

Mā tō tātou takiwā
For our District

Council

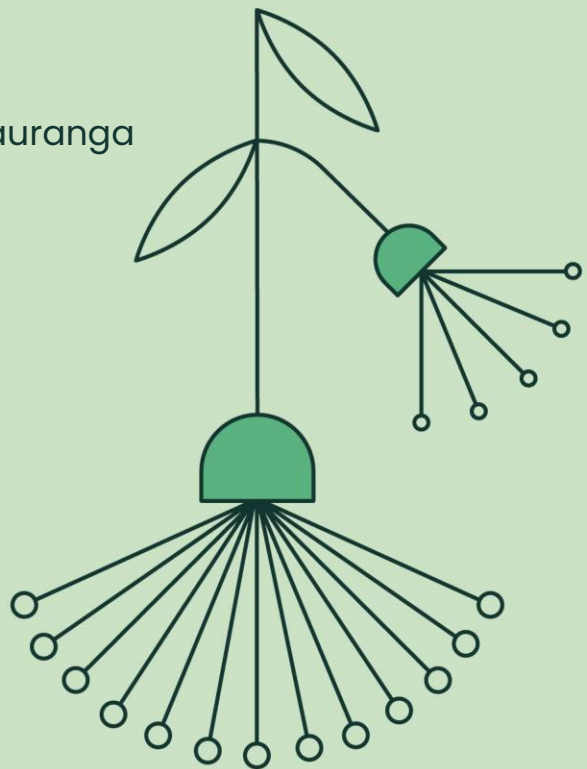
Te Kaunihera

Late Report

CL25-11

Friday, 15 August 2025, 9.30am

Council Chambers, 1484 Cameron Road, Tauranga



Order Of Business

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10 REPORTS

10.6 CROWN FACILITATOR – LOCAL WATERS DONE WELL

File Number: A6901988

Author: Adele Henderson, General Manager Corporate Services

Authoriser: Miriam Taris, Interim Chief Executive Officer

EXECUTIVE SUMMARY

To seek Council approval for the appointment of a Crown Facilitator to support the development and submission of a compliant Water Services Delivery Plan (WSDP), in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024.

RECOMMENDATION

1. That the General Manager Corporate Service's report dated 15 August 2025, titled 'Crown Facilitator – Local Waters Done Well', be received.
2. That Council notes that it is not in a position to provide a compliant Water Services Delivery Plan, subject to the existing resolutions of Tauranga City Council. The "Local Waters Done Well – Update Report" agenda item has been scheduled 15th August with Tauranga City Council. The requirement of a Crown Facilitator is dependent on any change(s) to their current recommendations.
3. That Council notes the legislative provisions under Section 25(2)(a) of the Local Government (Water Services Preliminary Arrangements) Act 2024, which enable the Minister of Local Government to appoint a Crown Facilitator or to receive a request for one where support is required to deliver a compliant Water Service Delivery Plan.
4. That Council receives the Mayor's request for the appointment of a Crown Facilitator (**Attachment 1**) to support the development of a compliant Water Service Delivery Plan by the statutory deadline of 3 September 2025 (noting that this appointment requires Cabinet approval proposed for 26th August 2025).
5. That Council approves the costs associated with the Crown Facilitator (approximately \$1,600 per day), to be funded from the Local Waters Done Well budget in the Annual Plan 2025/26.

BACKGROUND

1. The Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) establishes the framework for Local Water Done Well and the preliminary arrangements for the new water services delivery system. The Act requires all

councils – either individually or with other councils – to develop and submit a Water Services Delivery Plan (WSDP) by 3 September 2025.

2. Each Plan must provide information about the current state of the council(s) water services and outline how the council(s) will deliver water services in a way that meets regulatory requirements, is financially sustainable, and supports housing growth and urban development. The WSDP must be certified by the Chief Executive Officer as being true and accurate.
3. Once councils have submitted their WSDP, the Department of Internal Affairs (DIA) will review and assess all plans. Under the Act, the Secretary for Local Government (Chief Executive of DIA, Paul James) has responsibility for accepting or not accepting the plans. DIA will support the Secretary by reviewing submitted plans and advising whether they comply with the requirements of the Act.

The following diagram was provided for as part of the **DIA Guidance for the approval of a Water Service Delivery Plan**. It illustrates the key milestones and expectations of each phase.

