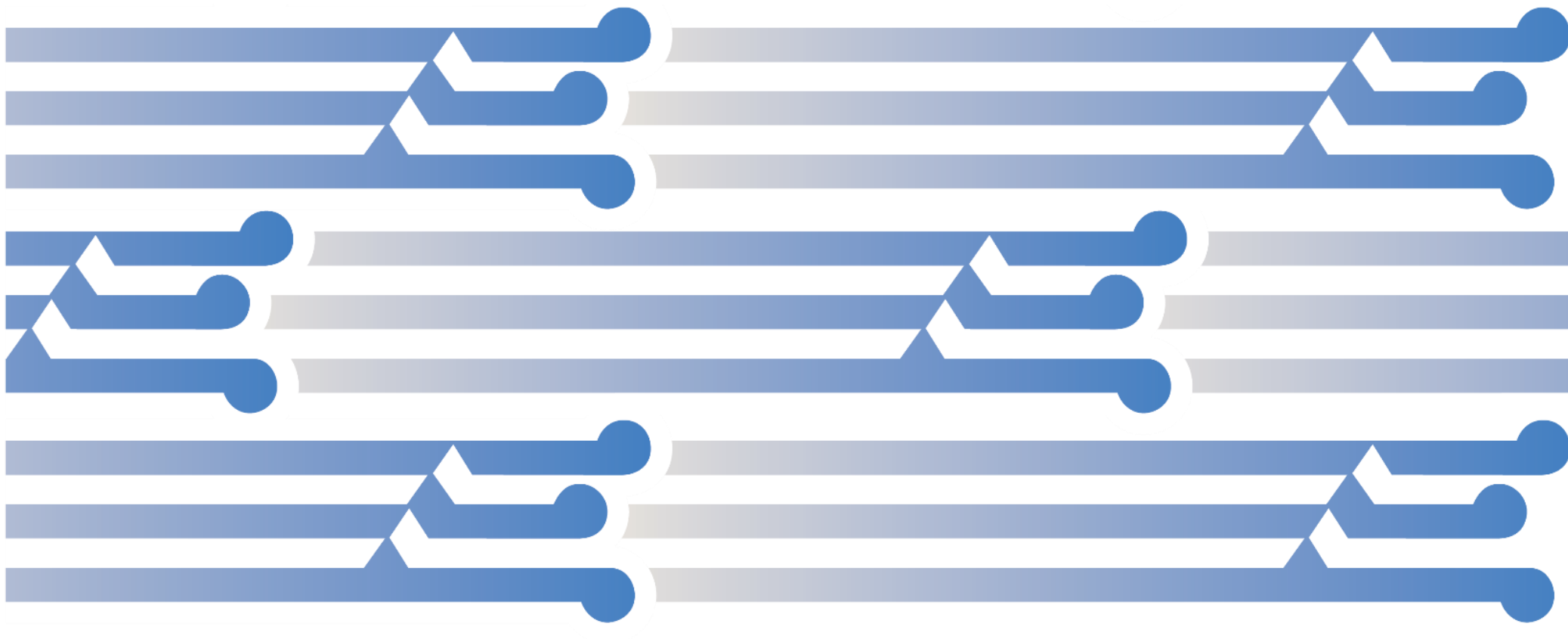




2026 • 2036

# *Waiti Waters* STATEMENT OF EXPECTATIONS

# Background to Waiti Waters



## Background

South Wairarapa, Tararua, Masterton and Carterton District Councils, together with Rangitāne and Ngāti Kahungunu, are establishing a Water Services Council Controlled Organisation named Waiti Waters under the Local Government (Water Services) Act 2025 to deliver water services to the region.

This three-waters company will manage approximately 25,000 connections and be responsible for drinking, waste and stormwater services. Responsibilities for water services will transfer from the Councils to Waiti Waters on or before 1 July 2027.

