# Northland Waters

BOARD PACK

for

## Northland Waters Board of Directors Meeting

Tuesday, 11 August 2026

9:30 am (NZST)

Held at:

The Orchard - Puawai Meeting Room

35 Walton St, Whangarei

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# INDEX

# AGENDA

## NORTHLAND WATERS BOARD OF DIRECTORS MEETING

| | |
|---|---|
| **Name:** | Northland Waters |
| **Date:** | Tuesday, 11 August 2026 |
| **Time:** | 9:30 am to 3:15 pm (NZST) |
| **Location:** | The Orchard - Puawai Meeting Room, 35 Walton St, Whangarei |
| **Board Members:** | Murray Bain (Chair), David Rankin, Marlon Bridge, Michael Sage, Steve Couper |
| **Attendees:** | Adrian Cathcart-James, Dave Trueman, Deborah Sinclair, Emma Watson, Heidi Erceg, Helen Ronaldson, Karen Pearce, Kelly Ockwell, Martin Smith, Nick Marshall |

## 1. Opening Meeting

### 1.1 Welcome — 9:30 am (1 min)

Murray Bain

### 1.2 Opening Karakia — 9:31 am (1 min)

Murray Bain

| | |
|---|---|
| *Tūtawa mai i runga* | *Summon from above* |
| *Tūtawa mai i raro* | *Summon from below* |
| *Tūtawa mai i roto* | *Summon from within* |
| *Tūtawa mai i waho* | *And from the surrounding environment* |
| *Ka tau ai te mauri tū* | *The universal vitality and energy to infuse* |
| *Te mauri ora ki te katoa* | *And enrich all present* |
| *Hāumi ē! Hui ē! Tāiki ē!* | *Unified, connected and blessed!* |

### 1.3 Apologies — 9:32 am (1 min)

Murray Bain

### 1.4 Interest Register — 9:33 am (1 min)

Murray Bain

**For Noting**

Supporting Documents:

| | | |
|---|---|---|
| 1.4.a | Northland Waters Limited - Interests Register (updated 2 July 2026).pdf | 8 |

### 1.5 Confirm Minutes — 9:34 am (1 min)

Murray Bain

**For Decision**

Supporting Documents:

| | | |
|---|---|---|
| 1.5.a | Unconfirmed Minutes - Board of Director Meeting - 9 July 2026.pdf | [redacted] |

## 2. Decisions

### 2.1 Adoption of Asset Management Policy — 9:35 am (10 min)

Martin Smith

**For Decision**

Supporting Documents:

| | | |
|---|---|---|
| 2.1.a | 1. Adoption of Asset Management Policy.pdf | [redacted] |

### 2.2 Commerce Commission Compliance and Engagement — 9:45 am (20 min)

Dave Trueman

**For Decision**

Supporting Documents:

| | | |
|---|---|---|
| 2.2.a | 2. Commerce Commission Compliance and Engagement.pdf | [redacted] |

## 3. Information

### 3.1 Action list — 10:05 am (5 min)

David Rankin

**For Noting**

Supporting Documents:

| | | |
|---|---|---|
| 3.1.a | 3. OPEN Action List for Northland Waters.pdf | [redacted] |

### 3.2 A verbal update on BoardPro and Northland Waters email address — 10:10 am (5 min)

Kelly Ockwell

**For Information**

## 4. Move into Public Excluded

[redacted] [redacted] [redacted]

[redacted]

[redacted] [redacted] [redacted]

[redacted] [redacted]

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[redacted]



## 7. Move into Open

## 8. Other Business

# 9. Close Meeting

## 9.1 Closing Karakia

3:32 pm (3 min)

Murray Bain

| | |
|---|---|
| Ka whakairia te tapu | Restrictions are moved aside |
| Kia wātea ai te ara | So the pathway is clear |
| Kia tūāriki whakatāhā ai | To be released from this work |
| Kia tūāriki whakatāhā ai | To return to everyday activities |
| Hui ē! Tāiki ē! | Enriched, unified and blessed! |

