

**MINUTES OF WESTERN BAY OF PLENTY DISTRICT COUNCIL
COUNCIL MEETING NO. CL25-6
LOCAL WATERS DONE WELL CONSULTATION HEARINGS,
HELD IN THE COUNCIL CHAMBERS, 1484 CAMERON ROAD, TAURANGA
ON TUESDAY, 13 MAY 2025 AT 10.00AM**

1 KARAKIA

Whakatau mai te wairua	Settle the spirit
Whakawātea mai te hinengaro	Clear the mind
Whakarite mai te tinana	Prepare the body
Kia ea ai ngā mahi	To achieve what needs to be achieved.
Āe	Yes

2 PRESENT

Mayor J Denyer, Deputy Mayor J Scrimgeour, Cr T Coxhead, Cr G Dally, Cr M Grainger, Cr A Henry, Cr R Joyce, Cr M Murray-Benge, Cr L Rae, Cr A Sole, Cr D Thwaites and Cr A Wichers.

3 IN ATTENDANCE

M Taris (Chief Executive Officer), A Henderson (GM Corporate Services), A King (Legislative Reform and Special Projects Strategic Advisor), E Wentzel (Director of Waters), R Garrett (Governance Manager), V Dekkerova (Systems Advisor), H Wi Repa (Governance Systems Advisor) and P Osborne (Senior Governance Advisor).

OTHERS IN ATTENDANCE

John Clements (Katikati Community Board Chairperson)
Ross Goudie (Waihi Beach Community Board Member)
Submitters as recorded below

4 APOLOGIES

APOLOGY

RESOLUTION CL25-6.1

Moved: Cr D Thwaites
Seconded: Cr T Coxhead

That the apology for lateness from Cr Dally be accepted.

CARRIED

5 CONSIDERATION OF LATE ITEMS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 PUBLIC EXCLUDED ITEMS

Nil

8 PUBLIC FORUM

Nil

9 REPORTS

9.1 LOCAL WATER DONE WELL HEARINGS

Council considered a report from the Systems Advisor. The report was taken as read.

Submitters were welcomed and presented as noted below.

RESOLUTION CL25-6.2

Moved: Cr M Murray-Benge

Seconded: Cr A Henry

1. That the System Advisor's report dated 13 May 2025 titled "Local Water Done Well Hearings" be received.

CARRIED

10.02am Cr Dally entered the hui.

9.1.1 SUBMISSION I.D 1 - JOHN BUTT

Mr Butt was in attendance to talk to his submission, speaking to the main points.

Mr Butt responded to pātai as follows:

- In relation to poisoning statistics that were due to backwash, Mr Butt provided an example of a case of this happening around the Te Awamutu area that did not end in a death, but was close.
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9.1.2 SUBMISSION I.D 2 – GARRY WEBBER

Mr Webber was in attendance to talk to his submission. He spoke to the main points of his submission, with the additional information:

- The three waters made up around 30% of Council's annual infrastructure costs.
- Mr Webber queried whether Councillors were aware of the current state of resource consent compliance of those councils Council might consider amalgamating with. It was important for Council to identify the current state of councils and their ability to comply with Taumata Arowai standards.
- Financial Contributions should not just cover the costs of new infrastructure required for each new lot, but also cover the additional costs required to process the new volumes of three waters that were generated by the new lots.
- Mr Webber believed that when the original infrastructure capacity was designed very little attention was paid to the possibility of the throughput doubling or tripling in the future. This resulted in maintenance, operating and capital costs tending to increase.
- He believed a three waters CCO with Tauranga City Council was imperative.
- Council had a reliable bore water supply for its drinking water, which was something that Tauranga City Council would need help with, given their current reliance on river catchments for drinking water. He believed this reliance would become questionable in the near to medium term, providing the example of the Waiāri monitoring and upstream catchment contamination.

Mr Webber responded to pātai as follows:

- Clarification was sought in relation to what Council's best option would be. Waikato District Council and Waipa District Council were provided as examples of councils with a similar set up, who would be good examples to look at.
 - There were capable staff at Council with a very good understanding of the three waters.
 - He believed that the 'ring-fencing' requirements allowed for Council to take a staged approach. He was concerned that a staged approach would mean that smaller councils would need to amalgamate, due to high costs.
 - Recognising the similarities between the three waters reform and the dairy industry, it was noted that the dairy industry amalgamation resulted in a lot of the smaller plants shutting down, as they were not financially viable.
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9.1.3 SUBMISSION I.D 3 – WAIHĪ BEACH COMMUNITY BOARD

Ross Goudie (Waihi Beach Community Board Member) was in attendance to speak on behalf of the Waihi Beach Community Board submission. The submission was taken as read.