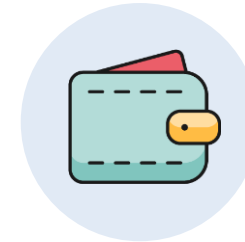
Waiti Waters is being established to serve the Wairarapa and Tararua regions. Throughout this document we reference 'the region' – this refers to the service area covered by Waiti Waters at establishment and refers to the combined area of Wairarapa and Tararua.

The Stakeholders' Forum notes that the local government structures within the region may change during the life of this Statement of Expectations, including through amalgamation, or other local government reorganisation. If such changes occur, the Stakeholders' Forum will review this Statement as soon as reasonably practicable to determine whether amendments are required to ensure it remains aligned with the governing documents.

## A regional entity with an intergenerational focus

The decision by Councils and iwi to establish a regional water services company came after engagement with the community and careful consideration of the costs and benefits of other approaches. The Councils have similar sized communities, geography and climate and face similar infrastructure challenges and opportunities. Rangitāne and Ngāti Kahungunu are mana whenua iwi across Wairarapa and Tararua, and both iwi also have general and specific rights and interests in fresh-water bodies across our region arising from their respective Treaty Settlements. These circumstances make a grouping of these four Councils and two iwi a logical and impactful choice when it came to considering the future of water services delivery.

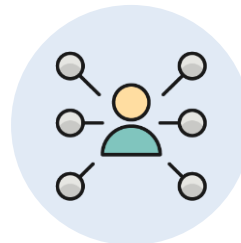
Councils and iwi partners are seeking to establish a truly regional organisation (not simply an aggregation of four current districts) that operates with an intergenerational perspective. We want to see this regional focus prioritised and driving Waitī Waters from day one, and building over time, to ensure that Waitī Waters delivers for customers the full range of benefits anticipated by the Local Water Done Well reforms.



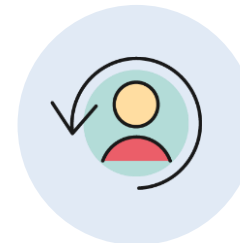
**More affordable (relative to other options) and resilient water services for communities, One organisation, consistent outcomes.**



**Increased access to finance to enable delivery of necessary investment programmes.**



**Operational efficiency and cost savings resulting from a single entity planning, contracting and delivering works across the region.**



**Regional employment opportunities from a larger, locally based infrastructure provider.**



**Enabling a professional infrastructure entity solely focused on water services delivery.**

# Overview of this Statement of Expectations

This Statement of Expectations relates to the period 1 July 2026 to 30 June 2036. As the first Statement of Expectations, it has a dual focus on success in two time periods. Note the foundation phase includes the 2026/27 year of transition and first two years of operation.

The Stakeholders' Forum anticipates reviewing this statement at the conclusion of the foundation phase to determine if any changes should be made following the experience from early years of operation. The Forum also notes the extent of current change in the wider local government sector, which may require change to the statement outside of this anticipated review period.

## YEARS 1-3



## FOUNDATION PHASE

This phase focuses on establishing the new organisation's core foundations - governance, systems, workforce, data, and delivery capability - while maintaining reliable service to communities.

