

# Wai Hononga Water Services Limited Board of Directors

BOARD PACK

for

Wai Hononga Water Services Limited Board Meeting

Thursday, 16 April 2026

10:00 am (NZST)

Held at:

Teams

<https://teams.microsoft.com/meet/45020888731021?p=OIG3WwM9LR2Pr1U1jR>

## Wai Hononga Water Services Limited Board Meeting Agenda | Rārangī Take

<b>Venue</b>	Plymouth Room, NPDC Civic Centre, 84 Liardet Street and Microsoft Teams
<b>Date &amp; Time</b>	16 April 2026, 10am – 3 pm

<b>Public Meeting – Items for information, discussion and approval</b>		<b>Spokesperson</b>	<b>Action sought</b>	<b>Supporting Material</b>
1.	Chair’s welcome and apologies	Michael Sage		
2.	Opening Karakia	Kim Skelton		Verbal
3.	Disclosure of Interests	Michael Sage	For noting	Interests Register
4.	Minutes of the public section of previous Board meetings (17 March 2026 and 27 March 2026)	Michael Sage	For approval	Minutes
5.	Risk Update	Neil Holdom	For noting	Risk Register
6.	Chief Executive’s Report	Neil Holdom	For noting	Report
7.	Finance Update	Mark Hall	For noting	Report
8.	CE Delegations and Procurement	Sara Brownlie	For decision	Report
9.	People Safety and Culture Committee terms of reference	Onno Mulder	For decision	Report
10.	Audit, Finance and Risk Committee terms of reference	Sara Brownlie	For decision	Report

The following items are confidential and subject to Part 2 of the Local Government Official Information and Meetings Act 1987.

<b>Public Excluded - Items for information, discussion and approval</b>				
11.	Minutes of the public excluded section of previous Board meetings (17 March 2026 and 27 March 2026)	Michael Sage	For approval	Minutes
12.	Draft quarterly report to DIA	Neil Holdom	For Decision	Report
13.	People and Resourcing update	Neil Holdom / Mark Hall	For Decision	Report
14.	Update on Due Diligence	Suz Kuru / Michael Sage	For noting	Verbal
15.	Finance and Commercial Risk	Mark Hall / Tiffany Radich	For noting	Verbal
16.	Establishment Plan update	Michael Sage / Neil Holdom	For noting	Verbal
17.	Closing Karakia	Kim Skelton		Verbal

# Opening karakia

Kia uru uru mai a hau-ora  
A hau-kaha, a hau-maia,  
Ki runga, ki raro, ki roto, ki waho,  
Rire rire hau Paimārire!

*To join this way the vitality of wellness, of strength, of courage  
Bind it spiritual above, physical below,  
Spiritual inside and physical outside  
By our breath of Goodness and Peace*



# Interests Register

## Wai Hononga Water Services Limited Board of Directors

As of: 16 Apr 2026

Person	Organisation	Active Interests	Notice Date
<b>Joshua Hitchcock</b>	Ka Uruora Aotearoa Trustee Limited	Director	29 Jan 2026
	Ka Uruora Trustee Limited	Director	29 Jan 2026
	Ngāmotu District Growth Advisory Panel	Member	29 Jan 2026
	Te Kotahitanga o Te Atiawa - Pou Iho Tū	General Manager - Economic Development & Operations	29 Jan 2026
	Venture Taranaki Trust	Deputy Chair	29 Jan 2026
<b>Kim Skelton</b>	Solas Consulting Ltd	Director and shareholder	30 Jan 2026
	Te Atiawa (Taranaki) Holdings Limited	Director	30 Jan 2026
	Te Atiawa Iwi Corporate Trustee Ltd	Director	30 Jan 2026
	Te Atiawa Iwi Holdings Management Limited	Director	30 Jan 2026
	Te Kotahitanga o Te Atiawa Trust	Trustee	30 Jan 2026
	Te Ohu Kaimoana Maori Trustee Limited	Alternate Director	30 Jan 2026
	Te Rau o Rongo Charitable Trust	Chair	30 Jan 2026

<b>Michael Sage</b>	Gisborne District Council Water Services Committee	Independent Member	2 Feb 2026
	Misaco Limited	Director	2 Feb 2026
	Northland Waters Establishment Group	Member	2 Feb 2026
	Simpson Grierson	Former Partner	2 Feb 2026
<b>Neil Holdom</b>	TX1 Insight	Principal - Management Consultancy. No conflicts.	18 Mar 2026
<b>Onno Mulder</b>	Citycare Limited	Ex CEO - Resigned Nov 2020	2 Feb 2026
	EA Networks	CEO	29 Jan 2026
	Mulder Consultants	Director and shareholder	29 Jan 2026
	VFM Family Trust	Family Trust	2 Feb 2026
<b>Sara Brownlie</b>	Catalyst Cloud Ltd	Sister company to Catalyst.net Ltd so related interests	2 Feb 2026
	Catalyst.net Ltd	Director	2 Feb 2026
	Department of Internal Affairs	Ex contractor implementing finance and payroll systems	2 Feb 2026
	Education NZ	Director of Crown Entity	18 Feb 2026
	Enable NZ	Director of Crown Subsidiary to Health NZ providing disability equipment and services	2 Feb 2026
	Fargher Woods Ltd	Director and Shareholder	2 Feb 2026
	Fargher Woods Trust 1 & 2	Settlor - no conflict	2 Feb 2026
	Human Rights Commission	Part-time contract CFO	2 Feb 2026
	Porirua City Council	Contract financial training to Councillors	2 Feb 2026
	REANNZ	Director of Crown Entity providing fibre network and compute services	2 Feb 2026
	Tiaki Wai	Part-time contract financial advisor to Wellington region water services entity	2 Feb 2026
	Treasury, Public Service Commission and DPMC	Ex employee as CFO for central agencies	2 Feb 2026

Upper Hutt City Council

Previous Independent Member for the Risk and Assurance Committee  
2020-2025

2 Feb 2026

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**Wai Hononga Water Services Limited  
Minutes**

<b>Board meeting</b>	Public session
<b>Date</b>	17 March 2026
<b>Venue</b>	TSB Stadium, 1 Rogan Street, Welbourn, New Plymouth 4310
<b>Time</b>	11.05am

<b>Attendance</b>		
<b>Board of Directors</b>	<b>Management</b>	<b>Guests</b>
Michael Sage (Chair) Onno Mulder Kim Skelton Joshua Hitchcock Sara Brownlie	Neil Holdom (Establishment Chief Executive) Mark Hall (Establishment Team Strategic and Te Tiriti Partnership Lead) Helen Gray (Establishment Team – Establishment Director) Michael Ann Raymer (Establishment Team – Secretariat) Suz Kuru (Juno Legal/Establishment Team) Carol Malpas (NPDC-Manager, People & Wellbeing/ Establishment Team People Lead) Courtney Crowther (Business Analyst/Establishment Team – Finance Business Analysis Lead) Nicolette West (Establishment Team – Strategy and Policy Lead) Yin Shan Welton (Establishment Team – Change and Engagement Lead) Pete George (Nonsuch Consultants/Establishment Team) Amanda Strong (Juno Legal – Governance Advisor)	

1.	<p><b>Opening of Meeting</b></p> <ul style="list-style-type: none"> <li>• The Chair noted that there was a quorum present and declared the meeting open.</li> <li>• The Chair noted no apologies had been received.</li> <li>• The Chair welcomed the other directors, Neil Holdom and the wider establishment team to the inaugural board meeting of WaterCo1 Limited (the <b>Company</b>).</li> <li>• Kim Skelton delivered a karakia.</li> <li>• Each attendee briefly introduced themselves.</li> </ul> <p>The Chair made the following opening comments:</p>
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	<ul style="list-style-type: none"> <li>• This inaugural meeting of the board of the Company is an important milestone – one of many which will mark the Company’s progress towards the end point of owning, and having full operational responsibility for, all of the core reticulated drinking water and wastewater assets of the New Plymouth District Council (<b>NPDC</b> or <b>Council</b>).</li> <li>• Under the Government’s reform programme, Council submitted, and the Department of Internal Affairs approved, a Water Service Delivery Plan in 2025. This sets out the process by which the Company has been incorporated and by which it will take over these assets and operations.</li> <li>• The Establishment Plan which is being developed by the Establishment Team that has been seconded by Council into the Company, is the “living” blueprint by which the transition from Council to Company ownership and operational responsibility will take place.</li> <li>• That process, and the way in which the Company will subsequently operate, must take place in accordance with the wishes of NPDC as the sole shareholder of the Company. These will be set out in a formal Statement of Expectations, which has been developed in consultation with the Company, and which is expected to be finalised shortly.</li> <li>• The Chair acknowledged the hard work of (and thanked) Neil Holdom and the Establishment Team, and of the other directors, in getting to this milestone.</li> </ul> <p>The noted the following points regarding open meeting requirements.</p> <ul style="list-style-type: none"> <li>• This meeting is open to the public, as required under the Local Government Official Information and Meetings Act 1987 (<b>LGOIMA</b>) which applies to Water Organisations such as the Company, which have been established pursuant to the Local Government (Water Services) Act 2025. However, there are some agenda items which are required to be discussed in confidence by the board, in order to protect, for instance, the privacy of individual staff members or commercially sensitive information. The agenda for this meeting is therefore in two parts – the first part deals with items that can be discussed in public and the second deals with items which need to be discussed with the public excluded.</li> <li>• Members of the public are entitled to attend the first part of this meeting but not the second. They are not entitled to speak or otherwise participate in the board meeting, unless invited to do so by the board – for instance as part of a presentation which has been arranged prior to the meeting. There are no such presentations by members of the public at today’s meeting. There are no members of the public present at today’s meeting.</li> <li>• The agenda for this meeting, and the board papers for the open part of this meeting, have been published on the NPDC website (and will, in future, be published on the Company’s website, once this goes live).</li> </ul>
1a.	<p><b>Disclosure of Interests</b></p> <ul style="list-style-type: none"> <li>• The Chair asked each of the directors and Neil Holdom to identify any personal interests that they may have, in any of today’s agenda items or with the business of the Company in general, so that these can be noted in the Company’s Directors and Senior Management Interests Register (the <b>Register</b>) which is maintained by the Company’s Management Team and which is included in the agenda and is available to directors and Management via BoardPro (but which needs to be relabelled “Directors and Senior Management Interests Register”).</li> <li>• The Chair noted that: <ul style="list-style-type: none"> <li>○ given that the Company doesn’t yet have any employees – all members of the Establishment Team currently being secondees from NPDC – the board is treating “senior management” for these disclosure purposes as being just Neil Holdom as Establishment Chief</li> </ul> </li> </ul>