## 9.2 Close the meeting

**Next meeting:** Northland Waters Board of Directors Meeting - 8 Sept 2026, 9:30 am

# NORTHLAND WATERS LIMITED

Company Number 9428320

## INTERESTS REGISTER

## PART A - TRANSACTIONS IN WHICH DIRECTORS ARE INTERESTED

*(Section 140 of the Companies Act 1993)*

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | NATURE AND EXTENT OF INTEREST<br>• If monetary value quantifiable, also state the nature and monetary value of the interest (section 140(1)(a))<br>• If monetary value not quantifiable, also state the nature and extent of the interest (section 140(1)(b))<br>• General notice (section 140(2)) | OTHER PARTIES OR PARTIES TO TRANSACTION |
|---|---|---|---|
| 27/05/2026 | Michael Sage | • General disclosure of his role as an independent member of the Gisborne District Council's Interim Water Management Committee.<br>• General disclosure of previous role as partner at Simpson Grierson until 30 June 2025. | N/A |
| 28/05/2026<br><br><br><br><br><br><br><br><br><br>9/06/2026 | Steve Couper | • Disclosure of his role as an executive employee at Mott MacDonald NZ Limited (not in the water team) and minority shareholding (0.15%) of its parent company MM Group, registered in the UK. Mott MacDonald NZ Limited is currently contracted to both Whangarei District Council and Far North District Council for the supply of professional services, and may target work from Northland Waters Limited.<br>• Disclosure of relationship to Ken Couper (first cousin), Mayor of Whangarei District Council.<br>• General disclosure of his role as an independent director of Combine Technologies Limited (CTek), which may target work from Northland Waters Limited.<br>• General disclosure as a water rates payer in the Whangarei District. | N/A |

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | NATURE AND EXTENT OF INTEREST<br>• If monetary value quantifiable, also state the nature and monetary value of the interest (section 140(1)(a))<br>• If monetary value not quantifiable, also state the nature and extent of the interest (section 140(1)(b))<br>• General notice (section 140(2)) | OTHER PARTIES OR PARTIES TO TRANSACTION |
|---|---|---|---|
| | | • General disclosure of his minority shareholding (approximately 2%) in First Watch Limited, which may target work from Northland Waters Limited. | |
| 27/05/2026 | Murray Bain | • General disclosure that he is a water user and resident of Kerikeri, with a corresponding interest in water developments in the area.<br>• General disclosure of his role as trustee of Kerikeri Retirement Village, a water and wastewater user in Northland. | N/A |
| 04/06/2026 | Marlon Bridge | • General disclosure that he is a shareholder of MPRO Consulting Limited (49.83% as trustee and 0.08% personal shareholding), Australasian Marine Farm Properties Limited (49.92% as trustee and 0.08% personal shareholding), and a shareholder and director of Assurance and Financial Consulting Limited (50% personal shareholding) and Care Upfront Limited (25% personal shareholding). | N/A |

# INTERESTS REGISTER

## PART B - DISCLOSURE OR USE OF COMPANY INFORMATION

*(Section 145 of the Companies Act 1993)*

| DATE OF DISCLOSURE TO BOARD | NAME OF DIRECTOR | PARTICULARS OF THE DISCLOSURE OR USE OF INFORMATION NOTIFIED TO, OR AUTHORISED BY THE BOARD<br>State:<br>• Nature of information.<br>• Time of disclosure, use or action.<br>• Reason for disclosure, use or action.<br>• Third party recipient or affected third party. |
|---|---|---|
| | | |