Key milestones and what to expect at each phase

Preparation / early submission of Plans to DIA	Plans submitted to DIA and triaged	DIA assesses Plans	DIA review and acceptance of Plans	DIA Plan Review Panel
Before 3 September 2025	3 September 2025	September – October 2025*	October – December 2025*	
<p>Councils can submit Plans earlier than the 3 September deadline.</p> <p>Plans must be certified by the council chief executive(s) before submission.</p> <p>DIA will be ready to review any Plans that are submitted early.</p> <p>Councils can continue to seek technical support from the Department for their Plans.</p> <p>DIA will be available to provide support with draft Plans, including technical support, financial modelling and review of draft Plans.</p>	<p>Councils must submit their Plans to the Department (via wSDP@dia.govt.nz) by 3 September.</p> <p>You will receive a confirmation email from DIA once your Plan has been received.</p> <p>DIA will contact you if any information is missing.</p> <p>Plans that are not submitted on time may be escalated for Ministerial intervention.</p>	<p>DIA will be assessing all aspects of Plans against legislative requirements, with a focus on identifying any risks or issues that may impact the ability of the Secretary to accept a Plan.</p> <p>As part of our assessment, DIA will be consulting with other key government agencies involved in Local Water Done Well. This may include National Infrastructure Funding and Finance (NIFF), Commerce Commission, Local Government Funding Agency (LGFA) and the Water Services Authority.</p> <p>DIA may contact you for further information about your Plan. For example, we may have questions about assumptions used, need to clarify information that supports a Plan, or need to clarify particular aspects of a Plan to support our assessment.</p>	<p>DIA Plan Review Panel will review recommendations from the Plan assessment process, to make a recommendation to the Secretary.</p> <p>DIA will communicate Plan acceptance decisions to councils as decisions are made (expected from November 2025).</p> <p>By the end of December 2025, DIA expects to have notified all councils of the decision on their Plan.</p> <p>You will receive an email from the Secretary for Local Government advising of the decision on your Plan.</p> <p>If the Secretary is not satisfied the Plan complies with the Act, they can require the council(s) to amend and resubmit or not accept the Plan (this may then lead to Ministerial assistance or intervention – see slide 7).</p> <p>Once a Plan is accepted, the council(s) must publish it on their website(s) as soon as reasonably practicable and advise DIA (see slide 7).</p>	<p>DIA Plan Review Panel</p> <p>The Plan Review Panel includes senior leads from key government agencies involved in Local Water Done Well – DIA, NIFF, Commerce Commission, LGFA, Water Services Authority, and an external observer.</p> <p>The Panel's role is to provide subject matter expertise and context to review recommendations from the Plan assessment process, for consideration by the Secretary for Local Government.</p>
<p>Throughout the Plan review and acceptance process</p> <p>While the Plan review and acceptance process is underway, councils can expect to hear from us if we have specific questions regarding their plan, but we won't be providing updates to councils about the status of their Plan review until the Secretary has made a decision.</p> <p>DIA will provide regular, general updates on the Plan review and acceptance process via our monthly Plan newsletter.</p> <p>Councils can continue to use wSDP@dia.govt.nz to ask any questions. We are a small team, so our focus will be on reviewing Plans during this time and we may take longer than usual to respond.</p>				

* These are indicative timings only. Plans that are submitted earlier will be reviewed and returned to councils as soon as practicable.

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4. The democratic decision-making processes by the partner Councils has resulted in different recommendations, and the consequence is that Councils are no longer aligned in terms of the proposed service delivery model, the proposed timing for the establishment of a Water Services Organisation (WSO), or who their potential partners are.
5. As outlined above, it is a requirement of the Local Government (Water Services Preliminary Arrangements) Act 2024, for the Chief Executive to certify that the WSDP

meets legislative requirements before submission to the Secretary for Local Government.


6. The Chief Executive is unable to certify our proposed plan based on Council's recommendations, as it does not align (in this case) with Tauranga City Council's (TCC) recommendations.
7. Due to the urgent requirement to deliver a compliant WSDP to the Secretary of Local Government, the Mayor wrote to the Minister of the Local Government requesting a Crown Facilitator. Advice received from Simpson Grierson, notes that the legislation is not explicit that a resolution of Council is required, and the decision is at the discretion of the Minister as to the appointment.

Section 25(2)(a) provides that the Minister *may* appoint a Crown facilitator after:

the territorial authority or the group of territorial authorities requests, in writing to the Minister, that the Minister do so and the Minister decides to grant that request.