## YEARS 4-10



## TRANSFORMATION PHASE

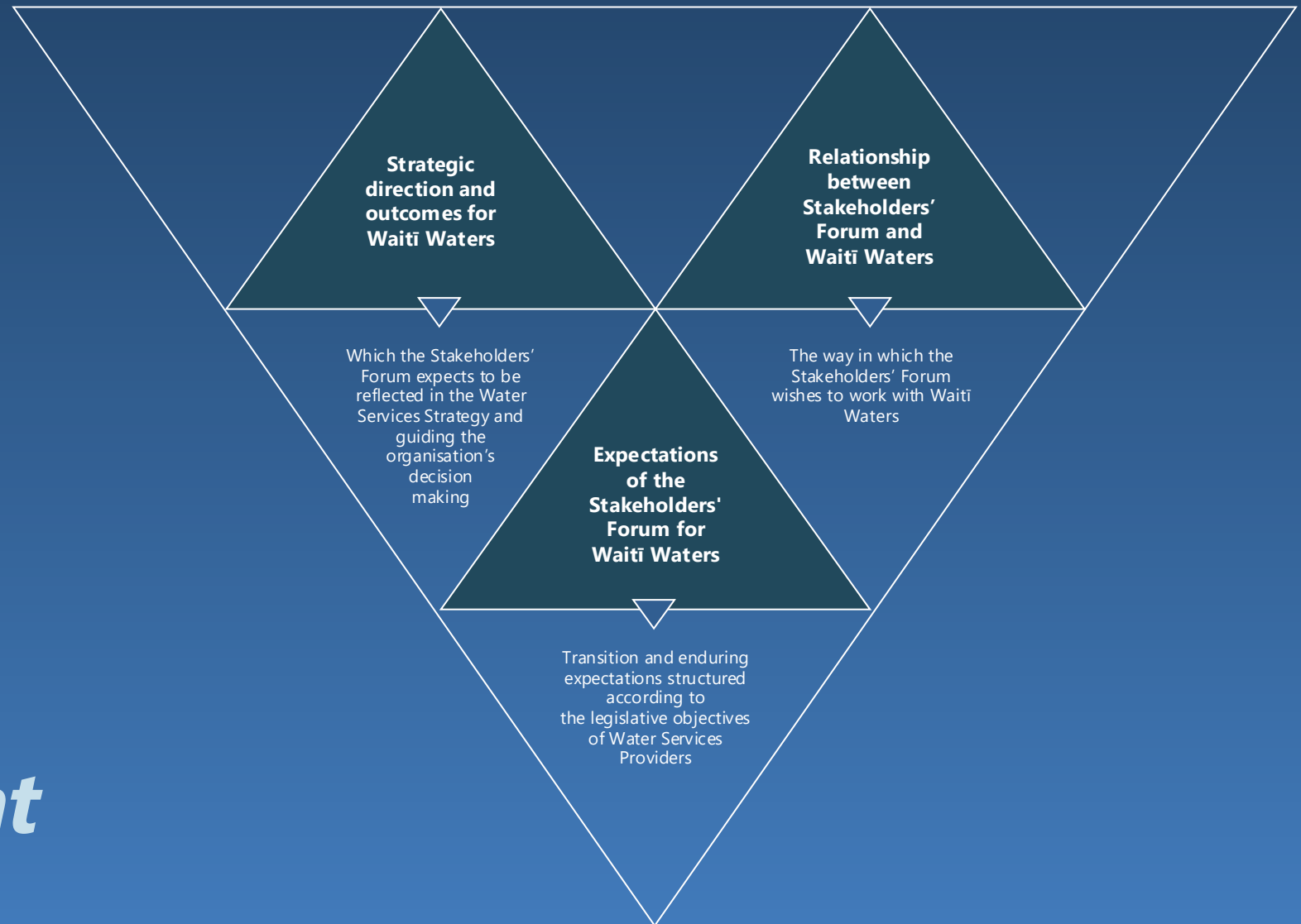
This phase focuses on shifting from establishment to long term transformation - scaling capital delivery, improving network performance, strengthening resilience, and maturing into a stable, financially sustainable regional water provider.

The Stakeholders' Forum notes that Waiti Waters' first Water Services Strategy is required under Local Government (Water Services) Act 2025 to give effect to this Statement of Expectations, and the Forum looks forward to receiving the draft Strategy for review and comment. In addition to the obligation on Waiti Waters to prepare the Strategy, this Statement asks Waiti Waters to respond to the Forum with its intended plan to deliver on this Statement.

The Stakeholders' Forum acknowledges that during the foundation phase, as Waiti Waters seeks to establish itself and transition into full operational business-as-usual, it may require assistance from Councils in relation to some of the expectations set out in this statement. Councils will provide all reasonable (non-financial) assistance as is identified to be required. Where any support extends beyond July 2027 in the form of an agreed service provision arrangement (e.g., transitional billing support), the costs of this support will be recovered by Councils from Waiti Waters.

Beyond the foundation phase, the Councils commit to partnering and providing support to Waiti Waters on an ongoing basis, consistent with each organisation's roles and responsibilities in ensuring effective water services delivery for the region.