# INTERESTS REGISTER

## PART C - REMUNERATION AND OTHER BENEFITS

*(Section 161 of the Companies Act 1993)*

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT (eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Murray Bain | **Director Remuneration**: Remuneration for non-executive director and Chair appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $120,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance | Michael Sage | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT (eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | | |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Marlon Bridge | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT (eg salary, compensation for loss of office, loan or guarantee) |
|---|---|---|
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May 2026, and subsequently approved by Kaipara District Council and Far North District Council | Steven Couper | **Director Remuneration**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |
| Determined by the Whangarei District Council as sole shareholder (and sole entitled person for the purposes of s107 of the Act) in accordance with clause 12.17 of the Company's Constitution per director appointment letter dated 8 May | David Rankin | **Director Remuneration (effective after 21 August 2026)**: Remuneration for non-executive director appointment by Whangārei District Council, effective from the date of incorporation of the Company, for an initial term of 3 years. Director's fee of $62,500 per annum (exclusive of GST), payable monthly in arrears. No additional remuneration for committee participation. |

| AUTHORISATION | NAME OF DIRECTOR | NATURE OF REMUNERATION OR BENEFIT<br>(eg salary, compensation for loss of office, loan or guarantee) |
| --- | --- | --- |
| 2026, and subsequently approved by Kaipara District Council and Far North District Council | | |
| Board Resolution dated 15 May 2026 | David Rankin | **Contract for Services dated 4 June 2026**: Contract for services between Northland Waters Limited and David Rankin for the provision of executive services as Transition Director from 8 May 2026 to 21 August 2026, at a rate of $250 per hour (plus GST) for up to four and a half days per week (maximum of eight hours a day). The hourly rate covers both his director and independent contractor roles, with no additional director remuneration payable during the term. |

# INTERESTS REGISTER

## PART D - INDEMNITIES AND INSURANCE

(Section 162 of the Companies Act 1993)

| DATE OF AUTHORISATION | NAME OF DIRECTOR OR EMPLOYEE (where relevant) | WHETHER INDEMNITY OR INSURANCE | PARTICULARS OF INDEMNITY OR INSURANCE |
|---|---|---|---|
| 15 May 2026 | Murray Bain | Indemnity and Insurance | Deed between Northland Waters Limited and Murray Bain under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Michael Sage | Indemnity and Insurance | Deed between Northland Waters Limited and Michael Sage under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Marlon Bridge | Indemnity and Insurance | Deed between Northland Waters Limited and Marlon Bridge under which the Company indemnifies him (to the fullest extent permitted by |

| DATE OF AUTHORISATION | NAME OF DIRECTOR OR EMPLOYEE (where relevant) | WHETHER INDEMNITY OR INSURANCE | PARTICULARS OF INDEMNITY OR INSURANCE |
|---|---|---|---|
| | | | law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | Steven Couper | Indemnity and Insurance | Deed between Northland Waters Limited and Steven Couper under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |
| 15 May 2026 | David Rankin | Indemnity and Insurance | Deed between Northland Waters Limited and David Rankin under which the Company indemnifies him (to the fullest extent permitted by law) against liability and costs arising from acts or omissions in his capacity as a director, officer, employee or independent contractor of the Company |

## Northland Waters | Ngā Wai o Te Tai Tokerau

# Board – Meeting Minutes

| | | | |
|---|---|---|---|
| Meeting date | Thursday, 9 July 2026 | | |
| Start time | 10.30am | End time | 1.40pm |
| Location | Mahinga innovation Centre, 5449a State Highway 12, Kaikohe 0472 | | |
| Board Members in attendance | Murray Bain (Chair), Marlon Bridge, David Rankin and Michael Sage | | |
| Board Member apologies | Steve Couper | | |
| Others in attendance | David Hawkins (SRG representative), Adrian Cathcart-James (NW staff), Heidi Erceg (NW staff), Karen Pearce (NW Staff), Helen Ronaldson (NW staff), Martin Smith (NW staff) Emma Watson (NW staff) and Kelly Ockwell (NW staff) | | |

