

Terms of Reference

Appointment of a Crown facilitator – water services delivery plans to Waitaki District Council

Overview

Pursuant to section 25 of the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act), the Minister of Local Government (the Minister) has appointed Hon. Amy Adams as Crown facilitator – water services delivery plans to Waitaki District Council (the Council).

The Council submitted its Water Services Delivery Plan (Plan) to the Secretary for Local Government (the Secretary) on 27 August 2025. The Secretary did not accept the Council's Plan. The reason for this decision was that the Secretary was not satisfied the Plan includes an assessment of the current condition, lifespan and value of the drinking water, wastewater and stormwater networks as required under section 13(1)(h) of the Act.

In particular, it was noted that the Council's Plan did not include any grading information for drinking water or stormwater networks. Whilst 25% of the wastewater network has been graded, the Plan states that much of the existing information from closed-circuit television (CCTV) is now dated, with recent inspections indicating a general deterioration of the network condition over the last two decades, along with high inflow and infiltration levels in many of the schemes.

An assessment of the current condition, lifespan and value of all of drinking water, wastewater and stormwater networks is a legal requirement, and is also required to assess the financial projections in the Plan and the overall financial sustainability of the Plan.

Under section 20(3)(a) of the Act, the Secretary has required the Council to amend and resubmit the Plan by 30 June 2026. The amended Plan must include an assessment of the current condition, lifespan and value of the water services network, and any amendments to other aspects of the Plan resulting from this additional information being included in the Plan.

As per section 25(2)(b)(i) of the Act, the Minister believes that it would be beneficial to appoint a Crown facilitator because the Council is otherwise unlikely to submit its Plan to the Secretary in accordance with subpart 1, by the revised deadline of 30 June 2026.

The role of the Crown facilitator

Under sections 27(1)(c) and 27(1)(d) of the Act, a Crown facilitator may assist or direct a council to amend its Plan after being required to do so by the Secretary.

The Minister has appointed a Crown facilitator to assist the Council to amend its Plan so that it meets the legislative requirements and is submitted by 30 June 2026. The Crown facilitator will help ensure the asset condition assessment is completed to the required standard and in

a timely manner, and assist the Council to amend its Plan based on the findings of the assessment.

As the work required to obtain asset condition information is progressed, the Crown facilitator will assist the Council to consider different scenarios including the potential for a change in delivery model in the revised Plan, to ensure the financial sustainability requirements in the Act can be met. This may include supporting the Council to engage with neighbouring councils to explore opportunities for collaboration in water services delivery.

The Council already has work underway with Timaru District Council to explore opportunities for collaboration to improve efficiency and reduce costs in water services delivery. The Crown facilitator may help progress these discussions. The Crown facilitator may also assist the Council to engage with other councils to explore opportunities for collaboration in water services delivery, if agreed to by the relevant councils.

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Background

Water services delivery plans

The Act required councils to submit a Plan, either individually or with other councils, to the Secretary by 3 September 2025. A Plan must set out the council's preferred delivery model for water services and demonstrate how the proposed model meets the financial sustainability requirements by 2028 and the regulatory requirements.

The Plans are a compulsory requirement under the Act and require councils to identify the current state of their water services and demonstrate their commitment to deliver water services that meet regulatory requirements, support growth and urban development, and are financially sustainable.

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The Department's assessment of the Council's submitted Plan identified a number of areas which should be reconsidered in the amended Plan following completion of the asset condition assessment:

- How the proposed arrangements will ensure compliance with regulatory requirements.

- Confirmation of the Council's asset management approach. The Secretary has suggested an independent asset maturity assessment would be helpful for this purpose.
- Ensuring that sufficient funding is included to account for planned growth over the ten-year period.
- The projected capital expenditure on water services infrastructure including the investment plan for renewals, utilising the asset condition information data obtained.
- The revenue required to deliver the capital programme, and the pricing pathway for water charges to the Council's communities. The Secretary has noted that the Council is likely to require a credit rating to enable it to secure the revenue required.
- The overall financial sustainability of the revised Plan, once the new information has been obtained.

Extent of Authority

The Crown facilitator will assist the Council to amend its Plan for submission to the Secretary by 30 June 2026.

In particular, in accordance with section 27 of the Act, the Crown facilitator is appointed to do the following:

- assist the Council to amend its Plan after being advised to do so by the Secretary (s 27(1)(c));
- direct the Council how to amend its Plan (s 27(1)(d)(ii)); and
- assist the Council to comply with the requirements of the Act (s 27(1)(i)).

How the Crown facilitator will discharge their authority:

- The Crown facilitator will assist the Council to amend its Plan for submission by 30 June 2026, as required by the Secretary.
- The Crown facilitator will strive to work with the Council in a collaborative and transparent manner.
- The Crown facilitator will work with the Council's elected members, chief executives, senior management, and staff.
- The Crown facilitator's advice may include (without limitation) matters of governance, financial strategy, and planning.
- The Crown facilitator may fulfil their responsibilities under this Terms of Reference using whatever methods they consider appropriate. This may include:
 - attending council meetings, council committee meetings, and regional governance group meetings;

- meeting individually or collectively with Mayors, elected members, and council staff;
- meeting with other councils to explore and progress opportunities for collaboration, if agreed to by the relevant councils;
- meeting with local stakeholders, including mana whenua, as appropriate;
- attending workshops;
- making recommendations to the Council to obtain external advice.
- The Crown facilitator may request assistance from the Department.
- If the Crown facilitator considers it necessary or desirable to help fulfil their responsibilities under these Terms of Reference, they may request assistance from any other party, but only after first discussing with the Council to ensure coordination with Council work and avoid duplication.
- The Crown facilitator may recommend that the Minister should take further action by, for example, appointing a Crown water services specialist, or taking further action under Part 10 of the Local Government Act 2002.

Under section 33 of the Act, the Council must, as soon as reasonably practicable:

- co-operate with the Crown facilitator; and
- comply with any reasonable request from the Crown facilitator to provide any relevant information that the Council holds; and
- comply with any reasonable direction issued by the Crown facilitator.

Term of Appointment

The term for the Crown facilitator appointment starts on the first working day after the Gazette notice is published confirming the appointment. The appointment will conclude on 30 June 2026 unless extended by the Minister by written notice.

The Minister may terminate the appointment at any time by written notice.

Remuneration and Expenses

The remuneration and expenses of the Crown facilitator will be paid by the Council, pursuant to section 36 of the Act. Remuneration will be paid in accordance with the Cabinet Fees Framework at a daily rate of \$1,645 per day worked.

The Crown facilitator is entitled to be reimbursed for actual and reasonable expenses incurred in carrying out their role, in accordance with the Cabinet Fees Framework. The Crown facilitator is responsible for ensuring any expenses claimed are actual and reasonable.

The Council will be responsible for providing remuneration, invoicing and any other administrative support to the Crown facilitator.

Reporting

The Crown facilitator is responsible to the Minister. The Minister may request updates and reports from the Crown facilitator as required.

The Crown facilitator must provide monthly reports to the Minister on their progress in fulfilling the Terms of Reference.