This Statement includes:



# Document structure

# Strategic direction and outcomes

Waiti Waters' purpose is to deliver drinking water, wastewater and storm water services within the region. It is to do this in accordance with the objectives of water services providers in section 17 of the Local Government (Water Services) Act 2025.

Waiti Waters is to deliver high-quality water services in a manner that is efficient, safe and reliable, financially and environmentally sustainable and affordable for the region's current and future customers. It must plan for and manage infrastructure assets with a long-term focus, befitting an organisation that is a critical part of the community and region, and here to make an intergenerational difference.

## Strategic Priorities

The Forum expects Waiti Waters' Water Services Strategy to reflect five strategic priorities:

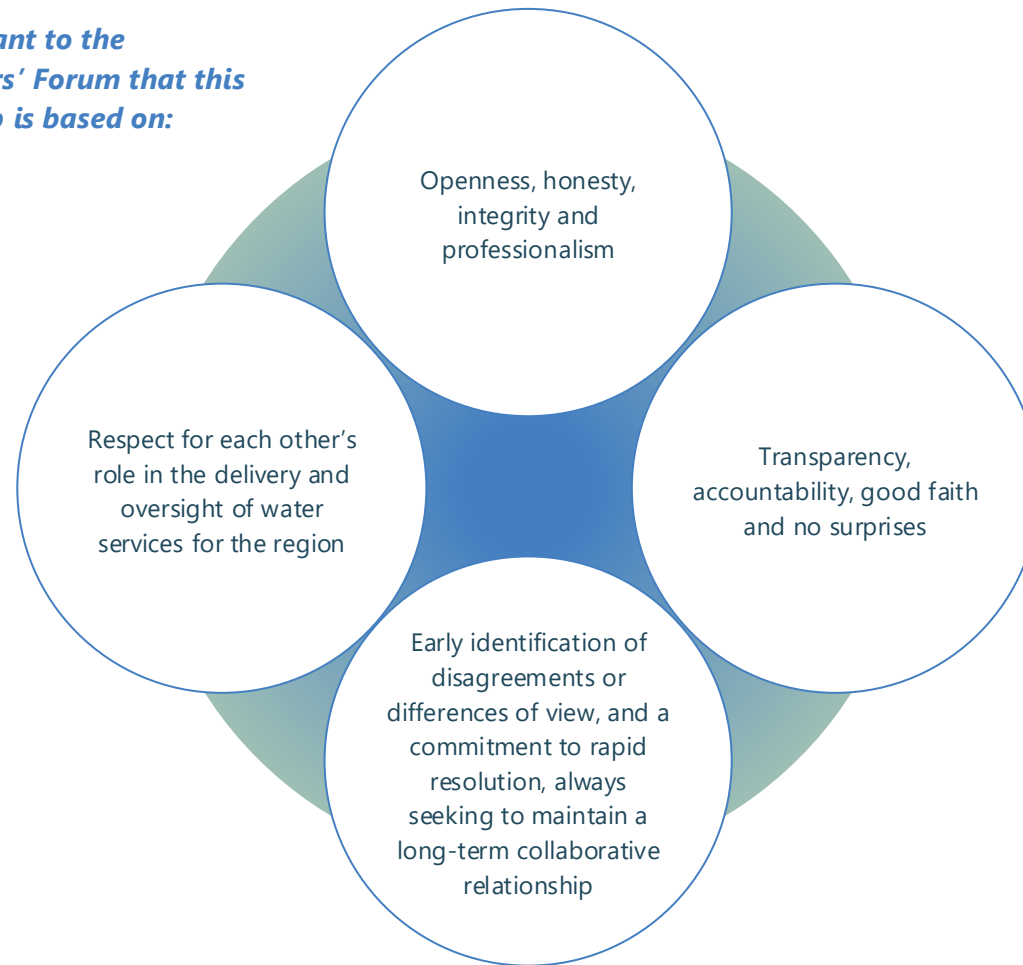


## Working relationship between the *Stakeholders' Forum and Waitī Waters*

The Stakeholders' Forum is seeking to create a strong and constructive working partnership with Waitī Waters, with both parties focused on the successful transition from current Council water services arrangements and on the long-term delivery of high-quality water services for the region.