| 1. | Meeting Administration |
|---|---|
| 1.1 | **Welcome** |
| 1.1.1 | **Opening Karakia**<br>Chair Bain open the meeting with a Karakia. |
| 1.1.2 | **Apologies**<br>*The Board noted Steve Couper's apology.* |
| 1.2 | **Declaration of Interests**<br>Action items:<br>▪ Follow up with Director Bridge regarding conflict details relating to DIA and NIF (Board Secretariat)<br>*The Board noted the Conflicts of Interest Register.* |
| 1.3 | **Confirm previous minutes**<br>*The Board confirmed the minutes of the 9 June 2026 meeting as a true and accurate record.* |

| 2. | Standing Item |
|---|---|
| 2.1 | **Program Update**<br>The following was discussed: |

| | |
|---|---|
| | ▪ Northland Waters staff have facilitated two roadshows/staff meetings for Northland Council water services staff who may be affected by the establishment of Northland Waters with one more to do 14 July. The roadshows were well received, they focused on key components of the Establishment Plan and included discussions on potential roles within Northland Waters, with work underway alongside the three councils to identify future roles and transition arrangements. Staff were advised that opportunities would be available for those wishing to transfer, although role structures are still being determined<br>▪ Discussion on the cost recovery process for direct transition related costs across the three councils, noting that the $16 million budget did not include recovery of council staff time. The need for a consistent approach across all three councils was emphasised, including reporting to the SRG on services provided and cost recovery<br>▪ It was agreed that any queries from Board Members should be directed to the Establishment Director in the first instance<br>▪ From next month, reporting will be against the establishment budget, with the organisation currently tracking within budget<br>Action items:<br>▪ Bring a paper to the next Board meeting seeking a decision on office accommodation for Northland Waters during the establishment phase (Establishment Director)<br>▪ Send the roadshow PowerPoint presentation to the Board (Board Secretariat)<br>▪ Provide an update to the Board at the next meeting on the cost recovery process across the three councils (Establishment Director)<br>▪ Provide an update to the Board at the next meeting on the organisation design progress (Establishment Director)<br>▪ Forecast costs through to July 2027 and provide an update to the three councils (Programme Lead).<br>*The Board received the Program Update.* |

| 3. | Matters for Consideration |
|---|---|
| 3.1 | **Performance Measures**<br>The following was discussed:<br>▪ Customer-first focus to underpin organisational objectives, with performance measures to be developed using language that customers will understand<br>▪ The importance of complying with Commerce Commission requirements<br>Action Items:<br>▪ A deep-dive paper on performance metrics, asset management to be prepared, including potential performance measures for inclusion in the Statement of Expectations and a performance framework (Program Lead)<br>▪ Gather performance information from the three councils (Program Lead) |

| | |
|---|---|
| | *The Board received the report as presented, noted the types of performance measures that water services are subject to, and provided feedback for the Establishment Team to consider in progressing next steps.* |
| **3.2** | **Board Governance Software**<br>The following was discussed:<br>▪ The Directors BoardPro accounts will be set up using their @northlandwaters.co.nz email addresses.<br>**Action items:**<br>▪ Arrange an induction/training session with the Board (Board Secretariat)<br>*The Board approved the selection of BoardPro as the governance software platform for the organisation and approved its implementation and onboarding for Board and administrative use.* |

| **4.** | **Move into Committee** |
|---|---|
| | The Board agreed that, under Sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987, the public be excluded from the following items for the following Grounds:<br>Section 7(2)(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or<br>Section 7(2)(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) |

The meeting moved back into the open session at 12.31pm.

| **7.** | **Move out of In Committee** |
|---|---|
| **7.1** | **Close the Meeting** |
| **7.1.1** | **Next Meeting**<br>Tuesday, 11 August 2026 in Whangarei |
| **7.1.2** | **Closing Karakia**<br>Chair Bain closed the meeting with a Karakia. |

The Chair closed the meeting 12.33pm.

