes, including working constructively with the Shareholders to resolve differences in planning and engineering assumptions in a timely manner to avoid unnecessary delays to projects.

7. Supporting services

- 7.1. The Company will be open to entering into formal arrangements with Shareholder council(s), subject to development of agreed commercial terms, to support delivery of services that are the responsibility of councils. These may include, amongst other things:
 - a. stormwater
 - b. land drainage systems

8. Reporting and Accountability

- 8.1. The Company must provide timely and transparent information to enable effective oversight and accountability.
- 8.2. The Company will:
 - a. meet all statutory reporting requirements, including half-yearly reporting;
 - b. report on financial and non-financial performance against the expectations set out in this Statement of Expectations, including progress toward the Company's strategic objectives and priorities; and
 - c. disclose matters of material significance, including risks and issues that may affect performance, development timelines, or public confidence.
- 8.3. The Water Services Half-Yearly Report will include, at a minimum, information relating to:
 - a. financial performance and financial position, including forecast debt by Service Area;
 - b. affordability, including significant affordability risks and pressures and how affordability considerations have informed investment and funding decisions;
 - c. delivery of the capital programme;
 - d. performance against the Water Services Strategy and Statement of Expectations;
 - e. significant operational, regulatory and strategic risks;

- f. key asset condition challenges, priority investment areas and progress in addressing identified network constraints and asset risks;
- g. material issues, opportunities and emerging trends that may affect future performance; and
- h. how comments made by the Shareholders on the draft Water Services Strategy and draft Water Services Annual Budget under clause 3.2 of the Constitution have been considered.

8.4. The Company's reporting will support a clear understanding of service performance, financial performance and progress against strategic objectives. This will include reporting that provides visibility of the timeliness and quality of technical inputs into the Shareholders' planning and consenting processes, with performance measures to be developed through the Company's performance framework.

9. Performance Framework

9.1. The Shareholders will develop a performance framework that gives effect to the expectations set out in this Statement of Expectations.

9.2. The Company will maintain, and implement the requirements of, the performance framework.

9.3. The performance framework will:

- a. include clear, measurable indicators and targets across key performance domains, including service delivery, customer outcomes, financial performance, environmental outcomes, and asset performance;
- b. enable performance to be monitored over time and assessed against the expectations and outcomes set out in this Statement of Expectations; and
- c. support transparent, consistent, and meaningful reporting to the Shareholders.

9.4. The Company will report against the performance framework, including, at a minimum, providing insight into:

- a. performance against agreed indicators and targets;
- b. key trade-offs between cost, level of service, and investment;
- c. progress in delivering efficiency gains and long-term benefits; and
- d. emerging risks and issues affecting performance.

9.5. The Company will ensure that performance information is presented in a way that enables the Shareholders to understand progress over time and identify where further direction or decision-making may be required.

9.6. Detailed performance measures, including those relating to service delivery timeframes and responsiveness, will be set out in a separate and adaptable performance framework that allows detailed metrics to be updated over time.

10. Transition and Establishment Expectations

10.1. The Company will give particular priority to achieving Operational Date readiness and ensuring operational stability through the Transition Period.

10.2. The Company will:

- a. plan for and support continuity of Water Services through the transition and from the Operational Date, with appropriate arrangements to minimise disruption;
- b. ensure that customer-facing systems and processes are operational, accessible and clearly understood in advance of the Operational Date;
- c. support continuity of Water Services and delivery programmes through the effective transition of key contractual and supplier relationships;
- d. identify, monitor and manage material risks associated with the transition;
- e. support the effective transfer and retention of key capability, institutional knowledge and delivery capacity through the transition; and
- f. support continuity of existing capital programmes and minimises unnecessary disruption to established delivery programmes.

11. Application and Future Development

11.1. This Statement of Expectations sets the Shareholders' expectations of the Company at the point of establishment and provides the framework against which performance and development will be considered.