The expectations that follow in this statement set out the anticipated meeting and reporting arrangements between the Stakeholders' Forum and Waitī Waters and include a combination of informal and formal arrangements.

***It is important to the Stakeholders' Forum that this relationship is based on:***



# Expectations for Waiti Waters

The Stakeholders' Forum has described for each expectation area what success looks like during the early foundation phase and over the full ten-year period. Unless otherwise identified under the foundation phase heading, all expectations relate to the full ten-year period covered by the Statement.

These expectations do not explicitly address Waiti Waters' legislative and regulatory obligations or the foundations for Waiti Waters set out in governing documentation; these obligations are taken as given and this statement focuses on areas of priority or emphasis expected by the Stakeholders' Forum.





# ***Reliable water services > What does this mean to us?***

## ***Transition/foundation phase***

- > Waitī Waters must “hit the ground running”, ensuring service continuity for customers across the transition period. Waitī Waters must deliver safe, compliant water services over the transition and early years of operation, with no degradation of performance.

## ***Service delivery and continuity***

- > Waitī Waters’ top priority must always be the delivery of safe, reliable water services, reflecting their value as an essential community service and public good.
- > Waitī Waters must at least maintain levels of service and consistently seek to optimise service levels across our region over time. Waitī Waters will develop clear and consistent performance measures of service quality, by July 2027, that apply across the region (with reference to external reporting requirements e.g., Taumata Arowai, Commerce Commission, and others as required). These will be developed following an audit/baseline of current performance for 2025/26.
- > Waitī Waters and Councils will be strong and active partners in areas of shared service delivery or responsibility, with those areas of shared responsibility to be reflected in the Transfer Agreements (e.g., stormwater management).

## ***Resilience and risk management***

- > Waitī Waters will plan and deliver water services that are resilient to future challenges, including the impacts of climate change, natural hazards and other localised risks.
- > Waitī Waters will be an essential infrastructure provider under the new Emergency Management Act and is expected to lead water community resilience before, during and after any emergency event. Waitī Waters must have clear operational plans in place to fulfil this role.
- > Waitī Waters will build best practice asset management capability and maturity to ensure high-quality asset data supports well-planned and timely infrastructure investment over asset li

## Meet customer expectations > What does this mean to us?

### Transition/foundation phase

- > Waiti Waters will operate as a fully customer facing organisation from Day 1, as long as it does not introduce unnecessary risk to achieving a successful establishment and transition. Any interim support that may be required from Councils if this expectation cannot be achieved should be:
  - For an agreed, finite period
  - Be appropriately scoped and documented in a service level agreement (or similar)
  - Have a clear and agreed plan to migrate off Council support
  - With costs recovered by Councils from Waiti Waters
- > Waiti Waters will develop a customer communications strategy, to be agreed with Councils, to support the lead up and cutover of service delivery responsibility, with a particular focus on the change of billing responsibility, responsiveness to network faults, and new connections.

### Customer focus

- > Waiti Waters will operate as a customer-focused service organisation, with a focus on transparency, accountability and responsiveness to customer expectations through a strong and consistent presence across our region
- > Waiti Waters must work towards the adoption of consistent service levels, standards and targets across the region to provide a common customer experience (refer service delivery expectations)
- > Waiti Waters will maintain a focus on service efficiency and value-for-money for communities
- > Waiti Waters will have appropriate policies, processes or mechanisms (which are proactively communicated) for customers to:
  - understand their services and charges
  - raise and manage disputes
  - manage financial hardship and payment
  - engage directly with Waiti Waters on critical priorities/issues
- > Waiti Waters will develop a Customer Charter that is the

basis for its relationships with its customers and is the customer-facing version of this Statement of Expectations. This Charter will be developed prior to July 2027 (or at the earliest opportunity following July 2027), with a draft to be discussed with the Stakeholders' Forum as part of the regular quarterly meetings.