9.1.4 SUBMISSION I.D 5 – ROSS GOUDIE

Mr Goudie was in attendance to speak to his submission, highlighting the main points of the submission.

Tabled Item 1 was provided as additional information to his submission.

Mr Goudie responded to pātai as follows:

- When asked about his thoughts on the ‘positives’ associated with establishing a joint CCO with TCC, Mr Goudie noted that if Council shared a common purpose, philosophy and workplan, it could work well. He did note, however, that he did not have enough knowledge about the “ins and outs” of TCC to comment any further.
- In regard to Auckland Water Care and its success in running two water entities, Mr Goudie supported people with expertise and experience facilitating the entities.
- Clarification was provided regarding the role he believed the specialised recruitment agencies and advisory firms should play. Mr Goudie considered these agencies should make recommendations to Council on the appointments, as apposed to making the appointments themselves.
- Although three waters reorganisation was, he believed, the most critical task that Council would ever undertake, the uptake during consultation and submissions was not overly high. He believed this was due to the nature of the kaupapa, acknowledging that it was complex and took a long time to navigate through all the information.

9.1.5 SUBMISSION I.D 9 – KEITH KAY

Keith Hay was in attendance to speak to his submission, highlighting the main points.

Tabled Item 2 was provided as additional information to his submission.

Mr Hay responded to pātai as follows:

- The level of reporting on the growth proportion was satisfactory.
- In relation to reporting, he would think that any future entity would report as any other board of a public company would.
- Mr Hay’s preferred option would be in line with the option that Rotorua Lakes Council had taken.
- He believed that there was a large number of directors that would be available to the Council, however it was noted that they would likely be in high demand due to all Councils having to consider this decision.
- Council should take professional advice on appointments to the CCO’s.

9.1.6 SUBMISSION ID 10 - KATIKATI-WAIHĪ BEACH RESIDENTS AND RATEPAYERS ASSOCIATION

Keith Hay was in attendance to speak on behalf of the Katikati-Waihi Beach Residents and Ratepayers Association submission. He spoke to the main points of their submission.

Tabled Item 3 was provided as additional information to their submission.

Mr Hay responded to pātai as follows:

- He acknowledged that joining a CCO later, compared to joining at the start, could result in Council being in a less favourable position on that CCO, however he believed that due to current uncertainties Council would be wiser to wait until there was more certainty around it.
 - If Council waited before joining a CCO, it may be able to appoint directors with more experience, noting that some may have already served on a CCO for three years.
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11:13 am The hui adjourned.

11:36 am The hui reconvened.

9.1.7 SUBMISSION I.D 4 - MAKETU COMMUNITY BOARD

Brett Waterhouse (Maketu Community Board Member) was in attendance to speak on behalf of the Maketu Community Board submission, highlighting the main points of the submission. The following points were spoken to in addition to the submission:

- Water was a taonga to Maketu.
- Maketu had 50-year old pipes, noting that only half were included in the Long Term Plan for replacement.
- They were strongly against Council combining with Tauranga City Council (TCC).
- Ensuring that all communities received the same Level of Service was important, considered that this did not currently happen.
- Clarification was sought around the Te Tumu project, noting that the Maketu community were affected and needed information prior to having consultation.

Mr Waterhouse responded to pātai as follows:

- He felt there was room for improvement on the communication of projects that were taking place, to avoid the community feeling 'surprised', specifically in relation to big projects.
 - The Maketu Community Board was only supportive of a Single Council Water Services Council Controlled Organisation (CCO).
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- It was acknowledged that infrastructure was expensive, however keeping it in local control was preferred over having the ability to maintain it to a high standard.
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9.1.8 SUBMISSION I.D 11 – BEV CAIN

Bev Cain was in attendance to speak to her submission, highlighting the main points of her submission, with the below additions:

- She felt it was hard for the community to make a submission on the little information that they had.

The Mayor and Councillors clarified that there was a mandatory standard that Council had to meet, which Taumata Arowai would be enforcing. It was also noted that rural properties who were not currently connected would not be paying for any of these services, as was the current situation. If a property had the ability to connect to a water pipe but chose not to, they were only charged an availability charge.