	<p>Executive. This will likely be broadened to include direct reports to the Chief Executive, as those people are recruited, but this is a matter for the board to consider at a later date;</p> <ul style="list-style-type: none"> <li>○ the need to disclose any such personal interests is an ongoing requirement which must be met at all times, not just at board meetings. For the time being, until the permanent staffing structure for the Company has been put in place, any interests which need to be noted outside a board meeting can be notified to either the Chair or the Chief Executive; and</li> <li>○ as a standard approach at board meetings, the current version of the Register will be treated as having been read by the directors and senior management, so the only interests which need to be disclosed are interests that are not currently noted in the Register. Likewise, any interests which are noted in the Register, but which need to be amended in order to update the disclosure, should be disclosed.</li> </ul> <ul style="list-style-type: none"> <li>● The Chair asked if there are interests which need to be disclosed or any disclosures which are in the Register, but which need to be modified. <ul style="list-style-type: none"> <li>○ Neil Holdom noted that he operates a management consultancy providing services to public and private infrastructure providers and had no conflicts to advise.</li> <li>○ No other interests or modifications were disclosed.</li> </ul> </li> </ul>
2.1	<p><b>Chief Executive’s Report</b></p> <p>Neil Holdom spoke to the Chief Executive’s Report to the board, covering the 4 month period to 28 February 2028 (included in the board papers for this meeting) and provided a summary of the key points. The following points were made.</p> <ul style="list-style-type: none"> <li>● The board is awaiting a response from NPDC’s Oversight Group, to the formal comments made by the Company in respect of the draft Statement of Expectations (<b>SoE</b>) prepared by NPDC (as the next step towards formal adoption by Council of the final SoE). Neil Holdom advised that the Oversight Group is awaiting comment from its Te Huinga Taumatua Committee.</li> <li>● Neil Holdom said that the Establishment Team needs the board to confirm the approach that it wishes to take in relation to the Transfer Agreement (by which Council will transfer the assets and liabilities of its water and wastewater business to the Company). It was agreed that a further board meeting would be convened for 27 March 2026 to discuss this.</li> <li>● The board asked Neil Holdom to: <ul style="list-style-type: none"> <li>○ investigate the possibility of developing the Company’s Regulatory Compliance Manual (also referred to as the Regulatory Roadmap) on a shared cost basis, in collaboration with other Water Services CCOs (incorporating the draft documentation prepared by the Establishment Team);</li> <li>○ prepare a budget for the costs being incurred in the establishment of the Company and to ensure that the relevant provisions in the Transitional Support Agreement between Council and the Company are complied with;</li> <li>○ ensure that any resources which are procured by the Company in relation to its establishment must, until the board has formally approved the Company’s Procurement Policy and Delegations of Authority, be procured in the Company’s (not Council’s) name and on terms to be approved by the board;</li> <li>○ ensure that the Establishment Team is fully resourced, so that it is able to maintain and implement the Establishment Plan. This will require additional resource to be put in place, including that noted in the Chief Executive’s report;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ report back to the board on the types and volume of requests that have been received by the Company, for disclosure of information under LGOIMA, so that the board can consider how best to respond to such requests, including the development of a policy for dealing with LGOIMA requests. This should address: <ul style="list-style-type: none"> <li>▪ whether all such disclosures should be published by the Company;</li> <li>▪ who will be responsible, within the Company, for dealing with such requests; and</li> <li>▪ the board’s expectation that any such requests should be included in the Chief Executive’s monthly board report;</li> </ul> </li> <li>○ continue to work with the board to appoint external advisers to undertake a peer review of the Establishment Plan and underlying planning process;</li> <li>○ work with Council to prepare the report required by DIA on progress, as at 31 March 2026, in implementation of the WSDP for the Company (and to provide the board with a draft of this report, once it is available); and</li> <li>○ develop a draft Delegation of Authority and Procurement Policy for consideration by the board and for formal adoption no later than at the board’s 16 April 2026 board meeting.</li> </ul> <ul style="list-style-type: none"> <li>● The Chair is to raise with the Convenor of the Oversight Group the need to confirm the Oversight Group’s expectations about the touchpoints between the Company and the Oversight Group (and that this may require an alteration to the Oversight Group’s Terms of Reference, to enable more extensive exchanges of information).</li> </ul>
2.2	<p><b>Establishment of Board Committees</b></p> <p>The board resolved:</p> <ul style="list-style-type: none"> <li>● to establish two standing committees of the board, namely the Audit Finance and Risk Committee (<b>AFR</b>) and the People, Safety and Culture Committee (<b>PSC</b>);</li> <li>● to appoint Sara Brownlie and Josh Hitchcock as members of the AFR Committee, with Sara Brownlie as chair of the AFR Committee;</li> <li>● to appoint Onno Mulder and Kim Skelton as members of the PSC Committee, with Onno Mulder as chair of the PSC Committee;</li> <li>● to appoint the Chair as an ex officio member of both committees;</li> <li>● that the function of each committee is to make recommendations to the full board on AFR and PSC issues respectively (but neither committee will have any standing delegation, to make decisions on behalf of the board); and</li> <li>● that each committee chair will develop and recommend to the board its Terms of Reference (to be incorporated into a Board Charter, which is to be developed by the board in parallel with the committees’ terms of reference). The terms of reference will include a requirement for each committee to meet at least once every 2 months.</li> </ul>
2.3	<p><b>Establishment Plan</b></p> <p>Helen Gray spoke to the latest version of the Project Establishment Plan (also known as the <b>Establishment Plan</b>) which is included in the board papers for this meeting and mentioned the following points.</p> <ul style="list-style-type: none"> <li>● The Establishment Team will present to a future board meeting a new online tool which will allow the board to have real time “read only” access to a dashboard which summarises the current status of the main work streams in the Establishment Plan; and to the detailed spread sheets which contain more granular detail on the status of each work stream.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Establishment Plan is dynamic and will continue to evolve</li> <li>• Helen Gray, who – as a secondee from Council to the Company - has been the lead responsible for developing and maintaining the Establishment Plan - has resigned from this role. Her last day will be Thursday 2 April 2026.</li> </ul> <p>The board discussed the Establishment Plan and noted the following points.</p> <ul style="list-style-type: none"> <li>• The board wants to be proactively notified by management of any material risks to the implementation of the Establishment Plan, either at the next scheduled board meeting (for moderate risks) or as a one-off alert (for high risks).</li> <li>• The Establishment Plan is about to undergo a peer review, following which the board will wish to use the Establishment Plan as the principal means by which the establishment of the Company is planned and monitored.</li> </ul>
2.4	<p><b>Development of Core Company Policies</b></p> <p>Nicolette West spoke to the paper on this topic (included in the board papers for this board meeting) and noted that management intends to develop a core set of policies for the Company, to be adopted by the board, using Council policies as a base, with an overview of the process for developing these policies (in the form of a policy framework) to be presented to the board in its May meeting</p> <p>The Board noted the following.</p> <ul style="list-style-type: none"> <li>• The Company’s draft Procurement Policy and draft Delegations of Authority to the Chief Executive should be presented to the Board at its April meeting.</li> <li>• As and when relevant, each draft policy should be considered by the AFR and/or the PSC Committee before being presented to the full board.</li> <li>• Given the board does not have visibility of Council policies, the Board is not comfortable with a blanket approach of adopting Council policies, although it may make sense in some cases to use them as a starting point for drafting Company policies.</li> <li>• The board wishes to receive, at its April meeting, a comprehensive and prioritised list of policies that need to be developed prior to the Company’s operational activities commencing.</li> </ul>
2.5	<p><b>Banking and Lending Options</b></p> <p>Courtney Crowther spoke to the paper on this topic (included in the board papers for this meeting) and sought the board’s guidance on how to proceed.</p> <p>The board resolved that:</p> <ul style="list-style-type: none"> <li>• management is to investigate the availability to the Company of a debt facility with the Local Government Funding Agency (<b>LGFA</b>) to fund the Company’s establishment costs;</li> <li>• management is to establish a basic cash account with Westpac New Zealand to enable the Company to undertake minor financial transactions on a non-invoiced basis. The \$50,000 cash advance which is available to the Company under its Transitional Support Agreement with Council is to be drawn down and deposited to this account. The account will not have any overdraft or other debt facility. The Chair and Sara Brownlie will be authorised to approve the debiting of amounts from this account and are entitled to delegate this authority to management in writing; and</li> </ul>

	<ul style="list-style-type: none"> <li>longer term LGFA funding will be needed by 1 July 2027, to fund the acquisition by the Company from Council of the core water and wastewater assets and liabilities, and for working capital purposes (the details of which are to be considered at a later board meeting in conjunction with the development of the Company’s Treasury Policy and associated financial management procedures).</li> </ul>
2.6	<p><b>Communications and Engagement Plan</b></p> <p>Yin Shan Welton spoke to the paper on this topic (included in the board papers for this meeting). The board noted the following expectations.</p> <ul style="list-style-type: none"> <li>The Board will be consulted by management on all proposed external communications.</li> <li>Management will develop, for board approval, the Company’s branding guidelines and website, together with a comprehensive external Communications and Engagement Plan once these foundations are in place.</li> <li>An update by management on the Communications and Engagement is to be a standing item on each board agenda.</li> </ul>
2.7	<p><b>Te Tiriti Partners Engagement Strategy</b></p> <p>Mark Hall spoke to the paper on this topic (included in the board papers for this meeting) and noted that he plans to develop high level principles to guide the Company’s actions in relation to its Te Tiriti partners (to be presented to a future board meeting for approval).</p> <p>It was agreed that that Joshua Hitchcock, Kim Skelton and Mark Hall will schedule a meeting to discuss gaps in the current draft of the proposed “Iwi/WSSCO Transition Engagement Strategy”, as well as development of a Significance and Engagement Policy.</p>
2.8	<p><b>Change of Company Name</b></p> <p>The Chair noted the following.</p> <ul style="list-style-type: none"> <li>There has been engagement and discussion with Iwi regarding the Company name since October 2025 and the proposed new name has been symbolically gifted to the Company by Iwi.</li> <li>The Oversight Group is comfortable with the proposed new name for WaterCo1 Limited, which is “Wai Hononga Water Services Limited”.</li> <li>AJ Park has confirmed that the Company will be able to register trade marks for this name and/or a logo which incorporates the name.</li> <li>The Company has purchased the URL which will enable website domain and email addresses to be created, using the new name.</li> </ul> <p>The board resolved to:</p> <ul style="list-style-type: none"> <li>change the name of the Company to Wai Hononga Water Services Limited, effective immediately (and to file the change of name with the Companies Office accordingly); and</li> <li>authorise management to undertake the development of a brand for the Company, using the new name (and to report on progress at the 16 April board meeting).</li> </ul>
2.9	<p><b>Risk Register</b></p> <p>Helen Gray spoke to the paper on this topic (included in the board papers for this meeting).</p> <p>The Chair noted the following.</p>

	<ul style="list-style-type: none"> <li>• The Company will acquire risks as soon as it begins incurring obligations.</li> <li>• At this very early stage, these risks will be minimal, and they will be primarily liability risks.</li> <li>• However, it is important to identify risks, or classes of risk, before they are acquired, so that appropriate insurances can be put in place.</li> <li>• One of the issues that will need to be considered carefully, particularly in the context of the Transfer Agreement between NPDC and the Company, will be the extent to which the Company assumes any operational responsibility prior to 1 July 2027. If this does occur, risks which are those of NPDC as the asset owner and as the provider of water services, may become shared risks, or risks for the Company.</li> <li>• In the meantime, most of the risks associated with the assets and the water services business are held by Council. It follows that the Risk Register which will be used to track those risks will be the existing Council Risk Register. In time, this will be replaced by the Company's own Risk Register, but that is not the case at this early stage.</li> <li>• Although the Risk Register currently remains a Council document, it is nevertheless important that the board and management take a very active interest in understanding the risks associated with the assets and the business, to inform the Company's due diligence exercise in respect of the assets and business; and to make sure that the Company adopts the best insurance and risk management strategies.</li> <li>• For these reasons, updates to the Risk Register – whether this is NPDC's current register or the Company's register, will be a standing item on the agenda for future board meetings. At each board meeting, the board will want to know about current material risks and what is currently changing – including today's board meeting.</li> </ul>
3.	<p><b>General Business</b> There was no other general business. The public session closed at 1.07pm.</p>
4.	<p><b>Confirmation of Minutes</b> These minutes were confirmed as an accurate record of this meeting, by resolution of the board passed at its meeting on 16 April 2026.</p>

## WSSCO Establishment Risk Register - FY25-26

		CONSEQUENCE				
		LOW	MINOR	MODERATE	MAJOR	CATASTROPHIC
LIKELIHOOD	ALMOST CERTAIN	MEDIUM	HIGH	HIGH	EXTREME	EXTREME
	LIKELY	MEDIUM	MEDIUM	HIGH	HIGH	EXTREME
	POSSIBLE	LOW	MEDIUM	MEDIUM	HIGH	HIGH
	UNLIKELY	INSIGNIFICANT	LOW	MEDIUM	MEDIUM	MEDIUM
	RARE	INSIGNIFICANT	INSIGNIFICANT	LOW	LOW	MEDIUM

Number	Risk/Issue	Source of Risk	Short Description	Description	Inherent Risk Consequence	Inherent Risk Likelihood	Inherent Risk Rating	Treatment Option	Current Treatment	Residual Risk Consequence	Residual Risk Likelihood	Residual Risk Rating	Risk Owner	Notes
001	Risk	Governance	Non-adoption of WSSCO foundation documents	If elected members and/or senior leaders are unwilling to proceed with or adopt WSSCO foundation documents (e.g., Establishment Plan, governance framework, key policies/charters), there is a risk of delays to agreed milestones/gateways committed in the WSDP adopted by the previous council and approved by DIA, resulting in programme slippage, compliance exposure, and reputational impacts	Major	Likely	High	Reduce	Provide targeted briefings to Elected Members from relevant authority on WSDP/DIA commitments and consequences of delay; Align papers and foundation documents to adopted resolutions and statutory requirements; Maintain open dialogue with DIA	Moderate	Likely	High	Helen Gray	Risk depends on EM decision-making and timing of council meetings; triggers include deferral of papers or requests to pause.
002	Issue	Governance	Lack of clarity in roles and responsibilities and timely decision making	If there is ambiguity between CCO Board, Council and/or management, there is a risk that roles and responsibilities are unclear, leading to decision-making delays, accountability issues, and reputational risk.	Major	Likely	High	Reduce	Develop a clear governance framework and related governance agreements i.e. Constitution, SOE, Transitional Support Agreement and Transfer Agreement(s) Dependency mapping	Major	Possible	High	Neil Holdom	Aligns with LGNZ guidance on CCO governance
003	Risk	Regulatory/Strategic	Lack of visibility of changing regulatory landscape	If there is a lack of understanding of the new regulatory requirements on a WSSCO, there is a risk of gaps in governance and operational oversight, leading to incorrect planning, regulatory non-compliance and negative attention from regulator and/or Central Government	Moderate	Unlikely	Medium	Transfer/Share	Remaining abreast of regulatory timeframes and changes to inform establishment planning	Moderate	Unlikely	Medium	Helen Gray	Regulatory roadmap and overview already completed, working with Amy Quattlebaum. Risk increases if plans are perceived as incomplete or misaligned with regulator
004	Risk	Regulatory/Strategic	DIA power to appoint Crown Facilitator	If establishment planning is interrupted or significantly delayed, there is a risk that the Secretary for Local Government appoints a Crown Facilitator, leading to the erosion of local autonomy and reputational damage	Moderate	Possible	High	Reduce	Provide briefings to Elected Members; Maintain open dialogue with DIA and relevant stakeholders; Quarterly reports to DIA WSDP variation	Major	Unlikely	Medium	Neil Holdom	Risk is dependent on Elected Members decision making and DIA's interpretation and timing of intervention powers
005	Risk	Stakeholders/Partners	Insufficient NPDC Partner Engagement	If there is a lack of engagement with NPDC support staff/teams there is a risk that they may alter how they deal with the water entity's requests either by downgrading the amount of support or removing it completely. This could result in unbudgeted costs, operational disruption, and reputational damage to the organisation.	Major	Possible	High	Reduce	Early and proactive engagement with the support teams to communicate the WSSCO intentions surrounding their services and ultimately creating SLA's to define their expected roles	Moderate	Unlikely	Medium	Neil Holdom	Early engagement to discuss entity's expectations and individual team's abilities to support those expectations. Regular check ins during the creation of the SLAs to confirm what can be delivered. Increasing risk, comms with staff delayed especially with unions
006	Risk	Stakeholders/Partners	Community Transparency and Trust	If the Community feels there is limited transparency of the WSSCO, there is a risk of reduced trust in the organisation, leading to the erosion of public trust and resistance to future initiatives	Moderate	Possible	High	Reduce	Transparent communication, community forums, and feedback loops	Moderate	Unlikely	Medium	Yin Shan Welton	to date consultation requirements have been followed.