# Adoption of Asset Management Policy

| | |
|---|---|
| **Type of meeting** | Board of Directors Meeting |
| **Meeting date** | 11 August 2026 |
| **Owner / presenter** | Martin Smith, Operations Lead |

## Purpose

To seek Board approval of the Northland Waters Limited Asset Management Policy, effective from 11 August 2026.

## Recommendations

It is recommended that the Board:

a. **Approve** the Asset Management Policy as presented.

b. **Adopt** the Asset Management Policy with effect from the 11 August 2026.

## Background / Context

The Northland Waters Joint Water Services Delivery Plan sets out the Asset Management Policy will be confirmed in August 2026.

## Discussion

The proposed Asset Management Policy has been developed following reviews of the current asset management policies of the Far North, Whangārei and Kaipara District Councils, and Watercare. These policies are all broadly consistent.

The key addition to the Northland Waters policy is the inclusion of consideration of recommendations from the Northland Regional Joint Climate Change Adaptation Committee. This ensures climate change adaptation is reflected in asset management decision-making.

The Policy has been reviewed by the Establishment Director.

## Next steps

Subject to Board approval:

- The Asset Management Policy will be published and included in the Water Services Strategy.

## Attachments

| | Title |
|---|---|
| **A** | NWL - Establishment - Asset Management Policy - DRAFT v1 |

## Attachment A - NWL - Establishment - Asset Management Policy - DRAFT v1

### Asset Management Policy

**Objective**

To ensure that the water and wastewater infrastructure assets of Northland Waters Limited are planned, designed, constructed, acquired, maintained, operated, rehabilitated and disposed of, for present and future customers in a manner that:

- Protects the public health of the community and provides a defined level of service to our customers
- Employs an asset life-cycle approach
- Develops cost effective management strategies for the long-term including optimising the cost of maintaining and operating the networks
- Manages risks associated with asset failure
- Uses physical resources sustainably and with respect for the natural environment
- Continuously monitors and improves the asset performance management practises

**Meaning:**

- The water and wastewater systems will be operated and maintained in an efficient manner
- There is sufficient infrastructural capacity to meet growth and demand
- Regulatory requirements and levels of service will be met
- Assets will be replaced as they reach the end of their economic lives, and
- The Regional Joint Climate Change Adaptation Committee recommendations will be considered across the asset management spectrum

We are committed to best practise asset management across our business, and our aim is to follow the guidelines of the *International Infrastructure Management Manual* and align with the principles of the ISO 55000 Asset Management Standard.

**Review**

This policy shall be reviewed prior to the preparation of each Water Services Strategy, or following significant changes to how we function, to ensure this policy remains effective and relevant. An update will be made to this policy prior to 01 July 2027 to reflect the relevant responsible roles.

**Responsible**

The Tier 2 role that has responsibility for Asset Management is responsible for this policy and will monitor the organisation's performance in implementing asset management strategy and activities.

**Approved in Principle**

| | |
|---|---|
| Murray Bain<br>**Chair** | David Rankin<br>**Establishment Director** |

# Commerce Commission Compliance and Engagement

| | |
|---|---|
| **Meeting type** | Board of Directors Meeting |
| **Meeting date** | 11 August 2026 |
| **Owner / presenter** | Dave Trueman, Governance and Legal Workstream Lead |

## Recommendations

It is recommended that the Board:

a. **Note** the powers of the Commerce Commission (**Commission**);

b. **Note** the steps being taken for Northland Waters to comply with the Water Services Information Disclosure determination; and

c. **Note** the intention of the Establishment Team to have initial discussions with the Commission.

## Background / Context

The Government has made changes to the Commerce Act to enable the Commission to regulate the suppliers of water supply services and wastewater services in relation to their pricing.

The initial focus of the water team at the Commission is to gather information relating to water supply and wastewater services. The Commission has passed a Water Services Information Disclosure determination in February (with some recent small amendments) setting out comprehensive information delivery obligations for water supply and wastewater services.

The Commission is currently setting a price quality path for Watercare and may move into setting such regulation, and/or other regulation, for other providers.