- > Waiti Waters will build and maintain its presence in the community and its social licence to operate through proactive customer communication and demonstration of early results.
- > Waiti Waters will develop appropriate regular and proactive reporting on service performance (e.g., service level targets, project delivery etc) and customer satisfaction direct to its customers as part of delivering a high-quality service. This will include the publication of a plain-English annual report for customers

## Financial sustainability > What does this mean to us?

### Pricing and affordability

- > Waiti Waters' charges will follow the principles in the Shareholders' Agreement, and will reflect the cost to serve each Council district, at incorporation, for nine years (unless otherwise agreed by shareholders, following advice from Waiti Waters)
- > While maintaining cost to serve pricing (as well as regulatory and other requirements), Waiti Waters should carefully consider current and future community affordability as it sets its capital programme and operating costs.

### Efficiency

- > Waiti Waters must deliver services as efficiently as practical for customers, and customers in all parts of our region should share in efficiency gains achieved
- > Waiti Waters' charges should move to a standard pricing structure (tariff structure), while maintaining consistency with cost to serve, by a date to be agreed between Waiti Waters and the Stakeholders' Forum during the transition and ensure:
  - Large price changes/spikes are avoided in the transition period
  - Charging structures consider the ability of different customers to pay for water services
  - Growth related costs are fully recovered
- > Volumetric charging, along with supporting customer education in relation to demand management, must be introduced to promote efficient water use, with Waiti Waters to confirm a feasible date and approach for this transition. This introduction should be supported by adequate levels of maintenance work to reduce water loss through leaks.

### Capital programme

- > Waiti Waters must develop a capital programme that has a whole region perspective and:
  - At all times ensures regulatory and compliance requirements are met
  - Phases investment across our region in a way that balances affordability and infrastructure investment need
  - Seeks maximum efficiency gains in programme delivery
  - Takes a long-term view consistent with best practice infrastructure asset management
- > Waiti Waters must explore opportunities to determine if there are ways to use other investment funding and financing tools or syndicated procurement options to deliver the region's capital programme most efficiently, including with iwi partners, National Infrastructure Funding and Financing Company, and others as appropriate.

# Transparent and responsible > What does this mean to us?

## Adopting best practice

- > Waiti Waters will operate in accordance with governance best practice and sound business practices that promote community, customer and shareholder confidence.

## Regulatory compliance

- > Waiti Waters must ensure it maintains compliance with all environmental, economic and other regulatory requirements over time (noting these are minimum standards expected, not a benchmark to aim for). Any non-compliance should be well signalled to the Stakeholder Forum and relevant regulators early, along with clear plans to address and return to full compliance.
- > Waiti Waters should work towards more “real-time” regulatory and standards compliance, as opposed to historical performance reporting, to promote transparency for the community, customers, regulators and shareholders.

## Improvement focus

- > Waiti Waters actively explores opportunities for innovation/improvement in service delivery to improve customer, financial or regulatory outcomes.
- > Waiti Waters will be an active participant in the

wider/national water sector seeking to be part of sector performance improvement and influencing policy and/or sector debate in a way that benefits smaller, regionally based water services providers and their customers.

## Reporting and performance

- > Waiti Waters must formally report to the Stakeholders' Forum on its intended approach to demonstrating it is delivering against the expectations in this statement including:
  - how performance against expectations will be monitored and reported to the Forum
  - aligning reporting with regulatory reporting requirements to ensure the Forum maintains visibility of regulatory performance and to enable efficiency in reporting processes.
- > The relationship between Waiti Waters and the Stakeholders Forum will be managed through:
  - Quarterly meetings focused on progress, delivery of major projects, operational performance, emerging risks, and relationship issues. The frequency of meetings could reduce over time, by agreement, once confidence in the new organisation has been built. If required by either party, these meetings will be more frequent during the transition.
  - Regular/informal meetings between the Chairs of

Waiti Waters and the Forum.