Number	Risk/Issue	Source of Risk	Short Description	Description	Inherent Risk Consequence	Inherent Risk Likelihood	Inherent Risk Rating	Treatment Option	Current Treatment	Residual Risk Consequence	Residual Risk Likelihood	Residual Risk Rating	Risk Owner	Notes
007	Risk	Stakeholders/Partners	Insufficient Tiriti Partner input	If Te Tiriti principles are not embedded during the establishment phase, there is a risk that Tiriti partners feel excluded, leading to partnership breakdown and non-compliance with Te Tiriti obligations.	Moderate	Possible	High	Reduce	Seeking Te Tiriti cultural support/ training in the New Year. Specific Te Tiriti Partner Engagement Strategy & Plan Approached and engaged Te Tiriti cultural support to complete the work	Moderate	Unlikely	Medium	Mark Hall	Engaging NPDC Te Tiriti partnerships team to provide advice and resource for preparation of strategy, arranging engagement during establishment, defining what communication and cultural capability building should look like.  An Iwi Relationship Engagement Strategy has been drafted
008	Risk	Comms/Engagement	Change/Transition unclear and change fatigue	If there is limited or unclear engagement and communication about upcoming change and transition, then staff and management—particularly Stormwater staff experiencing sustained change—may not understand or feel engaged in the process and may experience change fatigue, leading to confusion, resistance to change, reduced morale, and operational inefficiencies.	Moderate	Possible	High	Reduce	Internal communications plan, leadership briefings, change champions Phased change delivery and targeted engagement for Stormwater staff to manage cumulative change impacts and fatigue.	Moderate	Possible	Medium	Yin Shan Welton	Change Lead to consider readiness assessments and training sessions Trending high. changes made and its increased the risk
009	Risk	Financial	Establishment cost and funding	If there is uncertainty around the total cost of establishing the CCO and securing adequate funding, there is a risk of delayed implementation or scope reduction, leading to suboptimal outcomes for the WSCCO	Minor	Likely	Medium	Reduce	Develop detailed cost estimates, secure funding commitments, phased budgeting. Officially no budget. To be devised and approved by the Board. Estimated cost exist.	Minor	Unlikely	Low	Helen Gray	Look for a loan facility agreement with NPDC ahead of LGFA or other funding alternatives.
010	Risk	Financial	Inadequate Funding and Credit Facility Arrangements	If the WSCCO is unable to secure sufficient and stable funding and credit facilities during establishment, there is a risk that the WSCCO may face financial shortfalls, leading to reduced service levels, deferred maintenance, inability to invest in critical infrastructure.	Major	Unlikely	High	Avoid or eliminate	Engage with Council and external funders to secure ongoing support. Develop contingency plans for alternative funding sources in case primary funding is delayed or unavailable.	Moderate	Unlikely	Medium	Tiffany Radich	Monitor financial performance quarterly; review funding agreements annually
011	Risk	Planning/Strategy	Incomplete or inaccurate transfer of data and physical assets from Council to the WSCCO	If asset registers, maintenance records, or operational data are not fully or accurately transferred, there is a risk of operational disruption leading to compliance breaches, and increased costs due to missing information.	Major	Possible	High	Avoid or eliminate	Conduct due diligence, independent audits, and reconciliation of asset and data registers prior to transfer.	Moderate	Unlikely	Medium	Nicolette West	Phase 3 focus. Consider Digital Enablement support and external validation. Scope of DD to be confirmed.
012	Risk	People/Knowledge	Loss of key staff or inability to attract required talent.	If key personnel leave during transition, are unwilling to transfer, or recruitment is unsuccessful, there is a risk of knowledge loss, reduced organisational capability, and delays in service delivery leading to suboptimal outcomes for the WSCCO	Major	Possible	High	Reduce	Provide transfer employment terms and conditions in line with legislative requirements (or better than) and obide by current employment protections (CEA /IEA) clauses to ensure no worse off situations occur. This approach should help support maintaining key personnel. Initiate early recruitment for critical roles. Current employee benefits package maintained for those transferring. Seek legal advice early to help mitigate any potential ER issues	Moderate	Likely	High	Carol Malpas	LG (Waters) Act 2025 sets out transfer obligations and employee protections set out in current NPDC CEA & IEA documentation. Anecdotal evidence of shoulder tapping.
013	Risk	People/Knowledge	Industrial Action	Post 1 July 2026 - If the WSCCO is unable to secure agreement for a CEA and/or IEA by the required date, there is a risk of industrial action (e.g., strikes, work stoppages) or increased employment-related disputes. This could result in unbudgeted costs, operational disruption, and reputational damage to the organisation.	Major	Possible	High	Avoid or eliminate	Early and proactive engagement with unions and staff representatives, clear communication of proposed terms, and contingency planning for industrial action. Seek legal and industrial relations advice as required.	Moderate	Unlikely	Medium	Carol Malpas	Clear remuneration strategy from CE for negotiating based on Good Faith Bargaining as per ERA requirements.
015	Risk	Financial	UWM Mock Billing	If the mock billing within TechOne cannot be achieved by the target date, there is a risk that customers will not have sufficient time to be educated on water billing leading to reputational risk for the WSCCO	Moderate	Likely	High	Accept	Keep abreast of progress and report on risk to the WSCCO Board as required	Moderate	Possible	Medium	Mark Hall	UWM is not a WSCCO project or deliverable.
016	Risk	People/Knowledge	Finance Capability	If the appropriate financial capability is not secured for the establishment of the WSCCO, there is a risk that the project is unable to achieve a detailed view of financial forecasts and debt and is unable to build a financial model appropriate for WSCCO operations, leading to insufficient financial management and reputational risk	Major	Likely	High	Avoid or eliminate	Discuss financial needs with Establishment Sponsor (NPDC CE) and identify the right level of capability from within the NPDC finance team to support establishment efforts	Moderate	Possible	Medium	Neil Holdom	18.02.2026 Procurement of Finance capability to work alongside NPDC Finance completed. Risk downgraded to Moderate/Possible. Risk remains open for now. Prepared proposal for board April 26

Number	Risk/Issue	Source of Risk	Short Description	Description	Inherent Risk Consequence	Inherent Risk Likelihood	Inherent Risk Rating	Treatment Option	Current Treatment	Residual Risk Consequence	Residual Risk Likelihood	Residual Risk Rating	Risk Owner	Notes
017	Risk	Financial	Overhead Calculations	If the WSCCO is unable to gain a thorough understanding of the NPDC overhead calculations, there is a risk that SLAs will be hindered and inappropriate levels of overheads are applied, leading to <b>overinflated costs</b> .	Moderate	Possible	High	Reduce	Work with NPDC finance to gain a better understanding of the current overhead allocation and incorporate this into SLA discussions and negotiations	Moderate	Unlikely	Medium	Nancy Powers	Linked to Risk 016, Finance Capability ID respreads, yet to start discussions.
018	Risk	Planning/Strategy	WSCCO Functional Model	If the WSCCO is unable to develop a functional model, there is a risk that the organisational design and services workstreams are hindered, leading to suboptimal outcomes for the WSCCO <b>establishment</b> .	Moderate	Unlikely	Medium	Reduce	Functional model included as a project deliverable shared between People and Services workstreams	Minor	Unlikely	Low	Mark Hall	Work underway and expected to be completed by end of January. Functional model approved at 27 March Board Meeting.
019	Risk	People/Knowledge	Establishment knowledge and IP capture	If key programme knowledge and decision context are not captured before establishment secondments end, there is a risk that Phase 3 workstreams (e.g., Transfer Agreement, Shared Services Strategy, Water Services Strategy) experience rework and slower progress, leading to delays in implementation, increased delivery costs, and reduced confidence in the establishment transition.	Major	Possible	High	Reduce	Early documentation of decisions; tracking interdependencies; structured knowledge-handover planning across workstreams. Document management protocols in Sharepoint and ECM	Moderate	Unlikely	Medium	Helen Gray	
020	Risk	Comms/Engagement	Visibility of transition from Establishment Project to BAU	If visibility and communication are not effectively maintained during the transition from Programme delivery to BAU, there is a risk that stakeholders and staff lack clarity on ownership, accountabilities, and progress, leading to misalignment, reduced confidence, and delays or gaps in ongoing service delivery	Moderate	Possible	High	Reduce	Build in a deliberate transition from project delivery to BAU within Stakeholder Engagement and Comms plans	Minor	Unlikely	Low	Yin Shan Welton	EOI for Customer Comms and Change secondment approved 27 March Board meeting?
021	Risk	Stakeholders/Partners	Contractor and supplier continuity	If supplier engagement or contract novation activities are delayed or uncertain, there is a risk that service continuity readiness may be compromised, leading to gaps or disruption in service delivery.	Major	Unlikely	High	Reduce	Early engagement with suppliers; clear communication of timelines; coordination with Procurement on novation sequencing.	Moderate	Unlikely	Medium	Nicolette West	
022	Risk	Planning/Strategy	Compliance to Adopted WSDP	If the assumptions underpinning the WSDP prove to be inaccurate, there is a risk of uncertainty and delays in people transfer may occur, leading to reputational risk and a loss of confidence in the establishment plan	Major	Possible	High	Reduce	Focused effort to test assumptions and achievability of the WSDP with in-house Legal. Proactive and transparent communications, with clear messaging to affected stakeholders when assumptions are refined or the plan changes.	Major	Unlikely	Medium	Helen Gray	Risk realised mitigation to write to DIA amending WSDP dates.
023	Risk	Stakeholders/Partners	Union negotiations	If union negotiation positions and coverage arrangements are not clearly understood or confirmed, there is a risk that workforce coverage risks may emerge, leading to potential disruption, delay, and heightened reputational and industrial relations risk	Moderate	Possible	High	Reduce	Early and structured engagement with relevant unions, Contingency planning for partial or delayed agreement Alignment with Legal and HR advisors,	Minor	Unlikely	Low	Carol Malpas	To develop negotiation strategy and identify claims early for negotiating that reflect the strategy and support negotiating in Good Faith as per an agreed Bargaining Process Agreement with unions.
024	Risk	Planning/Strategy	WSCCO Structure By-In	If there is insufficient stakeholder buy-in and adoption of the resulting organisational structure and evolving approach, there is a risk that change implementation may be slowed or resisted, leading to increased costs, extended timeframes and reduced confidence	Moderate	Possible	High	Reduce	Memos outlining RACI roles and responsibilities re functional model and structure design Structured discussions/presentations with TRU, WSCCO Board, Oversight Group and affected staff.	Moderate	Unlikely	Medium	Carol Malpas	Not something that can be controlled easily but prior to decision making socialise early with independant stakeholders to mitigate lengthy discussions and prolonged decision making. Responding quickly to alternative structure options or making adjustments to presented structure and keeping impacted employees/other key stakeholders aware of any delay circumstances
025	Risk	Planning/Strategy	NPDC competing priorities and inability to meet agreed SLA/KPIs	If NPDC is not fully integrated into WSCCO planning processes, there is a risk that NPDC may be unable to proactively resource and deliver against agreed SLAs, leading to strained inter-organisational relationships, missed KPIs, and reduced service performance	Major	Possible	High	Reduce	Early and structured engagement with NPDC in planning and forecasting processes. Regular joint planning forums to align priorities, timelines, and delivery expectations. Forward visibility of workload and resourcing assumptions to support proactive capacity and capability planning.	Moderate	Possible	Medium	Nancy Powers	NPDC to include costs in LTP. If not can these be included in WSS.
026	Risk	Regulatory/Strategic	Clarity of audit requirements during Transition	If there is insufficient clarity or shared understanding of audit requirements over the transition period, there is a risk that future-year audit readiness may be compromised, leading to compliance risk, inefficiencies, and potential adverse audit <b>outcomes</b> .	Major	Unlikely	Medium	Avoid or eliminate	Early confirmation of audit requirements and expectations. Clear documentation and communication of agreed audit scope and responsibilities. Forward audit planning and readiness reviews.	Moderate	Unlikely	Medium	Tiffany Radich	Possibly will need for WSCCO financial report for FY26. TBC.