Northland Waters needs to:

a. be aware of the powers of the Commission;

b. comply with the Water Services Information Disclosure determination; and

c. focus on the Commission's further powers and initiate discussion regarding such powers.

This Board Paper summarises the position and powers of the Commission and sets out our initial approach for dealing with and complying with the Commission.

## Discussion

**Information Disclosure Determination**

In February the Commission passed a Water Services Information Disclosure determination (and has made minor changes to it recently) (**Determination**). The determination sets out the obligations that a water supply and wastewater services supplier (such as Northland Waters from 1 July 2027) must meet.

The focus of the Determination is ensuring, along with along with other public information like Water Service Delivery Plans and Water Services Strategies, that the Commission has enough information to assess and comment on the performance of water suppliers. They will look at levels of investment and revenue, approaches to customer pricing, and overall service performance. Appendix A sets out the key requirements of the Determination.

To comply with the Determination, we need to provide:

a. initial information including a copy of our Transfer Agreements and notice of having taken over responsibility for provision of water services;

b. forecast information for 10 years by 31 July 2027 (and yearly thereafter), including a directors' certificate;

c. actual information (for the previously completed year) by 30 November 2028 (and yearly thereafter), including a directors' certificate; and

d. other information as required.

To be ready for the provision, we will:

a. map each disclosure requirement to an internal owner, well in advance of the disclosure requirement;

b. prepare a disclosure calendar covering forecast, actual, periodic, occasional, public, Commission-only, assurance, and certification requirements;

c. plan for the provision of the information through our IT system, thereby minimising the level of senior executive input; and

d. document allocation methodologies for costs, assets, liabilities, revenues, and shared services.

We will come back to the Board well in advance of the provision of the forecast information to confirm our readiness.

Stormwater services are not currently dealt with by the Determination. They may be included in the future and may have reference to us, depending on the arrangements that Northland Waters enter into with the Councils.

**Further Actions**

The Commission has indicated they "will" recommend to the Minister that their additional tools are applied where it sees there are risks or potential harms to consumers; for example:

a. Where they consider customers are not getting a minimum standard of service, they could set infrastructure quality standards for aspects such as interruptions to supply.

b. If a water service provider plans a large investment without clear justification, they could require that they seek Commission approval to proceed.

c. If customers are unclear about the level of service they should expect, or if complaint information suggests they are not well protected, they can create a compulsory customer service quality code.

d. If evidence suggests a water service provider is not recovering enough revenue to cover costs in the long term they could set a minimum revenue threshold.

e. If charges appear relatively high while service performance is low, they could set a price-quality path.

At the moment the Commission is busy setting a price quality path for Watercare (which has a special regime, reflecting its length of existence and the knowledge of water issues affecting the Auckland region). The proposed model involves capping the revenue that Watercare can receive through applying a complex regime that is focused on the value of the regulatory asset base.

There is potential risk that the Commission will, after imposing obligations on Watercare, look to move straight on to other providers. This could involve applying an offshoot of the Watercare model. We consider this approach would be inconsistent and inappropriate for entities like Northland Waters which are (or will be) newly established and dealing with the inherited issues. The Commission will need time to consider and understand the information being provided and whether further regulation making is required.

We propose to enter discussions with the Commission, to ensure that they understand the issues that entities such as Northland Waters will be dealing with and the problems that may be encountered by the "early" imposition of further regulatory powers. The Commission will have time to move forward if, following the provision of (and consideration of) information by Northland Waters, it considers there is a rationale to do so.

## Risks / Issues

Key risks re the Determination include late disclosure, incomplete disclosure, inconsistent allocation of costs and assets, inadequate assurance, weak evidence for forecast assumptions, and discrepancies between public disclosures and information provided to the Commission. These risks may affect regulatory confidence, stakeholder trust, funding discussions, and public accountability. These risks will be managed during the establishment of Northland Waters by adequate planning.