Ms Cain responded to pātai as follows:

- The statement at the end of her submission was purely her opinion, as she did not believe that the government would prosecute a local body if not all water infrastructure had been updated. The Mayor confirmed that the government had been clear on consequences, noting that the rationale for the Local Waters Well Done reform was to ensure that no local body could excuse themselves from meeting the standards due to financial limitations.
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9.1.9 SUBMISSION I.D 12 – KATIKATI COMMUNITY BOARD

John Clements (Katikati Community Board Chairperson) was in attendance to speak on behalf of the Katikati Community Board submission. He spoke to the main points of the submission, with the additional information:

- Council's decision on what option they chose for future water services had a huge effect on ratepayers.
 - The Board believed this decision could lead Council to further integration with TCC.
 - The Board understood that there were now three options in relation to this decision.
 - The Board had researched and had difficulty understanding the 80% difference between a Single Council Water Services CCO and a Multi Council Water Service CCO, when the only difference was the organisation framework.
 - The Council proposal implied that there was no development contributions (financial contributions) applied in the in-house option.
 - Clarification was sought on the differential if the lack of financial contributions was not the cost driver.
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- The Board felt that Council's media releases, brochure and website stated information that was not correct, confusing, and was worded to scare people.
- Mr Clements questioned why the in-house solution cost 80% more than the single council solution when it offered the same service to the same ratepayers, but sat under a different organisation structure with higher overhead costs.
- The Board recommended Council follow the Rotorua option that showed there was very little difference between in-house, single council CCO and a multi-council CCO.
- The Community Board believed that Council should opt for services to remain in-house until there was thorough due diligence process as per the MartinJenkins report.

The Mayor clarified that financial contributions was not the only driver; however, the Local Government Funding Agency (LGFA) announced in April 2025 that the amount of financial contributions that could be included in Council's revenue line was determined by the number of connections. For Council this was 50% of FinCos, whereas if Council joined with TCC it would increase to 75%. This was only available if Council was in a CCO.

Mr Clements responded to pātai as follows:

- He did not feel that there were many professional directors with the right expertise that would be available to undertake the roles required.
- He believed that Council was making a decision based on incorrect information, due to not including financial contributions when considering an in-house model.

9.1.10 SUBMISSION I.D 15 & 16 – TE PUNA HEARTLANDS AND LOCHHEAD DESIGN

Peter Lochhead was in attendance to speak on behalf of the Te Puna Heartlands submission as well as his own. He took the submissions together as read, due to them being similar in nature.

The Mayor responded to pātai as follows:

- The government would not be contributing any funding to councils.
- Any costs relating to this piece of work would be funded from the water service organisation, as debt or from customers (ratepayers).

Mr Lochhead responded to pātai as follows:

- He was aware that councils had been mandated to fluoridate their water, and he believed that fluoride would kill more vegetables and flowers than it would help to grow.

12.24pm The hui adjourned.

1.04pm the hui reconvened.

9.1.11 SUBMISSION I.D 14 – BAY OF PLENTY REGIONAL COUNCIL

Ken Shirley (Councillor) was in attendance to speak on behalf of the Bay of Plenty Regional Council submission. He spoke to the main points of the submission.

Mr Shirley responded to pātai as follows:

- Anything in the pipes was territorial authority, however regional council came in when the party wanted to discharge into the natural environment. They were seeking clarification on the “grey area” of wetlands in relation to the incoming legislation.
- The water quality regulations were well specified, however it was acknowledged that for certain catchments quality could decline. An integrated catchment approach was required for the water quality to remain.
- The Te Puke area was a good example of a natural low lying area, noting that the integration of the Kaituna River within this environment was a challenge. In relation to consents, it was important that it was a joint effort and process.
- Central Government had set up a water regulator which outlined regulations around waters, which Local Government had to uphold.
- There was always a tension between centralism and localism, but the view of the Regional Council was that these needed to work together and in harmony for the best outcomes.

1.16pm Cr Wichers entered the hui.

9.1.12 SUBMISSION I.D 17 – JOAN DUGMORE

Joan Dugmore was in attendance to speak to her submission, highlighting the main points of the submission, with the addition of the following information:

- She believed there were in-house options that she was in favour of.
- TCC had taken water from a spring in the Waiāri River, below Te Puke’s bore, and piped it into a reservoir in Pāpāmoa, noting that 90% of the people were against this.
- She did not see the benefit in joining with TCC as the Western Bay of Plenty District area and land had different needs.
- All Councils received loans from the government to install sewage systems, that were supposed to be paid back within 10 years.
- Some rural organisations were allowed to pipe to Te Puke, which over stretched the sewage scheme.
- Te Puke did not have the infrastructure or schools to handle the estimated population growth.
- The amount of concrete being used in housing developments was causing flooding.