Number	Risk/Issue	Source of Risk	Short Description	Description	Inherent Risk Consequence	Inherent Risk Likelihood	Inherent Risk Rating	Treatment Option	Current Treatment	Residual Risk Consequence	Residual Risk Likelihood	Residual Risk Rating	Risk Owner	Notes
027	Risk	Regulatory/Strategic	Shift in regulatory policy post election	If post-election government policy accelerates mergers or regional collaboration requirements, there is a risk that current establishment plans may need to be revisited, leading to rework, delivery delays, and increased uncertainty	Major	Unlikely	Medium	Accept	Active policy scanning and monitoring, Regular updates to governance on emerging signals and potential implications post-election. Scenario planning and flexibility built into establishment plans,	Major	Rare	Low	Helen Gray	Currently nothing raised politically.
028	Risk	Planning/Strategy	Planning interrelationship between NPDC and WSCCO	If NPDC and WSCCO planning processes are not well aligned during WSS development and ongoing planning integration, there is a risk that critical dependencies may be missed or misunderstood, leading to delays, inefficiencies, and reduced confidence in joint planning and delivery	Moderate	Possible	High	Reduce	Structured arrangements including reciprocal SLAs to support WSS development and ongoing planning. Regular joint planning forums with shared forward visibility, aligned priorities, milestones, and resourcing assumptions.	Moderate	Unlikely	Medium	Mark Hall	Holding regular meetings between 3W, WSCCO and Strategic Planning.
029	Risk	Financial	Revenue and Investment Influence Constraints	If revenue and investment settings are constrained and WSCCO is unable to effectively influence funding decisions, there is a risk that investment and maintenance planning may be compromised, leading to increased reactive works, asset risk, and pressure on service outcomes	Major	Possible	High	Reduce	Confirm timing and readiness of capability and investment frameworks and templates, Early engagement and scenario-based planning with funding decision-makers, to prioritise critical investment cases and reactive maintenance within constrained settings.	Major	Unlikely	Medium	Neil Holdom	
030	Risk	Comms/Engagement	Brand and Identity	If agreement on the WSCCO name and brand is delayed or not secured, there is a risk that prior decisions may be challenged or reopened, leading to rework, legal risk, and delays to establishment activities	Moderate	Possible	High	Reduce	Early confirmation and formal sign-off of the WSCCO name and brand Clear governance and change control for branding decisions,	Minor	Unlikely	Low	Neil Holdom	Name adopted. Brand being developed.
031	Risk	Regulatory/Strategic	LGOIMA Requests	If substantial or unanticipated LGOIMA demand arises, there is a risk that establishment resourcing may be waylaid by response requirements, leading to delays, opportunity cost, and impacts on planned delivery outcomes	Moderate	Possible	High	Accept	Dedicated position to respond to LGOIMA requests Clear internal guidance on record-keeping and version control,	Minor	Possible	Medium	Michael Ann Raymer	Quantity of LGOIMA is unable to be anticipated or controlled by the project
032	Risk	Regulatory/Strategic	LGOIMA Act Obligations	If there is a lack of understanding of LGOIMA requirements and compliant decision-making processes, there is a risk that decisions may be delayed or made inconsistently, leading to perceptions of non-compliance and reduced confidence in governance and transparency	Major	Unlikely	Medium	Reduce	Issue clear Board guidance on LGOIMA obligations and compliant decision-making, Dedicated Secretariat function responsible for procedural advice to ensure LGOIMA-compliance.	Moderate	Unlikely	Medium	Michael Ann Raymer	
033	Risk	People/Knowledge	WSCCO/Transition Team delegations and access to information	If the Transition team are unable to access the right capabilities, systems, data, and support, there is a risk of slowed establishment timeframes, leading to delivery delays, increased costs, and heightened risk of non-compliance	Moderate	Unlikely	Medium	Reduce	Identification of relevant systems access, tools and data from the outset Regular meetings with relevant functional units to ensure access to relevant information	Minor	Unlikely	Low	Helen Gray	No issues currently.
034	Risk	Financial	Transfer Agreement overlap with WSDP	If Transfer Agreement development overlaps with the development of the Water Services Strategy, then programme sequencing and delivery complexity will increase, leading to an extended establishment timeframe, increased reliance on a larger delivery team for a longer duration, and a higher overall cost profile	Major	Likely	High	Reduce	Actively manage programme resourcing through time-bound and capped specialist engagements, with clear exit points. Monitor establishment costs against approved budgets, with early reporting of cost pressures arising from extended programme duration. Regularly re-prioritise workstreams to focus resourcing on critical path activities, deferring non-essential tasks where required	Major	Possible	High	Neil Holdom	Increasing trend. Reviewing structure and resourcing April 2026.
035	Risk	People/Knowledge	Continuity of critical leadership and specialist capability during establishment	If there is turnover in key leadership or specialist roles during the establishment phase without sufficient overlap and knowledge transfer, there is a risk that critical context, decision history, and specialist expertise are lost or diluted. Given the complexity of water reform and establishment activities, this may slow progress, lead to re-work or revisiting of decisions, and affect the continuity and quality of delivery for key outputs such as the Water Services Strategy.	Major	Possible	High	Reduce	Planned handover and documentation; interim arrangements for key roles; targeted onboarding and briefings for incoming leaders and specialists; retention and sharing of decision rationale and context across governance and delivery forums.	Moderate	Possible	Medium	Neil Holdom	

Number	Risk/Issue	Source of Risk	Short Description	Description	Inherent Risk Consequence	Inherent Risk Likelihood	Inherent Risk Rating	Treatment Option	Current Treatment	Residual Risk Consequence	Residual Risk Likelihood	Residual Risk Rating	Risk Owner	Notes
036	Risk	People/Knowledge	Equity, commitment, and backfill impacts from extended secondments	If secondments extend beyond original expectations or terms change materially, there is a risk of negative impacts across three groups: (1) individuals who did not apply for secondments based on original duration assumptions and may perceive lost opportunity or unfairness; (2) secondees whose commitment extends beyond what they initially agreed to; and (3) staff who took on backfill roles and may be unwilling or unable to continue those arrangements. This may result in disengagement, increased attrition, pressure on HR to re-resource, and disruption to NPDC business-as-usual service continuity during establishment.	Major	Possible	High	Reduce	Early and transparent communication of secondment changes; acknowledgement of fairness and backfill impacts; proactive conversations with secondees and backfill staff; scenario planning for alternative resourcing; coordination with HR to protect BAU continuity.	Moderate	Possible	Medium	Neil Holdom	
037	Risk	People/Knowledge	Impact of extended timelines on NPDC resourcing	If establishment timelines extend beyond original assumptions, there is a risk that NPDC experiences sustained resourcing pressure due to prolonged secondments and delayed backfill. This may affect service delivery, workforce planning, and organisational capacity, creating broader system impacts beyond the establishment programme.	Major	Likely	High	Reduce	Early visibility of revised timelines; active engagement with NPDC leaders on resourcing impacts; scenario planning for extended secondments; consideration of alternative resourcing or backfill options.	Moderate	Possible	Medium	Neil Holdom	

# Wai Hononga Water Services Limited

CEO's Report to the Board

16 April 2026 | Reporting Period: Month to 31 March 2026

## 1. Overview

This report provides the Board with a summary of establishment progress during March 2026 and a forward look across the next 60 days. Workstream lead reports are provided in full as appendices to this report.

### **Overall Status: Amber**

Establishment is progressing steadily across the majority of workstreams. Key achievements this month include the confirmation of the company's new name, Wai Hononga Water Services Limited, the standing up of the Audit Risk and Finance and People and Safety subcommittees, commencement of Due Diligence scoping for the Transfer Agreement, and the securing of two important external partners: Martin Jenkins to peer review the Establishment Plan, and WSP to support development of the Business Plan and Water Services Strategy.

The amber rating reflects continuing pressure in two areas: finalisation of the Te Tiriti Partners Engagement Strategy, and the pace of onboarding specialist capacity across legal, project management, and establishment functions. These are being actively managed and are covered further below.

## 2. Strategic Context

The establishment of Wai Hononga is progressing within a reform environment that continues to evolve constructively. Several developments during March give cause for measured confidence that the organisation is gaining both internal momentum and external credibility.

On the legal front, Russell McVeagh have been engaged to lead drafting of the Transfer Agreement. Their appointment brings specialist water services and local government transactional expertise to what is one of the most complex and consequential legal instruments Wai Hononga will execute. Early scoping work is underway and the engagement is expected to accelerate progress on the Transfer Agreement in the coming months.

Relationships with central government are developing positively. Discussions with the Department of Internal Affairs during March have been productive, with DIA indicating a willingness to provide tangible support to the establishment programme across both financial and capability dimensions. The Board will be updated as those offers are formalised and scoped into the programme plan.

At a shareholder and governance level, the Oversight Group has indicated its support for the Statement of Expectations, an important endorsement ahead of formal NPDC adoption on 30 April. This alignment between Wai Hononga and its shareholder on the expectations framework provides a sound foundation for the governance relationship as the organisation moves toward operational independence.

Perhaps most strategically significant is the commitment demonstrated by NPDC's executive management to align the development of their Long Term Planning process with Wai Hononga's development of the Water Services Strategy. This signals genuine organisational intent to ensure that infrastructure planning, funding assumptions, and service delivery expectations are developed in a coordinated way, reducing the risk of misalignment between the Council's statutory planning obligations and the strategic direction of Wai Hononga. It is an early but meaningful indication that the relationship between the two organisations is maturing in the right direction.

Taken together, these developments reflect a programme that is building credibility and relationships at pace. The Board's continued focus on resolving the key amber items, Te Tiriti engagement, specialist resourcing, and transfer timeline certainty, will be critical to sustaining this momentum through the next quarter.

### 3. Establishment Status Summary

Workstream	Status	Summary
Statement of Expectations	<b>On Track</b>	SOE development complete; NPDC adoption expected 30 April 2026
Identity & Brand	<b>On Track</b>	Name resolved; brand development underway
Programme Delivery, Risk & Resourcing	<b>Amber</b>	Project Management RFQ in flight; specialist capacity onboarding in progress, work underway to recruit Establishment Director
Communications & Engagement	<b>Amber</b>	Good progress; staff uncertainty risk requires active management
Finance & Funding	<b>On Track</b>	Cashflow forecasting, bank account, and policy drafts progressed
Strategy & Policy	<b>On Track</b>	Policy framework approach approved; Transfer Agreement appendices in progress
Te Tiriti Partnerships	<b>Amber</b>	Engagement strategy awaiting sign-off; resourcing to be confirmed

Workstream	Status	Summary
Services & Operations	<b>On Track</b>	SLA scoping underway; AOG contracts confirmed as available
Transfer Agreement	<b>Amber</b>	Russell McVeigh engaged to lead drafting of Transfer Agreement. Scoping work on Due Diligence underway

## 4. Key Achievements — March 2026

### Governance and Identity

The Board resolved to adopt the name Wai Hononga Water Services Limited at its 17 March meeting. Brand and website development has commenced. The Audit Risk and Finance and People and Safety subcommittees have been established, strengthening the governance infrastructure of the organisation.

### Establishment Plan

The Establishment Plan has been refined and migrated to SharePoint, improving accessibility and programme monitoring. Martin Jenkins has been confirmed to conduct a peer review, and WSP has been secured to support development of the Business Plan and Water Services Strategy.

### Statement of Expectations

The SOE has been developed in collaboration with the New Plymouth District Council (NPDC) Oversight Group. NPDC will consider formal adoption at its 30 April 2026 meeting alongside administrative amendments to the Constitution.

### Finance and Funding

Solid progress was made across the finance workstream this month, including completion of a cashflow forecast to 30 June 2027, preparation of a debt overview and insurance briefing paper for the Board, submission of a Westpac bank account application, and drafting of Financial Delegations and Procurement Policy.

### Services and Operations

Confirmation that All-of-Government (AOG) contracts can be utilised by NPDC to support Wai Hononga represents a useful establishment enabler. Employee warrants were confirmed as remaining valid under the Local Government Act, and Finance has been confirmed as the NPDC lead for SLA negotiations.

### Policy

The Board approved the approach to developing Wai Hononga's policy framework. Work on priority policies - including Delegations and Procurement - is progressing, alongside compilation of Transfer Agreement appendices.

## 5. Key Risks and Issues

### Capacity and Capability

The pace of onboarding specialist resources across legal, project management, and establishment functions remains a timing risk to the programme. A targeted RFQ is

currently in flight. The Finance Lead also has limited availability from 20 April to 5 June; securing short-term DIA finance resource and commencing a market search for a Finance Manager are the identified mitigations.