- > Waiti Waters will formally report to the Stakeholders forum six-monthly including on:
  - financial and operational (including health and safety) performance, including network performance and service standards
  - delivery against the Water Services Strategy capital programme
  - regulatory compliance and other consenting issues (including plant capacity issues)
  - strategic and operational risks
  - progress and results delivered by way of efficiency improvement
  - benefits of Waiti Waters' operations to the region in terms of growth aspirations, economic, social, environmental (including climate change) and cultural impacts
  - if/where developed during transition, maturity/improvement plans for areas of organisational performance (to be reported on for an agreed period of time)
  - any other reasonable matters identified by the Stakeholders Forum and advised to Waiti Waters in the quarterly meeting prior to the presentation of the six-monthly report.

# Accountable to and reflective of people and place

## > What does this mean to us?

### Transition/foundation period

- > Beginning in the transition period, Waitī Waters will seek to establish itself both internally and externally with a “one organisation” focus – not an organisation of four parts – and to build this focus into its culture, strategy, operations, management and governance.
- > Waitī Waters will work with Councils and the Stakeholders’ Forum to manage establishment and transition risk as a priority; considerations of future service and/or organisational transformation should not affect achievement of a successful transition.
- > Waitī Waters will engage with, and support, affected Council staff through the transition, with a particular focus on providing continuity of employment for water services operational staff.

### Regional perspective and presence

- > Waitī Waters is a critical part of the regional community. It is expected to govern and manage water services in the interests of the region as a whole, not the current individual Council Districts, and in the interests of current and future consumers. It must have a strong and consistent presence (in terms of governance, leadership and operations) throughout the region.

### Partnerships

- > Waitī Waters will, to the extent consistent with its roles and responsibilities, uphold Treaty settlement obligations and principles, as outlined in the following pieces of legislation:
  - Rangitāne Tū Mai Rā (Wairarapa Tamaki nui-ā-Rua) Claims Settlement Act 2017
  - Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua Claims Settlement Act 2022
  - Te Rohe o Rongokako Joint Redress Act 2022
- > Waitī Waters will have appropriate arrangements in place at governance and operational levels that reflect the role of mana whenua as kaitiaki of water resources and meaningful partnership with Rangitāne and Ngāti Kahungunu and their associated hapū and organisations in the management of the region’s water resources and services
- > Waitī Waters Board and Rangitāne and Ngāti Kahungunu will work together to develop a shared view of the most effective ways to give effect to this commitment to partnership.
- > Waitī Waters will be an organisation with community presence across the region, building relationships to support organisational success.

### Working together for regional growth and environmental outcomes

- > Waitī Waters will actively enable housing growth across the region, with a particular early focus in areas where this is currently constrained due to water infrastructure capacity
- > Waitī Waters will actively work with shareholders on relevant regulatory matters, including resource management and land use planning, development of Council growth strategies and Long-Term Plans (e.g., Tararua Growth Strategy, Tararua District Plan, Carterton Eastern Growth Strategy, Combined Wairarapa District Plan, MDC Development Plan, SWDC Spatial plan, the Rangitāne Tū Mai Rā Iwi Environmental Management Plan, Kahungunu Pae-Tata Kahungunu Pae-Tawhiti Taiao Management Plan, and/or other subsequent revised/new strategies), and in any coordination with the development community.



## Accountable to and reflective of people and place

### > What does this mean to us?

- > Waiti Waters will seek opportunities to contribute to regional growth and the local economy through its contracting, supplier management, procurement practices wherever possible, as long as that is consistent with delivering quality services efficiently and affordably for customers
- > Waiti Waters will act as steward of the environment, pursuing improvement in environmental outcomes and seeking to mitigate adverse effects to the extent reasonably practical.

#### Workforce

- > Waiti Waters will develop and maintain a regionally-present skilled, safe and high performing workforce that enables Waiti Waters to meet its legislative and regulatory obligations, partnership commitments with iwi, and deliver high-quality services to customers.
- > Waiti Waters will consider how it can develop employment pathways to support regional workforce sustainability over time.