11.2. The Company and The Shareholders acknowledge that:

- a. the Company will evolve as it establishes and matures;
- b. further detail may be developed over time, including in relation to a specific Service Area, relationships, or performance expectations; and
- c. any amendment to or replacement of this Statement of Expectations will be undertaken in accordance with clause 8.3 of the Shareholders' Agreement and the Local Government (Water Services) Act 2025.

11.3. This Statement of Expectations comes into effect on the date it is approved by the Shareholders and will continue in force until 30 June 2037.

DRAFT

6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

6.1 NORTHLAND WATERS LIMITED - ESTABLISHMENT UPDATE

File Number: A5979489

Author: Andy Dowdle, Transition Manager

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

This report updates Te Koekoeā on two related matters: progress in developing the first Statement of Expectations (SoE) and supporting Performance Framework for Northland Waters Limited, and the status of the Northland Waters establishment programme. It also records shareholder council concerns about programme pace, visibility and confidence in the scope and readiness of Day 1 operations. The report is provided for the Committee's information and does not seek a decision.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The draft Statement of Expectations (SoE) is well advanced and brings together the three shareholder councils' expectations for customer outcomes, affordability, infrastructure, planning, compliance, iwi and hapū relationships, reporting and transition readiness.
- The supporting Performance Framework has progressed to a detailed discussion draft. It includes proposed performance areas and illustrative measures but remains subject to refinement and has not yet been formally adopted.
- The establishment programme has achieved important milestones in funding, recruitment, technology procurement, programme planning, risk management and due diligence.
- However, important establishment components remain incomplete or under development, including organisational design, ERP design and implementation, transfer arrangements, data and systems readiness, workforce transition and billing readiness.
- The shareholder councils are concerned that the programme may not be progressing quickly enough to provide confidence that the intended scope will be operationally ready at go-live. There is a risk that some capabilities may need to be deferred or retained temporarily by councils if critical readiness decisions are made too late.
- Council Chief EXECUTIVES have requested Northland Waters provide more granular programme information, a forward programme, engagement and change plans, risk visibility, and a clear ERP implementation and operational-readiness plan.

TŪTOHUNGA / RECOMMENDATION

That Te Koekoeā Committee for Council Controlled Organisations receive the report Northland Waters Limited - Establishment Update.

TĀHUHU KŌRERO / BACKGROUND

The Statement of Expectations (SoE) is the principal shareholder accountability instrument for Northland Waters Limited. It sets the strategic outcomes and high-level expectations the Company is required to give effect to, while detailed measures are intended to sit in a separate, adaptable Performance Framework.

Alongside this governance work, Northland Waters is delivering an establishment and transition programme to prepare the Company for operational commencement. Council provides operational governance oversight through a Programme Steering Group that requires sufficient programme

visibility to assure council sponsors that establishment and transition activities are on track, risks are being managed, and council dependencies can be planned and resourced.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

1. Statement of Expectations and Performance Framework

The Statement of Expectations is at an advanced draft stage. It covers strategic direction, customers and communities, financial sustainability, resilient infrastructure, safe and compliant operations, regional service delivery, relationships with iwi and hapū, planning alignment, reporting and accountability, performance management, and transition expectations.

The draft requires shareholders to develop a Performance Framework that gives effect to the SoE. The detailed framework is intended to contain measurable indicators and targets while remaining adaptable as information, systems and baselines mature.

A detailed illustrative framework has been prepared for shareholder discussion. It proposes performance coverage across service delivery and customer outcomes, asset performance and resilience, financial sustainability and affordability, planning and development support, environmental outcomes, iwi and hapū relationships, and transition and establishment. It also outlines a proportionate reporting approach and a possible shareholder dashboard.

The framework also remains a discussion draft. Feedback is being worked through on the structure of performance areas, the practicality and measurability of proposed indicators, local and service-area reporting, community outcomes, affordability, environmental reporting, and iwi and hapū participation. It should therefore be regarded as substantially developed but not yet adopted.

Component	Current position	Next focus
Statement of Expectations	Advanced draft	Complete shareholder refinement, Company consultation and adoption process.
Performance Framework	Detailed discussion draft	Confirm structure, select proportionate shareholder measures, establish data definitions and baselines, and agree approval and review arrangements.