### **Staff Uncertainty and Talent Retention**

The Communications and Engagement workstream has flagged an increasing risk of workforce disengagement. While a number of staff have reached an acceptance stage in their change journey, the absence of a confirmed transfer timeline risks regression. There is also a growing competitive risk: other water entities are now offering greater certainty and role clarity, which increases the likelihood of talent attrition. Active, transparent communication remains the primary mitigation, alongside progress toward defined decision points and milestones.

### **Te Tiriti Partners Engagement**

The Te Tiriti Partners Engagement Strategy is awaiting final sign-off, and resourcing requirements need to be determined. Delay in progressing this workstream carries reputational and relationship risk. The immediate next steps are to engage the NPDC Iwi Relationships team and agree the level of support required, followed by further discussions with a specialist Strategic Adviser and Directors.

### **Transfer Agreement Information**

Some information required for Transfer Agreement appendices, including easements in gross, is not readily accessible within NPDC systems. The proposed mitigation is to include a mechanism within the Transfer Agreement to acknowledge and address incomplete information.

### **NPDC Dependency**

Reliance on NPDC services under the Transitional Services Agreement (TSA) remains critical to solvency and delivery during the establishment phase. Confirming TSA service levels, reporting obligations, and programme dependencies is a near-term priority.

## **6. Forward Look - Next 60 Days**

The following priorities are expected to be progressed before the next Board report:

- **Te Tiriti Partners Engagement Strategy** - Finalise sign-off and integrate into the programme plan.
- **Specialist Resourcing** - Onboard project management capability, appoint new Establishment Director, commence recruitment for new Company roles as outlined in the Functional Design and Resourcing paper included in the board pack.
- **NPDC Statement of Expectations** - NPDC Board decision expected 30 April 2026.
- **DIA Reporting** - Report back to the Department of Internal Affairs on WSDP implementation due 30 April 2026.
- **Brand and Website Development** - Advance Wai Hononga brand and Website development and prepare a recommendation pathway for the Board.
- **Finance** - Establish IRD (PAYE/GST) and ACC registrations (bank account dependency), agree Chart of Accounts for TechOne, establish audit

obligations with Audit NZ for 30 June 2026, and prepare a Treasury Management Policy.

- **Communications** - Develop the External Communications Plan with NPDC, deliver a pulse check on staff engagement, and progress Day 1 Readiness planning (timeline dependent).
- **Services and Operations** - Receive and review the balance of SLA scopes from NPDC support teams; confirm Transfer Agreement structure to determine SLA requirements for 2026/27.

## 7. Appendices

The following workstream reports are attached to this report:

Appendix	Title	Author
A	Communications and Engagement Workstream Report - March 2026	Yin Shan Welton
B	Finance and Funding Workstream Report - March 2026	Courtney Crowther and Tiffany Radich
C	Te Tiriti Partnerships Workstream Report - March 2026	Mark Hall
D	Strategy and Policy Workstream Report - March 2026	Nicolette West
E	Services and Operations Workstream Report - March 2026	Nancy Powers
F	Draft Statement of Expectations	

## Communications and Engagement Workstream

March 2026

Author: Yin Shan Welton

### Work Completed This Month

*Summary of activities completed during the reporting period.*

*Include key tasks delivered, milestones achieved, and any work that was completed as planned.*

1. FAQ created and uploaded on intranet and shared with the organisation
2. Connected with individual staff who have been identified as “Active Players” in Stakeholder Change Impact Analysis.
3. Provided overview and updates to NPDC teams:
  - Customer Support Team
  - Contact Centre Team
  - Risk & Integrity Team
  - 3W Quality and Compliance Team
4. Provided regular bi-weekly updates to:
  - Delivery Sustainability & Infrastructure Team
  - Digital Enablement Team
5. Hot Desk at Water Treatment Plant & Wastewater Treatment Plant to provide in-person support and gain insight into staff psychological safety and their genuine experiences and concerns.
6. Three Waters All Staff hui on 27 March
7. One-page visual – March update for WSCCO Establishment

### Forward Look Next Two Months

*Summary of planned activities for the upcoming reporting period.*

8. Develop External Communications Plan with NPDC Customer and Communications Manager.
9. Continue to support the organisation with timely, accurate, and consistent messaging to maintain confidence and clarity as the programme progresses.

10. Acknowledge emerging staff uncertainty and proactively stabilise the workforce by maintaining a high level of transparency, clearly communicating progress, decisions, and upcoming milestones to keep people steady on the change journey.
11. Draft Day 1 Readiness Workshop for 3W staff (Depends on new timeline for staff transfer)
12. Pulse check for comms and engagement feedback
13. Deliver monthly One-page visual updates

### Monthly Highlight(s)

*Positive outcomes or achievements this month.*

14. The organisation has been fully brought up to date on the progress of Wai Hononga's establishment. Established, trusted relationships with the Three Waters team have enabled constructive dialogue and effective flow-on engagement. Three Waters supporting functions now have improved clarity on their connection to Wai Hononga and are aware of the next steps required to support and prepare for its full establishment.

### Emerging Risk(s)

*Issues, risks, or areas requiring attention.*

- **Concern:** Staff uncertainty is increasing due to delays in programme progress and the absence of a confirmed timeline. While many staff have reached an acceptance phase in their change journey, continued uncertainty risks causing regression back toward resistance. At the same time, we are losing the strategic advantage of being an early mover in staff transfer, increasing the likelihood of talent loss as other water entities offer greater certainty, role clarity, stability, and competitive remuneration.
- **Impact:** Erosion of momentum and early-mover advantage has materially increased the risk of workforce disengagement and talent attrition in an increasingly competitive market.
- **Mitigation / Next Steps:** Continue to actively manage staff expectations through transparent, timely communication, including what is known, what is not yet confirmed, and when further updates can be expected. Progress toward defined decision points and timelines is critical, as prolonged stalling will compound uncertainty and increase talent loss and organisational impact.

## Finance & Funding Workstream

March 2026

Author: Courtney Crowther and Tiffany Radich

### Work Completed This Month

Summary of activities completed during the reporting period.

*Include key tasks delivered, milestones achieved, and any work that was completed as planned.*

- Cashflow diagram through each of the stages – flow of funds
- Forecast of establishment costs budget
- Cashflow Forecast to 30 June 2027 completed
- Cash in/outflow diagram prepared for each phase of the project.
- Bank account application for Westpac completed and submitted
- Draft Financial delegations and Procurement Policy
- Overview of Procurement Process (high level) mapped out
- Debt overview prepared for board
- Insurance Briefing paper prepared to the Board

### Forward Look Next Two Months

Summary of planned activities for the upcoming reporting period.

*Focus on committed work, key milestones, and dependencies.*

- IRD - PAYE & GST set up (bank account dependency)
- ACC Registration, Levies and other Tax requirements
- Develop a model for use for planning budgeting scenarios
- Agree to the Chart of Accounts for TechOne ledgers
- Audit NZ – establish audit obligations for 30 June 2026.
- Prepare Treasury Management policy
- Establish chart of accounts and reporting processes
- Internal respreads for budget modelling

### Monthly Highlight(s)

- *Migration of the Establishment Plan to sharepoint* improving accessibility and monitoring of Establishment tasks.

### **Emerging Risk(s)**

Issues, risks, or areas requiring attention.

- **Concern:** Finance Lead has limited availability from 20 April to 5 June
- **Impact:** TBC
- **Mitigation / Next Steps:** Secure additional finance resource from DIA in the short term and go to market for a Finance Manager.

## Te Tiriti Partnerships Workstream

March 2026

Author: Mark Hall

### Work Completed This Month

Summary of activities completed during the reporting period.

- Feedback received by Joshua on Iwi establishment consultation.
- Progress refining the second Governance workshop with a focus on assisting the Board to develop a set of Principles to underpin Wai Hononga's approach to meeting its Te Tiriti Partnership goals.

### Forward Look Next Two Months

Summary of planned activities for the upcoming reporting period.

- Preparation for attendance at Nga Kaitiaki forum next week.
- Progress development of a set of Principles to underpin Wai Hononga's approach to meeting its Te Tiriti Partnership goals.
- Meeting(s) with Post Settlement Governance Entity CEs
- Discussion with Iwi relationships team regarding the level of support needed to progress this work

### Monthly Highlight(s)

Positive outcomes or achievements this month.

- See above

### Emerging Risk(s)

Issues, risks, or areas requiring attention.

- **Concern:** Clear resourcing needs to be determined
- **Impact:** Delay or worst case, failure to build effective relationships
- **Mitigation / Next Steps:** Work with NPDC Iwi Relationships team and following that discuss next steps with a specialist strategic adviser and Directors.

## Strategy & Policy Workstream

March 2026

Author: Nicolette West

### Work Completed This Month

Summary of activities completed during the reporting period.

*Include key tasks delivered, milestones achieved, and any work that was completed as planned.*

- *Report to the Board on approach to developing a policy framework for Wai Hononga.*
- *Search, compile and document links for NPDC policies.*
- *Draft Delegations Policy, Procurement Policy for legal and early Board feedback.*
- *Progressing drafting of priority policies.*
- *Discussions with subject experts on draft Policy Framework including policy prioritisation*
- *Progressing compilation of information for Transfer Agreement appendices including consents, contracts, above ground assets.*

### Forward Look Next Two Months

- *As above, with the addition of due diligence work.*

### Monthly Highlight(s)

- Board approval of approach to developing a policy framework for Wai Hononga.

### Emerging Risk(s)

Issues, risks, or areas requiring attention.

- **Concern:** Information required for Transfer Agreement not readily accessible by NPDC, eg. easements in gross.
- **Impact:** Information included in the Transfer Agreement is accepted as incomplete.
- **Mitigation / Next Steps:** Mechanism within the Transfer Agreement to address incomplete information.

## Services & Operations Workstream

March 2026

Author: Nancy Powers

### Work Completed This Month

Summary of activities completed during the reporting period.

NPDC Support teams contacted (15 Identified) , requested scope of the support they provide the 2Waters team; 5 scopes received to date

- Socialising idea that SLA planning needs to be part of LTP process with Finance and Corporate Planning and Policy teams

### Forward Look Next Two Months

Summary of planned activities for the upcoming reporting period.

- Receiving remainder of SLA scopes and sharing with 3Waters' Leads for feedback
- Confirmation of Transfer Agreement structure will determine
- If an SLA required between Wai Hononga and NPDC for 26/27
- A Stormwater Decision will determine:
- The contents of SLA required between Wai Hononga and NPDC

### Monthly Highlight(s)

Positive outcomes or achievements this month.

- Confirmed that AOG contracts can be utilised by NPDC to support Wai Hononga
- Confirmation that Finance will be NPDC rep for SLAs. They are now reviewing DIA Services Template and Terms and Conditions
- Confirmed, through Legal, that employee warrants are still valid under LGA.

### Emerging Risk(s)

Issues, risks, or areas requiring attention.

- **Concern:** NPDC does not have reviewing LG(WS)A 2025 in their workstream to determine Territorial Authority responsibilities that may need to be passed along to Wai Hononga
- **Impact:** NPDC not aware of all their responsibilities under the Act; which include, but is not limited to, warrant powers required by the 2Waters team,
- **Mitigation / Next Steps:** Email Strategic Planning team to fit review of the Act into their work schedule

When replying please quote: 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 {date} 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 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.

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

16. 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.

### **General Expectations**

17. 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(WS) 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.

## 18. 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 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 assist in the achievement of these priorities where and when appropriate. The extent to which the Company does this should be reported on in the Company’s half-yearly reports.
- e. 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.

## 19. 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 Council Finance, Audit and Risk Committee 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.
- 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, wai 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.

## 20. 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.

## 21. 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.

## 22. 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.

DRAFT

**Date:** 31 March 2026  
**To:** Board of Directors  
**Author:** Mark Hall  
**Cc:**  
**Subject:** Expenditure to date and forecast to 30 June 2026

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## PURPOSE

**TO** provide an overview of the cost allowance included in the approved Water Services Delivery Plan (WSDP) and present a forecast cost estimate for the 2025/26 financial year.

## RECOMMENDATIONS

**NOTE** that expenditure has been incurred to date as establishment has commenced earlier than the dates assumed in the WSDP, with actual cost to February 2026 of \$498,755.

**NOTE** the total expenditure forecast to 30 June 2026 is estimated at \$1.2 million.

**NOTE** the full cost for establishment cannot be estimated until the Due Diligence process is completed and the Transfer Agreement is finalised.

## BACKGROUND

1. The Water Services Delivery Plan 2025 (WSDP) provides the framework for the establishment of Wai Hononga Water Services Ltd (Wai Hononga). The WSDP included assumptions for the establishment costs which are detailed below.