- Te Puke joined Council in the amalgamation with Katikati and Waihi Beach, and she believed this was a bad decision.
 - Te Puke was a big horticultural area, however she did not feel as though the money was going back into the town.
 - There was a fear that combining with TCC would allow them to dominate the organisation, as she believed Council's water infrastructure was in a much better condition.
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9.1.13 SUBMISSION I.D 18 – ŌMOKOROA RESIDENTS AND RATEPAYERS ASSOCIATION INC.

Bruce McCabe, John Palmer and Kathleen McCabe were in attendance to speak on behalf of the Ōmokoroa Residents and Ratepayers Association Inc. submission. They spoke to the main points of the submission, with the addition of the following information:

- They outlined the reasons for the lack of control, which were set out very clearly in the Local Government (Water Services Preliminary Arrangements) Act 2024.
 - They believed there were many misconceptions in relation to the Local Waters Done Well reform, which they felt was derived from the term "Council Controlled Organisation".
 - In relation to 'Control and Ownership', it was noted that residents wanted a strong voice in decision making. It was felt that under Option 1 (Single Council Water Service CCO) Council would retain full ownership of the assets. Under Option 2 (Multi-Council Water Services CCO) Council would only have ownership oversight of its assets. For this reason Option 1 best reflected the outcome sought by the community.
 - They sought clarification over the statement in the 'Wai Brochure' regarding the need to significantly invest in order to maintain and upgrade the infrastructure, as they felt this was not required. There was discomfort that the rising cost indicated was to subsidise other councils that had not invested in maintaining and upgrading their water infrastructure.
 - The developer financial contributions should cover the growth related investment required for water infrastructure.
 - Council had an excellent credit rating, and therefore clarification was sought as to why Option 2 would provide better access to funding.
 - Wellington Water (a Multi-Council Water Services CCO) had been subject to many complaints. Due to these complaints, the Commerce Commission had launched an investigation of potential unlawful conduct by Wellington Water.
 - WaterCare (another multi-Council Water Services CCO) had strong governance and oversight, noting that the responsibility for stormwater management remained with Auckland Council.
 - There was concern that if CCOs were required nationwide, there would not be sufficient board directors of the right calibre to take on the roles.
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- It was recommended that Council considered stormwater remaining with Council and that a CCO be set up to only manage drinking water and wastewater.

Presenters responded to pātai as follows:

- The best way to avoid losing out on the best board directors was to get in early. They believed that there were more than enough people that could undertake these roles as long as Council looked in the right areas.
 - Council should be aiming to make money, as otherwise they would make a loss. However, it was recommended that any money made go back to the ratepayers.
 - An independent chair with significant commercial experience should be deciding what option Council should choose, including associated internal processes.
 - The CCO board should comprise members of multiple expertise including commercial, legal and a financial analyst. It was for this reason that the Ōmokoroa Residents and Ratepayers Association recommended that Council used an HR consultancy who could find a range of people of this calibre.
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9.1.14 SUBMISSION I.D 20 – NICK OBRIEN

Nick OBrien was in attendance via Zoom to speak to his submission, highlighting the main points of the submission, with the addition of the following information:

- The three main benefits of installing a water tank were:
 - Reduction of water usage that Council would need to supply;
 - Buffer the stormwater system, resulting in a reduction of water going down the stormwater system; and
 - Supplied an emergency source of water in case of a natural disaster.
- If water tanks were installed on a residential house, the homeowners would not notice any reduction in water usage, the cost was relatively low and this solution was scalable.
- This solution was also scalable to commercial businesses, and would help reduce the pressure on Council freshwater systems.

Mr OBrien responded to pātai as follows:

- This solution would reduce the urgency for infrastructure repairs, maintenance and upgrades due to the reduction in pressure from expected growth.
 - He was not sure what option Council should take, however he noted that this solution would benefit either option.
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RESOLUTION CL25-6.3

Moved: Cr M Grainger

Seconded: Cr G Dally

2. That the written and verbal submissions to the Local Water Done Well consultation be received.

CARRIED

10 INFORMATION FOR RECEIPT

Nil

11 RESOLUTION TO EXCLUDE THE PUBLIC

Nil

9.1.15 TABLED ITEMS – ADDITIONAL SUBMISSION INFORMATION

ATTACHMENTS

- 1 Tabled Item 1 – Submission I.D 5 – Ross Goudie – Council Hearings – 13 May 2025
2 Tabled Item 2 – Submissions I.D 9 – Keith Hay – Council Hearings – 13 May 2025
3 Tabled Item 3 – Submission I.D 10 – Katikati-Waihi Beach Residents and Ratepayers Association – Council Hearings – 13 May 2025
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The meeting closed at 1.54pm.**Confirmed as a true and correct record at the Council meeting held 26 June 2025.**

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Mayor J Denyer
CHAIRPERSON / MAYOR