2. Northland Waters establishment programme

The establishment programme is progressing and has delivered a number of important building blocks. Northland Waters has acceded to the Local Government Funding Agency, key finance, human resources, communications and systems appointments have been made or are progressing, TechnologyOne has been selected as the ERP provider, and design workshops are scheduled to commence. The Establishment Plan milestones are being validated and a rolling two-to-three-month forward plan is being developed.

Due diligence is also progressing through a series of Requests for Information. The information is intended to support transfer arrangements and provide visibility of assets, contracts, liabilities, operational requirements, risks and issues. Transfer agreement structures and the legal approach remain under development.

Shareholder council concern

While progress is evident, councils do not yet have sufficient confidence that the programme is advancing quickly enough, or with enough detailed visibility, to confirm that the intended operating scope will be ready at go-live. The concern is that delayed decisions or incomplete readiness activities could result in reduced Day 1 scope, temporary retention of functions by councils, or insufficient time to establish workable contingencies.

The areas contributing to this concern include:

- Organisational design remains under development, with final approval outstanding and input expected from the incoming Chief Executive.

- ERP design workshops are only commencing, while councils have identified the finance and billing implementation timetable as tight.
- Council dependencies, testing, data readiness, cutover arrangements and the date for confirming operational readiness require greater visibility.
- Transfer agreement structures and a number of due diligence workstreams remain in development.
- Critical readiness risks remain in recruitment and retention, organisational design certainty, billing readiness, and staff transition.
- Councils need more detailed forward planning information to align internal resources, subject-matter experts, communications, change activities and contingency planning.

A letter from the three shareholder councils are a direct response to these concerns. The request seeks an editable establishment programme with a three-month forward view, stakeholder engagement and communication and change plans, current risk information, and a clear ERP implementation plan showing milestones, testing, data readiness, council dependencies and the point at which operational readiness will be confirmed.

The council position is not that reduced Day 1 scope has been confirmed. Rather, the present level of programme maturity and visibility does not yet provide sufficient assurance that all intended capabilities will be ready. Early disclosure of any scope constraints, dependencies or contingency requirements is therefore important so councils can plan and make timely decisions.

Next steps

- Continue finalising the Statement of Expectations and refine the Performance Framework into a proportionate set of shareholder-level measures.
- Obtain and review the detailed establishment programme and rolling forward plan, with explicit council dependencies and decision dates.
- Seek clear definition of the intended Day 1 operating scope, go-live criteria, readiness evidence and any capabilities proposed for deferral.
- Require early identification of contingency arrangements where functions may need to remain temporarily with councils.
- Monitor the critical readiness risks through the Programme Steering Group and report material changes or assurance gaps to council governance forums.

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

No new budget decision is sought through this report.

ĀPITIHINGA / ATTACHMENTS

Nil

6.2 OPEN RESOLUTIONS AND ACTION POINTS UPDATE - OCTOBER 2026

File Number: A5988607

Author: Marysa Maheno, Democracy Advisor

Authoriser: Aisha Huriwai, Manager - Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Koekoeā Committee for Council Controlled Organisations with an overview of outstanding open resolutions and actions for Te Koekoeā Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Open resolutions are a mechanism to communicate progress against decisions/resolutions.
- Open resolutions are also in place for all formal elected member meetings.
- Action points are a mechanism to capture actions that are not part of a formal decision/resolution but require follow up or confirmation from staff.

TŪTOHUNGA / RECOMMENDATION

That Te Koekoeā Committee for Council Controlled Organisations receive the report Open Resolutions and Action Points Update - October 2026.

TĀHUHU KŌRERO / BACKGROUND

Any resolution or decision from a meeting is compiled on an open resolution status report, to capture actions triggered by Committee decisions. Staff provide updates on progress against tasks that are not yet completed.

Since some reports received by this Committee are informational, they do not generate open resolution items. However, a need has been identified to record and track action points arising from information reports or meeting discussions.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Managers will assist in recording and following up outstanding open resolutions or actions points with staff where appropriate, and occasionally, may be in a position to provide a further verbal update at meetings following the printing of an agenda. Democracy Services staff will support the process by generating reports.

The outstanding tasks are often multi-facet projects that take longer to fully complete.

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

There are no financial implications or need for budgetary provision in receiving this report.

ĀPITIHINGA / ATTACHMENTS

1. Open Resolution Report - A5997312  
2. Action Points Update Report - A5989296  

Action Sheets Report		Division: Committee: Te Koekoeā Committee for Council Controlled Organisations Officer:	Date From: Date To: Printed: Tuesday, 6 October 2026 1:03:35 PM
Meeting	Officer/Director	Section	Subject
Te Koekoeā Committee for Council Controlled Organisations 18/08/2026	Group Manager – Policy & Planning	Reports	Greenhouse gas emissions reduction considerations for council-controlled organisations
RESOLUTION 2026/10 Moved: Cr Davina Smolders Seconded: Cr Rachel Baucke That Te Koekoeā Committee for Council Controlled Organisations recommend to Council; a) that greenhouse gas emissions measurement requirements be developed for the relevant CCOs, and that any recommendation to mandate emissions-reduction targets be deferred until Council receives; i) a Chief Financial Officer-reviewed assessment setting out the expected costs, benefits, infrastructure and dividend impacts, reasonably practicable alternatives, and the comparative cost of offsetting emissions; and ii) a legal opinion, including clarification of the statement that FNDC “will be exposed to the costs of offsetting sequestration”. CARRIED			
05 Oct 2026 10:48am Executive Assistant to Group Manager – Policy & Planning Decision item on the 22nd October Council meeting agenda. No Further Action required.			

Te Koekoeā Committee for Council Controlled Organisations Action Points as of 2:30PM, Wednesday 30 September 2026

Date	Item	Action	Assigned	Update Comment
18 Aug 2026	5.1 – Greenhouse gas emissions reduction considerations for council-controlled organisations.	EMs seek clarity on the legal position (a legal opinion) in terms of "Requirements must also be mandated for Far North Holdings Limited (FNHL) and Northland Inc. to enable FNDC to deliver on climate action commitments set out through the Far North 2100 Strategy, the Climate Change Roadmap and the Climate Action Policy".	Planning & Policy	Climate staff will work with the legal services team to address this action and provide feedback to Council.
18 Aug 2026	5.1 – Greenhouse gas emissions reduction considerations for council-controlled organisations.	EMs want some financial modelling for potential options.	Planning & Policy	Staff will engage and coordinate with the CCOs to determine how to develop emissions accounting and an emissions reduction plan.
18 Aug 2026	6.1 – Future Economic Development Investment and Resourcing – Far North District Council Long Term Plan 2027 - 2037	25 August 2026 elected member workshop - request that an option of less or zero rate impact is workshopped.	Strategic Reform Initiatives	A brief will be provided to go out with Fri, Sep 18 notices that will also explore a less than zero percent rate rise and what this will mean. Next steps will request either/or a workshop and then Council paper confirming future investment economic development
18 Aug 2026	6.2 – Northland NZ Statement of Intent	Socialise/share the NorthlandNZ Statement of Intent - NorthlandNZ	Strategic Reform Initiatives	Statement of intent was attached to agenda item 6.2. This will also go out with Fri, Sep 18 EM notices.

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATION

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Confirmation of Previous Minutes - Public Excluded	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - Far North Holdings Limited - Annual Report	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.3 - Far North Holdings Limited - Board Appointments Recommendation	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(i) - free and frank expression of opinions by or between or to members or	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	officers or employees of any local authority s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	
7.4 - Far North Holdings Limited - Letter of Expectations 2027-2030	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.5 - Public Excluded Open Resolutions and Action Points Update - October 2026	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

- 8 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER**
- 9 TE KAPINGA HUI / MEETING CLOSE**