## Next steps

1. Implement planning to comply with the Determination.
2. Initiate preliminary discussions with the Commission to understand its next stages and to minimise the obligations to be imposed on Northland Waters.
3. Continue to monitor Commission plans.

## Attachments

| | Title |
|---|---|
| A | Obligations imposed by the Determination |

**Attachment A – Obligations imposed by the Determination**

1. Information can be specified to be provided on a single service level (providing information across water and waste services separately), a combined services level (providing information across water and waste services on a combined basis) or at an entity level (disclosing information across whole entity basis including unregulated activities).
2. If we provide a different level of charge or revenue recovery for a different area, we must provide the information for each area.
3. We must disclose the information publicly (with a few exemptions) and provide it to the Commission in text searchable formats (including XSLX or CSV for quantitative data), and must provide a copy to be searched at office and a copy to each person who requests one. We must keep the information for 7 years.
4. Commission can provide exemptions.
5. Any error in the data must be corrected within 7 months.
6. Must provide forecast information on or before 31 July in each year for 10 consecutive financial years (including current one) in terms of:

    - Operating expenditure
    - Depreciation;
    - Financing costs;
    - Capital expenditure;
    - Investment indicators;
    - Revenue and funding indicators;
    - Financing indicators;
    - Financial sustainability indicators;

    at single service and combined service level, at nominal amount levels. A directors' certificate must also be proved (signed by two directors) with the information. There is a regulation requiring less information in July 2027. This information must be first provided in July 2027, and we need to have the information significantly in advance of that date.

7. Must provide actual information before 30 November n each year in relation to previous year (year ended 30 June):

    - Revenue (including amounts, sub amounts and no of instances we were provided with this);
    - Other income (including amounts and sub amounts);
    - IFF levies;
    - Operating expenditure (including amounts and sub amounts plus variances from forecast);
    - Depreciation;
    - Financing costs
    - Impairment of network and non-network assets;
    - Capital expenditure (including amounts and sub amounts spent on network and non-network plus specific information);
    - Value of fixed assets;
    - Asset values;
    - Cost allocation;
    - Approach to revenue and funding allocation;
    - Allocation if assets and liabilities;
    - Changes to entities (including the costs of becoming a water organisation and entering into significant contracts);
    - Related party transactions (including summary of the terms);
    - Ring fencing of revenue;
    - Investment indicators;
    - Revenue and funding indicators;
    - Financing indicators;
    - Financial sustainability indicators
    - Financing and funding arrangements

at single service and combined service level. An assurance report from an auditor must be proved with much of this information. A directors' certificate must also be proved (signed by two directors) with the information. This information does not need to be provided until 30 November 2028.

8. Must disclose the forecast financial information for each of the 30 financial years covered for capital expenditure, at the time a water services strategy is adopted, on a single service and combined service level.

9. Must disclose a strategic asset management plan and an asset management plan every time (in essence) a water services strategy is adopted, which must provide information for 10 financial years as per Schedule C, at a single service or combined service level (or combined including stormwater if relevant).

10. Must disclose an investment and delivery plan every time (in essence) a water services strategy is adopted (plus updates if the plan is aligned to align with annual budget), which must provide information for 10 financial years for operating expenditure and capital expenditure as per Schedule C, at a single service or combined service level (or combined including stormwater if relevant).

11. Must disclose an annual delivery report for each financial year before 30 November in the following financial year, which must provide information as per Schedule C, at a single service or combined service level (or combined including stormwater if relevant).

12. There are rules around the provision of information under clauses 3.4 to 3.7 before 1 July 2030, which diminish what must be provided and provide alternatives.