8. Council has not received a formal response from the Minister to the request at the time of this agenda, noting that there is a ten-day process requirement for the appointment. DIA staff are also aware that this request is contingent upon the extraordinary meeting of Tauranga City Council on 15 August 2025.
9. Thames-Coromandel District Council has written to the Minister and requested that the appointment of a Crown Facilitator also includes Thames-Coromandel District Council in their remit.
10. The request for a Crown Facilitator is not intended to escalate or politicise the issue. Western Bay of Plenty District Council deeply value the strong working relationship and history of collaboration between WBOPDC and TCC. This request for a Crown Facilitator is to receive support on meeting the legislative requirements to submit a compliant WSDP and ensuring the best long-term outcomes for our community in the provision of waters infrastructure and service delivery.

ATTACHMENTS

1. **Local Water Done Well – Request for Assistance** 



Western Bay of Plenty District Council
Private Bag 12803,
Tauranga Mail Centre, Tauranga 3143
P 0800 926 732
E info@westernbay.govt.nz
westernbay.govt.nz

12 August 2025

Hon Simon Watts
Private Bag 18888
Parliament Buildings
Wellington 6160

Via email: Simon.Watts@parliament.govt.nz

Dear Minister Watts,

Local Water Done Well - Request for Assistance

As you know, Western Bay of Plenty District Council (WBOPDC) and Tauranga City Council (TCC) have been working closely and collaboratively on our LWDW aggregation of waters services for some time. I am now writing to inform you and express my dismay that TCC resolved on 5 August to deliver their waters services in-house, rather than within a multi-council CCO that had previously been envisaged, and that staff from both councils had been working towards.

We were caught off guard by this change, as there had been a clear signal from TCC and a sustained programme of work that indicated that they would progress a multi-council CCO with WBOPDC.

A multi-council CCO involving TCC was extensively and independently modelled to be a win-win for both councils, significantly reducing the costs to our ratepayers. WBOPDC and TCC have long worked collaboratively in the three waters space. We have contractual arrangements for the wastewater from Ōmokoroa piped to Tauranga for treatment, and all TCC freshwater is sourced from our district. In addition, we share laboratory services, and a shared maintenance contract for three waters. These arrangements have delivered mutual benefits to both organisations, which could be further enhanced through the establishment of a multi-council CCO.

A multi-council CCO was also supported by 70% of our community that expressed a view on a specific model during consultation.

TCC's resolution has put us in a very challenging situation. Our modelling had long discounted the option of in-house delivery. Attainment of the financial sustainability requirements are considered difficult or impossible for us to achieve.

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As things stand, we are not in a position to be able to submit a Water Services Delivery Plan (WSDP) by the 3 September deadline that is ultimately able to be implemented, and it is not clear what the pathway would be to do so. Other neighbouring councils in the Waikato and Bay of Plenty have already resolved their options for creating a WSDP.

Although TCC's resolution proposes subsequent open and inclusive discussions with us and other Bay of Plenty councils with a view to forming a multi-council CCO by 1 July 2028, this offers no certainty for a WSDP that we need to submit in the next few weeks and essentially puts our LWDW discussions back to square one. Given our capital investment and envisaged debt profile, a deferred stand-up date for a multi-council CCO presents significant challenges.

I wrote to the Mayor and Councillors of TCC on 6 August indicating the implications of their resolution for my council and requesting a reconsideration. It was apparent that some elected members had understood that an in-house option remained feasible for us or that we could delay until 2028.

This reconsideration was to have taken place today, 12 August, but this has now been delayed, and we need assistance and guidance as soon as possible in order to meet the legislative deadline for submitting a WSDP by 3 September.

I am therefore writing to seek Crown intervention, either directly by you as Minister or via a Crown Facilitator to direct TCC to immediately work towards a multi-council CCO with WBOPDC with a stand-up date of 1 July 2027.

We think such an intervention should emphasise the strategic and long-term benefits and necessity of collaboration between councils through LWDW, and the benefit it provides both for TCC's ratepayers and ours.

Mayor Drysdale is fully supportive of creating a multi-council CCO with us and is keen to navigate this current challenge and maintain the otherwise strong relationship that WBOPDC has with TCC.

Yours sincerely,



James Denyer

Mayor

Western Bay of Plenty District Council