

Reference: ECM 9721376

**30 April 2026**

## **STATEMENT OF SHAREHOLDER EXPECTATIONS FOR WAI HONONGA WATER SERVICES LIMITED**

1. New Plymouth District Council (**Council**), as the 100% shareholder of Wai Hononga Water Services Limited (**the Company**), is required by section 224 of the Local Government (Water Services) Act 2025 (**LG(WS) Act**) to prepare and adopt a Statement of Expectations (**SOE**).
2. This SOE has been developed with input from the Company. Its purpose is to set out the Council's expectations as to the Company's strategic direction over the period between 2026 to 2036, including the preparation by the Company of its Water Services Strategy (**WSS**).
3. The Company must not take any action inconsistent with this SOE without the prior written approval of Council as shareholder.
4. This SOE was approved by Council on 24 June 2026.

### **Purpose**

5. This SOE provides guidance and sets out expectations as to how Council and the Company will work together to achieve strategic alignment, including through regular communication, reporting, and engagement. In addition, it provides guidance as to how the Company should engage with key stakeholders and the community.
6. The Company is a publicly owned utility with a primary purpose of long-term infrastructure stewardship, protection of public health, and intergenerational equity. The Company, once its operational establishment has been completed, will be responsible for delivering reticulated drinking water and wastewater services within the New Plymouth district in alignment with the objectives set out in section 17(1) of the LG(WS) Act, and in compliance with all other applicable regulatory requirements.

### **Outcomes to be achieved**

7. The Company exists to deliver safe, reliable, and resilient drinking water and wastewater services in the long-term interests of the New Plymouth district community and in accordance with section 17(1) of the LG(WS) Act.

8. The Company's financial management must align with the guiding principles and vision outlined within Council's Long-Term Plan (LTP)<sup>1</sup>, ensuring services are delivered in a financially sustainable manner, maintaining value for money while ensuring long-term resilience. The Company must prioritise resilience, renewals, and regulatory compliance over short-term financial optimisation.
9. Subject to applicable legislation (including any subsequent change), the Company will ordinarily apply Council's Development Contributions Policy for growth-related infrastructure. Any proposal to depart from that approach (including alternative cost-recovery mechanisms) requires prior Council resolution.
10. The Company is expected to demonstrate value for money for its customers through efficient service delivery, innovation, and continuous improvement.
11. In setting its charges, the Company will be transparent about cost drivers and will have regard to affordability and equity for current and future consumers, where practicable.
12. The Company is to focus on delivering its services in a manner that minimises adverse environmental effects as far as is reasonably practicable.
13. Proactive planning for climate events, infrastructure risks, and emergency preparedness and response must be embedded in the Company's operational practices and strategic planning, so that operational resilience is provided to consumers of its services.
14. While its initial focus is on achieving a successful establishment, the Company is to explore future opportunities to achieve greater efficiency and scale, including through the potential investigation of opportunities to share services or partner with other water service providers to provide more cost-effective services to the people of New Plymouth district.

#### **Alignment with Council Resource Management and Land Use Planning**

15. The Company must align its planning, investment, and service delivery, as far as practicable, with Council's existing resource management and land use planning. This is to be achieved by:
  - a. Considering and engaging with Council's LTP, Infrastructure Strategy, and strategic growth-related strategies, and working collaboratively to input into the Council's strategic planning work.
  - b. The Company will work in collaboration with Council and, when planning and delivering services, align with Council's LTP, Infrastructure Strategy, Future Development Strategy and District Plan.

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<sup>1</sup> [long-term-plan-2024\\_2034.pdf](#), pg. 30

- c. Maintaining regular communication with Council in relation to the alignment of its delivery of new infrastructure with Council's delivery of stormwater services and new infrastructure.
- d. Supporting Council's policy and planning functions by providing completed, accurate and timely technical and strategic advice to assist in Council decision making.
- e. Consulting with Council when making submissions on any future relevant Government reform.
- f. Supporting and measuring its performance against Council's climate change initiatives and targets, where possible.

### **Alignment with Council Values**

16. In exercising its governance role, the Council expects the Company and directors to act in a manner that:

- a. Maintains a high standard of integrity, transparency and accountability, consistent with public sector expectations.
- b. Prioritises the stewardship of public assets and a long-term, intergenerational perspective.
- c. Aligns with the Council's values, recognising that Directors retain independent duties under various legislation including the Companies Act and Local Government (Water Services) Act.

17. The Council expects the Board to:

- a. Periodically assess its own performance and capability.
- b. Maintain skills and experience appropriate to a publicly owned water services utility.
- c. Foster a culture of continuous improvement and sound risk management"

### **Information required in half-yearly report**

18. The Company's half-yearly report is to include:

- a. Progress being made by the Company in the development and implementation of its establishment plan;
- b. A dashboard report showing performance by the Company relative to its WSS;
- c. The status of the Company's capital delivery programme;
- d. Regulatory compliance;

- e. Any critical risks facing the Company (and any proposed mitigation of these) including health, safety and wellbeing risk reporting;
- f. The Company's current customer engagement activities, including any customer insights; and
- g. The Company's forecast expenditure and lending for the remainder of the then current financial year and implications for water service charges for the following financial year.
- h. Council has a strategic goal "Environmental Excellence Te Kounga ā-Taiao". Council's Environmental Sustainability Policy outlines Council's main environmental priorities. The Company is expected to contribute to the achievement of these priorities where and when appropriate through the provision, operations and management of high quality water and wastewater network services. The extent to which the Company does this should be reported on in the Company's half-yearly reports.

## **General Expectations**

### 19. Governance and Accountability

- a. The Company must manage its operations in accordance with its Constitution, and relevant legislation.
- b. The Company will work closely with Council when developing its Significance and Engagement Policy under the LG(W/S) Act to ensure that it draws on Council's experience with community engagement in the New Plymouth district, and it is workable for the district's communities.
- c. The Company is expected to prepare a WSS that reflects the priorities outlined in this SOE.
- d. The WSS will set strategic priorities and intended levels of service, and include indicative financial outlooks required by legislation. Detailed performance measures and formal budgets will be determined by the Board.

### 20. Sustainability and Climate Impacts

- a. The Company must incorporate climate impact mitigation and adaptation into its planning and operations, taking into account relevant Council and national strategies.
- b. The Company must consider environmental outcomes in all of its decision-making, ensuring the health and wellbeing of water bodies is prioritised.
- c. The Company must assess and report annually on its strategic climate risks and opportunities. This includes assessing risks arising from natural hazards that are being exacerbated by climate impacts as well as the risks from transitioning to a low-emissions and climate-resilient community.

- d. Council is in the process of joining the Local Government Funding Agency's Climate Action Loans scheme to provide an interest rate discount for Council debt. This requires all of Council's CCOs to be included within Council's emissions boundary. Therefore, Council expects the Company to monitor, report on, and reduce operational emissions (including scope 1, 2 and 3 emission sources) in a cost-effective and practical manner, prioritising emission reductions through existing projects and new initiatives that result in other operational benefits or operational cost savings.

## 21. Relationships and Engagement

- a. Relationship with Council:
  - i. To ensure strong communications and alignment, the Council expects that a designated Council observer will be invited to attend all Board meetings. The observer will not have voting rights and will not participate in decision-making but may contribute to discussions where appropriate.
  - ii. The Company's Board Chair, or in their absence another Board member, must attend Council's Finance, Audit and Risk Committee (or its equivalent) meetings quarterly to present critical risk updates. The Company's Chief Executive should also attend such meetings if required by Council to do so, to answer questions relating to these matters.
  - iii. A mutual 'no surprises' protocol applies. Each party will, wherever possible, notify the other within five working days of material matters likely to affect public health, service continuity, compliance, or public confidence.
- b. Relationship with New Plymouth District Community:
  - i. The Council expects the Company to operate in a manner that is socially responsible, by having regard to the interests of the New Plymouth district community and endeavoring to accommodate those interests when it is able to.
  - ii. As far as possible, the Company is expected to undertake its operations, and make decisions, with the best interests of the New Plymouth district's current and future communities in mind.
  - iii. The Company is to engage with consumers and the community (including recognised representative groups) in line with its Significance and Engagement Policy and in a manner proportionate to the nature and significance of the matter, including by maintaining awareness of relevant stakeholders, providing timely and accessible information appropriate to the audience, seeking input on significant matters where appropriate, and reporting annually, at an appropriate level of detail, on engagement activities and how feedback has informed decision-making

- c. Relationship with mana whenua, hapū and Iwi:
- i. The Council expects the Company to formally recognise the whakapapa and mauri of wai as a taonga, and commits to restoring, protecting and enhancing the health, quality and integrity of catchments for present and future generations.
  - ii. The Council expects the Company to maintain effective relationships as defined in partnership with mana whenua, hapū and iwi including through regular engagement to support the effective design, delivery and operation of the Company's water networks and systems.
  - iii. The Company is to engage with mana whenua, hapū and iwi in a manner that is respectful, inclusive, and consistent with Te Tiriti o Waitangi partnership, participation and protection principles. This includes:
    - a. Identifying and establishing meaningful and enduring relationships with mana whenua, hapū and iwi partners that have a significant interest in the Company's activities.
    - b. Ensuring timely and transparent sharing of information that impact on mana whenua, hapū, iwi and māori community interests in the New Plymouth district and seek their advice and input on strategic initiatives, projects, and decisions that affect them.
    - c. Supporting mana whenua, hapū and iwi to uphold their tikanga, rangatiratanga, kaitiakitanga, mana motuhake and mana whakahaere aspirations through collaboration, co-design, resourcing and shared decision-making particularly in matters relating to te taiao, with their kaitiaki responsibilities.
    - d. Reporting annually on its engagement activities and outcomes with mana whenua, hapū and iwi including how their perspectives or input have influenced the Company's decision-making with consideration given to mechanisms that enable them to provide feedback on engagement effectiveness.

## 22. Employer obligations

The Company is expected to be a good employer and must comply with all applicable employment-related legislation, including but not limited to the Employment Relations Act 2000, Health and Safety at Work Act 2015, Holidays Act 2003, and Human Rights Act 1993. The Company is expected to ensure that all of its employment agreements are lawful, fair, and consistent with good employer practices.

## 23. Sensitive Expenditure

While noting that CCOs operate in a different market than the Council, the Company is expected to be cognisant of the public environment in which it operates and to be aware of the Council's Sensitive Expenditure Policy.

#### 24. Statutory and Third-Party Obligations

The Company must always act in a manner which has due regard to the statutory obligations of Council and to Council's obligations pursuant to agreements with third parties, including mana whenua, hapū, Iwi.