### Establishment Costs budgeted for in the final Water Services Delivery Plan

<i>Dollars ('000's)</i>	<i>2025/26</i>	<i>2026/27</i>	<i>2027/28</i>	<i>2028/29</i>	<i>2029/30</i>	<i>2030/31</i>	
<b><i>Establishment Costs</i></b>							
Water		908.80	990.40	876.90	893.70	912.40	
Wastewater		963.40	1,027.20	943.50	977.50	992.10	
Governance			100.00	100.00	100.00	100.00	
<b>Total</b>		<b>1,872.20</b>	<b>2,117.60</b>	<b>1,920.50</b>	<b>1,971.10</b>	<b>2,004.50</b>	<b>9,885.90</b>

2. An allowance for establishment costs was provided in the WSDP and was based on 6% of total operational costs (excluding depreciation and interest) over five years, plus \$100,000 for governance each year from 1 July 2027. The 6% estimate was based on advice from external professional advisors engaged to prepare the WSDP.
3. The establishment costs were not included in NPDC's Long Term Plan 2024 or the 2026/27 Annual Plan as they will be debt funded by Wai Hononga. The WSDP incorporated the financing of these establishment costs into the estimated average projected charges for water services over the period 2024/25 to FY2033/34.

4. The programme of work for establishment planning has been brought forward by one year from what was originally anticipated in the WSDP (nil estimated in 2025/26), to enable delivery against key timeframes and support the development of an organisational structure ahead of the asset transfer in July 2027.
5. Since October 2025, Establishment Cost expenditure has been incurred, including appointment of a Board, Chief Executive, staff secondments and external professional advice. Total establishment costs incurred to February 2026 is \$498,755, and it is anticipated that \$1.2 million will be incurred by this financial year end, 30 June 2026.
6. The accumulated establishment costs are proposed to be on-charged to Wai Hononga as at 30 June 2027 and funded by a shareholder loan.

#### **GOVERNANCE CONSIDERATIONS**

7. A budget will be prepared for Board approval for the remainder of the Establishment Period (up to 30 June 2027). This is subject to completion of Due Diligence and Transfer Agreement as these will inform costs. Beyond the 2027/28 financial year, the budget process will be undertaken as part of the Water Services Strategy. In the meantime, Wai Hononga will continue to track establishment costs against the \$9.9 million forecast included in the WSDP.

#### **NEXT STEPS**

8. Continue to provide monthly financial reporting on actual costs. Provide 2026/27 budget for approval when Due Diligence is completed.

## Wai Hononga Water Services Limited

## Delegation to the Chief Executive Officer Policy

Approved by: Board of Directors

Approval date:

Review Period: Annually

### 1. Purpose

This Policy sets out the functions, duties and powers the Board delegates to the Chief Executive Officer (CEO) of Wai Hononga Water Services Limited (Wai Hononga) consistent with:

- the Local Government (Water Services) Act 2025
- the Companies Act 1993
- the Local Government Act 2002

### 2. Scope

This Policy applies to the delegation of functions, duties and powers to the CEO of Wai Hononga.

### 3. Delegation to the Chief Executive

Delegations to the CEO are included as Part 1 Financial delegations and Part 2 Non-financial delegations.

### 4. Exercise of delegation

Delegations of authority must always be exercised subject to and in accordance with:

- Legislation and regulations;
- Wai Hononga policies and procedures;
- Consideration of New Plymouth District Council (NPDC) policies and procedures where it impacts on consolidation of financial statements or audit requirements;
- Any specific provisions included within the Transitional Services Agreement between NPDC and Wai Hononga;
- Any limits and requirements associated with specific delegated authorities.

Where specific policies have not been approved by Wai Hononga, reference should be made to equivalent policy provision for New Plymouth District Council.

## Wai Hononga Water Services Limited

Where approval by the Board, the Board Chair or Chair of a Committee is required, the CEO may obtain this via email with subsequent inclusion for information at the next Board Meeting.

## 5. Acting

During periods where the CEO is absent, their delegated functions, duties and powers may be exercised by any employee who the Board has appointed as an Acting CEO, or to whom the Chief Executive has temporarily delegated their functions, duties and powers (with permission of the Board).

## 6. Sub-delegation

The CEO may not subdelegate any authority granted under this Policy.

A one-up rule will apply. Where expenditure provides a benefit to the CEO, Board approval is required before committing to expenditure or making a decision.

## 7. Review

This policy will be reviewed annually or earlier if required by:

- Changes to Wai Hononga organisational or governance structure;
- Change in CEO
- Changes to legislation;
- Audit findings.

## Wai Hononga Water Services Limited

## Part One: Financial Delegation Schedule

Table 1 Financial Delegations to the Chief Executive Officer

	<b>Area</b>	<b>Sub-area</b>	<b>Delegation</b>
1.1	Operational expenditure (OPEX)	Budgeted operational expenditure as per Annual Budget and Water Services Strategy	Up to \$100,000. Between \$100,000 to \$500,000 contractual terms must be reviewed by the Chair or Chair of Assurance Finance and Risk Committee (FARC). Over \$500,000 Board approval of contractual terms
		Unbudgeted operational expenditure prior to approval of an Annual Budget and itemised in Board Finance report	Up to \$20,000
		Domestic travel and accommodation – per trip total	Up to \$5,000
		International Travel – per trip total if included on Board approved International Travel Schedule and within Board specified budget.	Board Chair or Chair of AFRC.
		Unbudgeted expenditure for implementation of decisions made by the Board, its committees and any further subordinate decision making bodies.	As approved by the Board
		Unbudgeted expenditure in relation to necessary infrastructure in urgent circumstances (see emergency procurement provisions in the Procurement Policy).	Up to \$500,000 – report to the Board within five working days. Over \$500,000 requires Chair and CEO approval with immediate reporting to the Board.
		Exemption to Procurement Policy (for capital and operational expenditure)	Up to \$500,000
1.2	Capital expenditure (CAPEX)	Budgeted capital expenditure as per Annual Budget and Water Services Strategy	Up to \$100,000. Between \$100,000 and \$500,000 contractual terms must be reviewed by Chair or Chair of AFRC. Over \$500,000 Board approval of contractual terms.
		Unbudgeted capital expenditure prior to approval of an Annual Budget and itemised in Board Finance report.	Up to \$20,000
1.4	Debtors	Write-off debtor accounts in accordance with the Waiver Policy	With recommendation of a senior Finance team member

## Wai Hononga Water Services Limited

		Approve credit notes in accordance with Debtor Management process	With recommendation of a senior member of the Finance team
1.5	Assets	Dispose of Assets (excluding land) – in line with Asset Disposal Policy	Policy Limits
		Dispose of land (Board request should specifically consider Te Tiriti obligations)	Required Board Approval
1.6	Banking	Open or close a bank account.	Remain with the Board
		Open or close bank subaccount held for administrative purposes	With recommendation of a senior Finance team member
		Open or close credit card accounts or term deposits	With recommendation of a senior Finance team member and reported in next Board Finance Report
		Open a short term lending facility	Remains with the Board
1.7	Treasury	Enter into lending arrangements with Local Government Funding Agency (LGFA) as per Water Services Strategy and Treasury Policy	Policy Limits
		Enter into lending arrangements with other providers	Requires Board approval
		Enter into lending arrangements with NPDC as per Service Level Agreements and Treasury Policy	Policy Limits
		Use interest rate hedging and financial instruments in line with Treasury Management Policy	Policy Limits Include in Board Finance Report
1.8	Tax	Register with IRD for all relevant tax types	Board or approved administrator
		File and pay tax returns	No Limit
		Pay interest and penalties to IRD	Up to \$5,000 Included in Board finance report

## Wai Hononga Water Services Limited

## Part Two: Non-financial Delegation Schedule

Table 2: Non-financial Delegations to the Chief Executive Officer

	Area	Sub-area	Delegation
2.1	Agreements	Authority to enter into arrangements and contracts for the supply of goods, services, plant and labour, including execution, variation and termination of all documents, agreements and contracts aside from those required by legislation to be signed by the Board.	Up to \$100,000. Between \$100,000 to \$500,000 contractual terms must be reviewed by the Chair or Chair of Assurance Finance and Risk Committee (FARC). Over \$500,000 Board approval of contractual terms
2.2	Legal	Authority to decide whether to commence or defend any actions before the Court, Tribunal, arbitral panel or other such body, or settle a matter that may otherwise be determined by such a body, unless otherwise specified	Required Board approval
	Legal	Authority to decide whether to defend a Disputes Tribunal case	
2.3	Privacy Act 2020	All functions, powers and duties under the Privacy Act 2020.	As per Privacy Policy
2.4	Employment Matters:	Appointment of staff aligned with standard terms and conditions.	Within Budget.
	Any matters affecting direct reports of the CEO must also be approved by the chair of PFC	Code of conduct suspension (with/without pay), other than a striking employee	CEO with Chair of People and Safety Committee (PSC)
		Negotiate and execute flexible working provisions	Yes
		Salary/wage increase or other changes in benefits.	Within Budget
		Lead employment negotiations, within Board agreed parameters, including restructuring.	Negotiation team approved by the Board
		Authorise staff training/attendance at conferences.	Within Budget
		Powers in relation to joining collective bargaining.	CEO with Chair of PSC
		Power to suspend striking employees.	CEO with Chair of PSC
		Power to suspend non-striking employees during a strike.	CEO with Chair of PSC
		Power to employ or engage another person to perform the work of a striking or locked out employee.	CEO with Chair of PSC
		Staff functions and events, including team building.	Within Budget

## Wai Hononga Water Services Limited

		All powers, duties and functions under the Employment Relations Act.	Yes
2.5	Health and Safety	All powers, duties and functions of a PCBU under the Health and Safety at Work Act 2015.	Yes
2.6	Statutory	Statutory powers, duties and functions under the following legislation. <ul style="list-style-type: none"> <li>- Water Services Act 2021</li> <li>- Local Government (Water Services Act) 2025</li> <li>- Resource Management Act 1991 consents and compliance functions</li> </ul>	Yes
2.7	Risk Management	Authority to manage organisational risk in line with the Risk Management Policy and Framework.	Policy Limits
2.8	LGOIMA	Authority to respond to requests made under the Local Government Official Information and Meetings Act 1987 in alignment with Regulatory Compliance Policy.	Yes
2.9	Media Statements	Authority to engage with and release information to media where in alignment with the Communication and Media Policy.	CE after advising the Board Chair

# Wai Hononga Water Services Ltd

## Procurement Policy

<b>Approved by:</b>	Board
<b>Approval Date:</b>	April 2026
<b>Version:</b>	1
<b>Next Review Due Date:</b>	Annual review

### 1. INTRODUCTION AND SCOPE

- 1.1 Procurement is a critical function of Wai Hononga Water Services Ltd (Wai Hononga), enabling the delivery of essential Water and Wastewater services. By incorporating broader outcomes such as sustainability, social equity, and cultural considerations into our procurement processes, Wai Hononga demonstrates commitment to creating opportunities that uplift the entire community. This includes preferential consideration to suppliers who demonstrate fair and sustainable business practices, as well as supporting locally owned businesses to ensure economic benefits are shared equitably.
- 1.2 This Procurement Policy outlines Wai Hononga's approach to planning, sourcing, and managing its procurement.
- 1.3 Procurement covers all the business processes associated with purchasing the goods, services, and capital works required to run Wai Hononga and deliver on objectives. The policy does not apply to expenditure on salaries and wages.

### 2. PURPOSE

- 2.1 The purpose of this policy is to ensure when procuring goods, works or services, Wai Hononga:
  - Achieves value for money.
  - Manages risk effectively;
  - Is fiscally responsible and prudent;
  - Allows staff to exercise business judgement by enabling flexibility and fluid, innovative approaches to procurement;

- Preferential consideration of suppliers who demonstrate fair and sustainable business practices, as well as supporting locally owned businesses to ensure economic benefits are shared equitably; and
- Demonstrates fairness and transparency.

### **3. PROCUREMENT PRINCIPLES**

- 3.1 Compliance** – with all New Zealand legislative requirements.
- 3.2 Confidentiality** - All staff involved in procurement procedures are required to maintain confidentiality throughout, and of, the process.
- 3.3 Fairness** - As a public entity, staff must act fairly and consistently, and in accordance with relevant legislation. This helps create competition and encourages capable suppliers to respond.
- 3.4 Efficiency** - Tender processes can be a costly and lengthy exercise for everyone involved. There is a responsibility to ensure the process is efficient and transparent.
- 3.5 Value for money** - Value includes meeting specific functional criteria as well as any other relevant objectives including health and safety and community benefits. The value offered is evaluated against the whole-of-life cost of the contract. There may be situations where value for money is broadened to include outcomes such as economic, social, cultural, and environmental.
- 3.6 Procure for outcomes** - Planning and monitoring are key to successful outcomes.
- 3.7 Authorisation** - One-up principle for authorisation of all expenditure. Expenditure must be authorised in accordance with financial delegations (refer Appendix 1).
- 3.8 Ethical** - Expenditure must be justifiable and be able to withstand public scrutiny, and based on honesty, integrity and transparency.
- 3.9 Local Investment** – Wai Hononga recognises the innovation and resourcefulness of local businesses, and the position it holds to reinvest back into the district.
- 3.10 Collaboration** – A key aim is to leverage shared frameworks by partnering with nearby councils, commercial entities, public and private agencies for joint procurement. Wai Hononga will actively use collaborative frameworks such as All-of-Government (AoG) contracts and panels.
- 3.11 Limiting Council Stranded Overheads** – Wai Hononga will engage with Council on whether the services can be delivered by Council and assess that offering alongside other providers.

## **4. POLICY FRAMEWORK**

### **4.1 Justification of Expenditure**

The budget for annual expenditure is determined by the current Water Services Strategy and/or Annual Budget process. All expenditure must be:

- 4.1.1 For a clear business purpose, and within the Water Services Strategy financial budgets, or specifically approved by the Board and,
- 4.1.2 Compliant with all other Wai Hononga's policies, particularly the Sensitive Expenditure Policy and Fraud and Corruption Policy.

### **4.2 Responsibilities of staff**

4.2.1 Procurement activity must be conducted in a manner ensuring that Wai Hononga maintains a reputation of being fair, transparent and unbiased towards suppliers and evidenced through sound and robust record keeping

4.2.2 Representatives of Wai Hononga involved in procurement must:

- be mindful of the fact that Wai Hononga is subject to and should comply with legislation;
- declare any perceived or actual conflicts of interest to the CEO or senior member of the Finance team as soon as practicable;
- respect the confidentiality of information they are exposed to during their work and must not disclose this information to third parties. Furthermore, this information must not be used for personal gain; and
- not accept gifts or hospitality from suppliers, other than items of a minor value (under \$100). It should be noted that where staff are involved in a tender process, it is not acceptable to accept any gifts or hospitality from a respondent, regardless of its value, until the tender process is completed.

4.2.3 Any personal benefits that might be gained from accepting a tender are to be well documented and signed off by the CEO prior to the tender being accepted.

### **4.3 Health and Safety in Procurement**

4.3.1 Wai Hononga has a legislative responsibility to actively manage the health and safety risk of all staff, including contractors.

- 4.3.2 Staff must consider potential health and safety risks at the procurement planning phase, prior to seeking quotes or tenders.
- 4.3.3 Health and safety risk management must be incorporated into a Contractor's Tender where physical works are involved.
- 4.3.4 Contractors providing any form of physical works to Wai Hononga must be pre-approved in accordance with the Health and Safety Pre-Qualification approval process.

#### **4.4 Local Procurement**

- 4.4.1 Local procurement is sought where practical. Wai Hononga will maintain a registry of local businesses interested in working with Wai Hononga, as well as a registry of iwi/hapū-affiliated suppliers, recognising the importance of building relationships with local businesses and mana whenua. Wai Hononga will provide assistance to potential suppliers to help them navigate the procurement process.
- 4.4.2 The competitive tendering process may include a criteria weighting for Local Procurement. This will be decided by the Tender Evaluation Team. If local investment objectives are a desired outcome of the procurement, then they must be included in the Request for Proposal / Tender.

#### **4.5 Sustainability, Social Equity, Supplier Diversity and Environment**

- 4.5.1 Wai Hononga is committed to sustainability, social equity, supplier diversity and environmental protection. Where cost effective, legal, fair and reasonable, purchasing practices which conserve water resources, demonstrate energy efficiency, minimise waste, have low toxicity and/or will protect the environment and public health, and maintain environmental safety and quality will be used.
- 4.5.2 Consideration of any sustainability, social equity, supplier diversity or environmental requirements should be made at the procurement planning phase. The competitive tendering process may include a criteria weighting for those elements the Tender Evaluation Team will decide whether to include a particular criteria weighting in any Request for Proposal / Tender.

## 4.6 Significant Contracts

4.6.1 Before entering into a Significant Contract (defined in the Significance and Engagement Policy as a contract that relates to a significant change in the level of service, that has not already been approved within the Water Services Strategy), Wai Hononga must identify and assess options and undertake consultation, in accordance with the Significance and Engagement Policy. Consultation must also be undertaken with New Plymouth District Council, and approval must be obtained for the proposed contract. This section ensures compliance with Section 23 of the Local Government (Water Services) Act 2025.

## 4.7 Risk Management

4.7.1 A right sized Procurement Plan is required for all significant procurement activity (over \$100,000, unless the Board/ CEO exemption is given). A Business Case is required for procurement activity over \$500,000

4.7.2 Conflicts of Interest (actual or perceived) must be declared by the Tender Evaluation team, and by staff involved in the direct procurement of goods and services. To remove any doubt, a conflict of interest occurs when a person involved in a purchasing or tender process has personal, financial, professional, or family interests that could improperly influence — or appear to influence — their decisions or actions during the procurement process.

4.7.3 Due Diligence must be carried out on prospective suppliers prior to accepting and signing a contract with a procurement value over \$500,000.

4.7.4 For all contracts over \$50,000 document a right-sized contract management plan taking into account the contract's value, complexity, risk and duration.

4.7.5 Implement contract monitoring procedures as outlined in the contract management plan. including insertion of details on the contract management register.

4.7.6 A contract register will be maintained capturing procurement approach, notice period, review date, extensions given, scope of works, contract manager details, supplier details, date of last relationship meeting and key performance criteria.

4.7.7 Regular staff training to be provided on the Procurement Policy, and policy reminders sent to all staff.

4.7.8 For contracts over \$100,000, contractor performance should be monitored regularly and at least annually.

4.7.9 Consideration must be made when negotiating a contract whether compliance with relevant current and anticipated regulatory requirements are provided for in the contract proposal.

#### **4.8 Authority to Procure Goods and Services**

4.8.1 At least two staff members must be involved in the procurement of all goods and services, regardless of the value. The purchasing officer, as the procurer, is involved in developing the scope and design of what good and/or service is required, and the authorising officer (senior to the purchasing officer) will ensure the purchase complies with the Procurement Policy, where the expenditure / procurement value is within their financial delegated authority.

4.8.2 In the case of expenditure initiated by the CEO, this will be approved by one of the Board Chair, or the Chair of the Audit, Finance and Risk Committee (AFRC).

4.8.3 In the case of expenditure initiated by the Board Chair, this will be approved by the Chair of AFRC.

#### **4.9 Iwi Māori Participation**

4.9.1 Underpinned by a shift from minimising costs to minimising costs and maximising value, a more strategic approach to procurement and commissioning better recognises the unique local iwi Māori contribution/value-add towards:

- Social and environmental outcomes valued by Māori and other communities;
- Increased business growth and development through public/private investment and partnerships and activities; and/or
- Provision of niche social and environmental services through Māori and other “not-for-profit”, social enterprise, or other purpose-specific organisations.

4.9.2 Fully realising this potential iwi Māori contribution will involve the use of a number of mechanisms and processes, including contract agreements, policy development tools, identifying opportunities to work with purpose-specific organisations, and collaborating with external groups to solve local social and environmental challenges.

## 5. PURCHASING METHOD

5.1 The following table sets out the minimum requirements for the procurement method that must be used for the procurement of goods and services, when not purchasing within an existing contract.

### Procurement Value

<b>&lt;\$25,000</b>	There are no formal procedures for procurement with a value of less than \$25,000 but staff to use a Purchase Order where possible, and market rates are to be obtained. Supply should be, at a minimum, documented as to cost and what will be provided.
<b>\$25,000-\$100,000</b>	At least three written quotes must be obtained, or a Request for Proposal, unless the purchase is for specialised goods/services where there is a limited market.
<b>\$100,000-\$500,000</b>	Open or closed Request for Quote or Request for Proposal
<b>&gt; \$500,000</b>	Open Competitive Tendering required - Any expenditure with a procurement value over \$500,000 requires a Request for Proposal. Any exemption must be approved by the Board Chair and CEO.

5.2 The above apply to the purchase of all goods and services unless an exemption applies, as per Section 7 of this policy.

5.3 Procurement Value for the purposes of this policy means: Total contract value for operating expenditure and for capital expenditure.

## 6. COMPETITIVE TENDERING

- 6.1 The following competitive tendering procedure may be used regardless of the procurement value. However, thought must be given to the value of working through such a process for lower value procurement contracts.
- 6.2 Any expenditure with a procurement value over \$500,000 must go through the formal public tendering process unless an exemption is approved by the Board. The tender process outlined is aligned to best practice for <sup>1</sup>. In the absence of formal Wai Hononga procurement templates, reference should be made to New Zealand Government procurement templates and NPDC template. <sup>2</sup>. In the absence of formal Wai Hononga procurement templates, reference should be made to New Zealand Government procurement templates and NPDC template.
- 6.2.1 The Procurement Plan will establish the business need, and the design, scope and budget for the project.
- 6.2.2 A suitably qualified tender panel will be used, determined by the scope of the project.
- 6.2.3 All contract arrangements will need to be formal, with a single point of contact established for answering enquiries for each tender.
- 6.2.4 All tenderers will be provided with the same information at the same time.
- 6.2.5 A Request For Proposal (RFP) is required. An RFP is a formal means of seeking tenders to provide goods and services where there are clearly defined requirements with little room for flexibility or innovation.
- 6.2.6 The range of criteria that may be considered in the evaluation of tenders are:
- historic company performance;
  - experience of personnel;
  - health and safety systems and performance;
  - price; and
  - other criteria (such as sustainability) that may be relevant to the procurement.
- 6.2.7 No late tenders will be accepted.
- 6.2.8 All contracts awarded with a procurement value over \$500,000 must be reported to the Board (Contract description, term, total value, statement that the procurement policy has been complied with) in the monthly finance report.

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<sup>2</sup> Additional guidance on application: <https://www.procurement.govt.nz/government-procurement-framework/>

## 7. EXEMPTIONS TO THE PROCUREMENT METHOD

7.1 Exemptions enable increased flexibility and innovation when procuring and align with the principles of Efficiency and Procure for Outcomes. Exemptions applied to contracts with a potential procurement value over \$500,000 must be approved by both the Board Chairperson and Chief Executive.

**7.2 All of Government Contracts** - Staff will not be required to undertake a competitive tender process if the procurement is part of an All of Government contract, as there is an expectation that the Government has already undertaken a robust tender process. If AOG secondary procurement panels are used then the contract award is recommended to be published on GETS (the Government Electronic Tender Service).

**7.3 Contract Rollovers** - In some situations, where a procurement contract is expiring with no further renewals, the supplier may offer continued pricing and/or service levels if the contract is renewed. If the contract manager is satisfied with the goods and/or services supplied throughout the term of the maturing contract and it is not cost-effective to go through a competitive tender process, then the procurement may be excluded from going out to public tender. Approval from the CEO is required prior to proceeding where the procurement value is less than \$500,000. Notwithstanding a contract may not be rolled over for a term exceeding the initial contract term (excluding renewals).

**7.4 Emergency Procurement** - In an emergency it may be necessary to dispense with parts of the Procurement Policy so that Wai Hononga can react quickly to unforeseen events. For the purposes of this policy, an emergency is defined as an event that puts life or public health or safety at risk or could lead to devastating consequences for Wai Hononga if not acted upon immediately. In these cases, procurement procedures within Civil Defence Emergency Management documents will prevail. In this situation, if over \$500,000, it will be sufficient to obtain approval from the Board Chair and CEO but should be reported immediately to the Board.

**7.5 Monopoly** - Where there is a monopoly situation and only one supplier capable of supplying the business need, the supplier shall be used without the need to obtain more than a quote. Attempts should always be made to establish whether there are any alternative potential suppliers. Approval to continue with the procurement needs to be obtained from the CEO.

**7.5 Specialist Consultants** - Where specialist equipment is to be maintained or serviced or specialist advice is required, the internal process will be same as *Monopoly* above. Specialist in this context means someone that is highly skilled in a specific and restricted field.

**7.6 Regional / Shared Services** - This exemption specifically relates to joint efforts with other water organisations, Government agencies or Councils to collaborate in order to achieve improved procurement outcomes. In these situations, it is accepted that a robust and appropriate procurement process has already been relied on.

## **8. NEW SUPPLIERS AND PAYMENT TERMS**

8.1 The Finance Manager or Chief Financial Officer and the CEO or non-finance tier two executive leader must jointly authorise all new suppliers and associated terms of trade before purchase occurs from any supplier and evidence must be provided to support bank account details along with a secondary form of confirmation. Wai Hononga may only procure services/materials/labour from approved suppliers.

8.2 Unless authorised by the Chief Financial Officer, all payment terms will be the 20th of the month following the date on the invoice.

## **9. RELATED POLICIES**

Sensitive Expenditure Policy  
Fraud and Corruption Policy  
Delegations Policy

Where specific policies have not been approved by Wai Hononga, reference should be made to equivalent policy provision for New Plymouth District Council.

## **10. Review**

This policy will be reviewed annually, or earlier where new responsibilities, challenges, or risks have been identified in relation to procurement procedures.

## Wai Hononga Water Services Limited

Board Meeting: 16 April 2026

Prepared by: Neil Holdom, Chief Executive

Status: Public

# Audit, Finance and Risk Committee, People, Safety and Culture Committee: Draft Terms of Reference

## Rapid Decision Summary

1. Three decisions are sought at this meeting.
2. Decision 1: Adopt or amend the Draft Terms of Reference for the Wai Hononga Water Services Limited People, Safety and Culture Committee.
3. Decision 2: Adopt or amend the Draft Terms of Reference for the Wai Hononga Water Services Limited Audit, Finance and Risk Committee.
4. Decision 3: Delegate to the respective Chairs of the committees and the CEO to make minor changes and refinements to the Terms of Reference documents and provide updates to the Board as information papers.

## Executive Summary

5. The Wai Hononga Water Services Board resolved to develop two committees at the 17 March 2026 Board meeting as follows:
  - Wai Hononga Water Services Limited People, Safety and Culture Committee.
  - Wai Hononga Water Services Limited Audit, Finance and Risk Committee.
6. Committee Chairs were tasked with working with their fellow committee members to develop Terms of Reference for approval by the Board.
7. The two drafts are attached as appendices to this report.
8. The recommendation from Management is that the Board review and adopt or amend the draft Terms of Reference for the two committees and delegate to the respective Chairs of the committees and the CEO authority to make minor

changes and refinements to the Terms of Reference documents and provide updates to the Board as information papers.

# Wai Hononga Water Services Limited

## Terms of Reference for People, Safety and Culture Board Committee

<b>Owner:</b>	Board of Directors
<b>Authorised by:</b>	Board of Directors
<b>Date:</b>	4 April 2025
<b>Adopted:</b>	By resolution of the Company's directors on 16 April 2026

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### 1. Purpose

The role of the People, Safety and Culture Committee ("Committee") is to assist the Company's board of directors (**Board/Directors**) to fulfil its responsibilities in relation to:

- People, organisational wellbeing and remuneration matters,
- Health and Safety matters of all workers and stakeholders.
  - Note that the Committee does not remove director's individual responsibilities to exercise their health and safety due diligence obligations.
- Ensure that all policies and decisions are made in accordance with Wai Hononga company values and guiding principles

### 2. Roles and Responsibilities

The responsibilities of the Committee are:

#### 2.1. People & Culture

- Approve and monitor the progress in developing and executing a people strategy for the company.
- Approve and monitor employee engagement objectives, plans and measurements
- Ensure there are people related training and personal development plans and activities.
- Ensure diversity and inclusion strategies and outcomes are driving the desired outcomes;
- Recruitment, retention and talent attraction plans are in place and working effectively;
- Succession planning for key leadership roles is being considered and actioned;
- Identify "at risk" skills and shortages and review plans to manage these;
- Company compliance with employment legislation;
- Material risks identified which relate to people and organisational performance;

#### 2.2. Remuneration and Performance Reviews:

- Ensure and monitor relevant remuneration frameworks and policies;
- Seeking independent remuneration advice for CE role and annual remuneration reviews (on vacancy or every 2 years)
- Develop the CEO KPIs and (at least annually) complete a review of CEO performance against these KPIs and general performance.
- The performance review framework for the Senior Leadership Team (**SLT**);
- Setting and reviewing CEO and SLT remuneration packages (requiring board approval either directly or as a 'one up' approval).

#### 2.2. Health and Safety Performance Reviews:

- Develop a 3-year company Health, Safety and Wellbeing strategy that clearly articulates the actions required to keep workers and stakeholders safe.
- Recommend annual workplans and actions for achieving the Company's Health, Safety and Wellbeing strategy.
- Ensure critical risks and controls are identified and managed as part of the Health, Safety and Wellbeing strategy.
- Recommend Key Performance Indicators and performance targets relating to health, safety and wellbeing, and assess performance against those targets as outlined in the Health, Safety and Wellbeing Strategy document
- Review and monitor the Company's health and safety systems to ensure these are effectively structured, adequately resourced, fit-for-purpose, effectively implemented, regularly reviewed, and continuously improved.
- Gain robust assurance that all of the Company's legal and regulatory health and safety obligations are being met.
- Enquire as to the steps management have taken to embed a proactive culture through engagement with workers and provide reasonable opportunities for workers to participate in health, safety & wellbeing.
- Review significant accident and incident investigations and consider appropriate actions to minimise the risk of recurrence.
- Review critical health and safety risks, and effectiveness of controls.
- Seek advice periodically from internal and external auditors regarding the effectiveness and completeness of the health and safety systems
- Ensuring that the Board is properly and regularly informed and updated on matters relating to health and safety risks.
- Ensure that management is kept apprised of the Board's views on health and safety issues.

The following are outside the scope of the Committee:

Strategic company risks which will be governed by the full Board with input from both Committees.

### **3. Authority**

- The Committee is authorised by the Board to investigate any activity within its Terms of Reference or as directed by the Board.
- The Committee is authorised to seek any information it requires from any of the Company's personnel, and all Company personnel will be directed by Management [define] to cooperate with any request made by the Committee for this purpose.
- The Committee is authorised to obtain, at the expense of the Company, outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the Company, of outside parties with relevant experience and expertise if it considers this necessary
- The Committee does not have the power or authority to make any decision in the Board's name or on its behalf.

### **4. Composition**

- The Committee has a minimum of two members.
- All members must be non-executive directors.
- The Chair and other members of the Committee are appointed, and may be removed, by the Board.
- The Chair of the Committee must not be the Chair of the Board.
- All Directors have a standing invitation to attend Committee meetings and have access to Committee papers, subject to conflicts.

- At the invitation of the Committee Chair, the Committee may have in attendance such members of Management, including the Chief Executive and such other persons as it considers necessary to provide information which is relevant to the Committee's role.
- The term of any Director's appointment to the Committee will be determined by the Board.

## **5. Meetings of the Committee**

- The Committee shall meet at least four times a year, as required to undertake its role effectively.
- A quorum shall comprise two members.
- Agendas will be set by Committee Chair with input from the CEO.
- Matters considered by the Committee will generally be decided by consensus, or, if a consensus cannot be reached, by majority of votes from the members present.

## **6. Reporting**

- The Committee Chair will report to the Board at the next Board meeting following the Committee meeting, or earlier if required.
- The Committee will review and recommend to the Board annual KPI targets and any the disclosures relating to remuneration, diversity and environmental, social and governance reporting for the company's annual report and for shareholder, statutory or regulatory compliance reporting

## **7. Work Programme**

- Maintain an annual work programme aligned to People and Safety requirements.

## **8. Conflicts of Interest**

- Committee members will be invited to disclose conflicts of interest at the start of each meeting. Where members are deemed to have a real or perceived conflict of interest, they will be excused from Committee discussions about the issue where the conflict exists.

## **9. Performance and Review**

- Annual self-assessment
- Terms of Reference reviewed at least every two years [do we need this?]
- Independent reviews as required.

## **10. Administrative Matters**

- Committee Secretary appointed and aligned to overall Board governance support provided by management.
- Papers circulated one week in advance of meeting
- Members expected to be prepared and actively participate
- Draft minutes circulated to Committee Chair within one week of meeting

## **11. Approval and Review of Terms of Reference**

- Any change to these Terms of Reference will require approval by the full Board.
- The Committee shall regularly review the Terms of Reference to ensure their relevance and the effectiveness of the Committee and will make recommendations for any amendments to the Board.
- To the extent of any inconsistency between this Terms of Reference and the Constitution, the Constitution will prevail.

## **Wai Hononga Water Services Ltd**

### **Audit, Finance and Risk Committee (AFRC) Charter**

#### **1. Purpose**

- 1.1. The Audit, Finance and Risk Committee (“Committee”) supports the Board to discharge its governance responsibilities across financial stewardship and performance, risk management and internal control, assurance (internal and external audit), regulatory compliance and integrity of financial and non-financial reporting.
- 1.2. The Committee has no decision-making authority unless delegated by the Board.

#### **2. Role and Responsibilities**

The Committee provides oversight, assurance and advice to support effective governance, aligned with statutory obligations, shareholder expectations and public sector best practice.

##### ***2.1. Strategic and Shareholder Alignment***

- 2.1.1. Monitor performance against the Water Services Strategy and Statement of Expectations
- 2.1.2. Assess alignment of plans, budgets and performance with long-term service delivery, resilience and community outcomes
- 2.1.3. Advise on financial and risk implications of strategy delivery

##### ***2.2. Financial Management, Funding and Pricing***

- 2.2.1. Review and recommend budgets, forecasts, funding strategies, financial statements and key accounting policies
- 2.2.2. Monitor financial performance and variances, sustainability, liquidity and funding adequacy
- 2.2.3. Oversee treasury, borrowing and covenant compliance
- 2.2.4. Monitor compliance with Commerce Commission requirements (pricing, reporting, forecasts)
- 2.2.5. Review financial models supporting infrastructure investment and pricing

##### ***2.3. Risk Management and Resilience***

- 2.3.1. Oversee the enterprise risk management framework
- 2.3.2. Recommend risk appetite settings to the Board
- 2.3.3. Monitor key risks (asset, environmental, public health, climate, regulatory)
- 2.3.4. Ensure alignment with the Water Services Strategy and statutory obligations
- 2.3.5. Review emerging risks and mitigation effectiveness

##### ***2.4. Insurance Programme***

- 2.4.1. Oversee insurance as part of risk management, ensuring alignment with risk appetite and risk profile
- 2.4.2. Review adequacy of coverage, balance of risk transfer/retention, and cost effectiveness
- 2.4.3. Consider implications of emerging risks (e.g. climate, asset, cyber)
- 2.4.4. Seek assurance that insurance levels are informed by robust risk assessment
- 2.4.5. Monitor claims management effectiveness

### **2.5. Regulatory Compliance and Quality Standards**

- 2.5.1. Oversee compliance with economic and quality regulation
- 2.5.2. Monitor water quality, environmental and service performance
- 2.5.3. Review breaches and management responses
- 2.5.4. Ensure robust regulatory reporting systems

### **2.6. Internal Control and Assurance**

- 2.6.1. Assess effectiveness of internal controls
- 2.6.2. Oversee fraud prevention frameworks
- 2.6.3. Ensure assurance over critical systems and regulatory processes
- 2.6.4. Oversee internal audit programme and alignment with key risks
- 2.6.5. Review findings and monitor implementation
- 2.6.6. Ensure independence of the assurance function

### **2.7. External Audit**

- 2.7.1. Oversee relationship with the Auditor-General's appointee
- 2.7.2. Review audit plans, findings and management responses
- 2.7.3. Meet auditors without management as required
- 2.7.4. Monitor auditor independence and performance

### **2.8. Service Delivery Interface (NPDC)**

- 2.8.1. Monitor performance and risks of SLAs/shared services
- 2.8.2. Ensure appropriate controls, reporting and accountability
- 2.8.3. Review material issues or disputes

### **2.9. Reporting and Accountability**

- 2.9.1. Review integrity of financial and non-financial reporting
- 2.9.2. Ensure transparency to shareholder, regulators and the public
- 2.9.3. Promote stewardship of public resources

### **2.10. Policies and Other responsibilities**

- 2.10.1. Review key policies (ie risk, sensitive expenditure, procurement, treasury, assurance, fraud prevention, tax)
- 2.10.2. Undertake other responsibilities as delegated

## **3. Authority**

The Committee may:

- 3.1.1. Access all information and personnel
- 3.1.2. Require attendance of management and advisors

- 3.1.3. Obtain independent advice
- 3.1.4. Investigate matters within its scope

#### **4. Composition**

- 4.1.1. Minimum two members; majority independent non-executive directors
- 4.1.2. At least one member with financial expertise
- 4.1.3. Additional infrastructure/regulatory expertise desirable
- 4.1.4. Board Chair is a standing member but cannot chair the Committee
- 4.1.5. All Board members are entitled to attend and have access to papers
- 4.1.6. External members may be appointed

#### **5. Meetings**

- 5.1.1. At least four per year
- 5.1.2. Additional meetings as required; virtual attendance permitted
- 5.1.3. Quorum: two members
- 5.1.4. Regular attendees include CEO and CFO
- 5.1.5. May meet without management and in closed session

#### **6. Reporting**

- 6.1.1. Chair reports to the Board after each meeting
- 6.1.2. Minutes provided to the Board
- 6.1.3. Escalate significant risks and provide recommendations

#### **7. Work Programme**

Maintain an annual work plan aligned to financial, audit and risk cycles and key regulatory milestones.

#### **8. Conflicts of Interest**

- 8.1.1. Conflicts (real or perceived) declared at each meeting
- 8.1.2. Chair determines management of conflicts
- 8.1.3. Recorded in minutes

#### **9. Performance and Review**

- 9.1.1. Annual self-assessment
- 9.1.2. Charter reviewed at least every two years
- 9.1.3. Independent reviews as required

#### **10. Administrative Matters**

- 10.1.1. Committee Secretary appointed
- 10.1.2. Papers circulated in advance
- 10.1.3. Members expected to be prepared and actively participate

# Closing karakia

Unuhia, unuhia, unuhia i te uru tapu-nui  
Kia wātea, kia māmā te ngākau, te tinana  
Te wairua i te ara takatū  
Koia rā e Rongo whakairihia ake ki runga  
Kia wātea, kia wātea  
Ae rā kua wātea  
Hau Paimārire

*Release us from the mantle of this meeting/conference  
So we can stand free  
Clear in heart, spirit and body make it happen  
Peace reign free!*