13. In addition, we must provide:

    a. An unredacted copy of transfer agreement to Commission within 10 working days of entering into it. There is also an obligation on the local authorities to provide information to the Commission as to the value of assets/liabilities, whether these were wholly or partially transferred, and the approach or methodology used to calculate the value.

    b. We must provide notice to the Commission that we have become a regulated supplier and the date we took over drinking water supply, within 10 working days of the same.

    c. We must disclose dividends policy (or that we do not have one or are not permitted to pay dividends). The date is not specified but we are required to provide updates within 10 working days of updating.

    d. We must disclose an explanation for funding growth plus supporting information on a single service level within 10 working days of adopting or amending the policy.

    e. We must disclose information about charges and IFF levies on a single service level within 10 working days of the approval of the new amount. We must provide disclosure about charges (including fixed, volumetric, contaminants, connection, growth and serviceability charges). We must provide a description of the IFF levy, its amount or rate and the applicable levy order.

# OPEN Action List

## Northland Waters

### Develop structured Māori engagement pathway

**In Progress**

Model prepared; ongoing engagement with existing council forums. Paper coming to Aug Board meeting.

**Due Date:** 31 Aug 2026
**Owner:** Heidi Erceg
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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### Cost recovery process across the three councils

**In Progress**

Bring a paper to the August board meeting.

**Due Date:** 31 Aug 2026
**Owner:** David Rankin
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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### Organisation design

**In Progress**

Bring a paper to the August Board meeting.

**Due Date:** 31 Aug 2026
**Owners:** David Rankin, Deborah Sinclair
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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### Consider use of independent external advisor for Ruakaka WWTP project

**In Progress**

Candidate identified but not confirmed. Deferred due to business work underway.

**Due Date:** 8 Sept 2026
**Owner:** Helen Ronaldson
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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### Develop comprehensive communication plan

**Not Started**

Include government investment, cost impact, and broader stakeholders. Comms SME to continue and Workstream Lead finalise comms plan once on board. See paper to board 09 June

**Due Date:** 30 Sept 2026
**Owner:** Heidi Erceg
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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## Develop high-level plan for Water Services Strategy (process, inputs, ownership)

**Not Started**

Needs early clarity due to timeline pressure. High level timing planned further work to come.

**Due Date:** 30 Sept 2026
**Owner:** Helen Ronaldson
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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## Forecast council reimbursement costs through to July 2027

**In Progress**

Provide an update to the three councils.

**Due Date:** 30 Sept 2026
**Owners:** Emma Watson, Helen Ronaldson
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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## A deep-dive paper on performance metrics and asset management

**Not Started**

Include potential performance measures for inclusion in the Statement of Expectations and a performance framework

**Due Date:** 30 Sept 2026
**Owner:** Helen Ronaldson
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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## Gather performance information from the three councils

**Not Started**

**Due Date:** 30 Sept 2026
**Owner:** Helen Ronaldson
**Meeting:** 9 Jul 2026 Action Items Import, 1.1 Action List

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Northland Waters | Ngā Wai o Te Tai Tokerau

# Move into Public Excluded

| | |
|---|---|
| **Meeting type** | Board of Directors Meeting |
| **Meeting date** | 11 August 2026 |
| **Owner / presenter** | David Rankin, Establishment Director |

**Recommendation**: That the public be excluded from the following parts of the proceedings of this meeting, namely: Agenda Items 5. through 7. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

| Item | | Grounds – Section 7 (2) |
|---|---|---|
| 5.1 | Pervious PEX minutes | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.1 | Iwi and hapū Relationships | (f)(i) maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty. |
| 6.2 | Operating Model, Organisational Design Principles and High-Level Organisation Design | (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.3 | Office accommodation during the establishment phase | (i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.4 | Systems Tranche 1 Request for Proposal | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities |
| 6.5 | Out of Cycle Papers:<br>▪ Transactional banking<br>▪ Establishment costs | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.6 | Program Update | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the |

| | | |
|---|---|---|
| | | information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.7 | Development Contributions Policy | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |
| 6.8 | Trademark applications for Northland Waters | (g) maintain legal professional privilege, and<br>(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and |
| 6.9 | PEX Action list | (h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities, and<br>(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |