HUTT CITY
TE AWA KAIRANGI

DRAFT Tiaki Wai Statement of Expectations 2027–37

Seeking Councillor Views

HUTT CITY · porirua city · Upper Hutt City Council · Absolutely Positively Wellington City Council · Greater Wellington · Taranaki Whānui · Te Pūrongo o Toa Rangatira

▲ Pukeariki / Belmont Trig

Statement of Expectations (SOE)

- The Local Government (Water Services) Act 2025 requires that the shareholders of a water organisation must prepare and adopt a SOE and provide it to the water organisation at least 6 months (or such longer period as is agreed between the shareholders and the water organisation) before the water organisation is required to prepare a water services strategy
- A SOE must relate to a period of at least 10 consecutive financial years.
- The purpose of a SOE is to set out the shareholders' expectations of the water organisation; and to inform and guide the decisions and actions of the water organisation; and the water organisation's preparation of its water services strategy including its strategic priorities.

Statement of Expectations 2027–2037

- The Tiaki Wai Partners' Committee formal instruction to the Tiaki Wai Board
- A shared document issued by all the Partners (Councils and Mana Whenua)
- Each partner council may contribute to the joint SOE; matters are for discussion and agreement at the Partners' Committee
- Partners' Committee must give Tiaki Wai adequate time to review the draft SOE prior to issuance
- SOE must be issued to Tiaki Wai at least 6 months before the beginning of the financial year it relates to
- The Tiaki Wai Water Services Strategy 27-37 must respond to the expectations in the SOE
- If a matter is in the SOE, the Partners Committee can hold the Board accountable for it
- Will be reviewed every 3 years, for a 10-year period (same planning period as the WSS and Council LTPs)

SOE Required Content

SOE must include:

- Outcomes to be achieved
- Resource management and land planning requirements
- Requirements to meet statutory obligations
- Details of half year reporting information required
- Requirements detailing obligations to be carried out on behalf of Shareholders
- Requirements for public and Shareholder engagement
- Expectations on collaboration
- Any requirement for audit or review of the Water Services Strategy

SOE Optional Content

- Expectations about how relationships e.g. with Shareholders or Iwi, will be conducted
- Performance indicators and measures for monitoring
- Expectations regarding strategic priorities
- Requirements to act in accordance with Shareholder obligations e.g. under contract or agreement

A brief recap..

- An interim SOE was approved by Partners Committee, December 2025, to be in place for one year
- Consultation on Interim Water Services Strategy (WSS) April 2026 (one year). The draft raised concerns on affordability and uncalled capital provisions were required of Shareholders
- 1 July 2026 – Tiaki Wai operational
- August 2026 - First water bills received
- December 2026 – Statement of Expectations required for ten year period (like an LTP)
- August Partners Committee – Tiaki Wai says "*Tiaki Wai is not in a position to produce a fully mature WSS in 2027… WSS 27 will be a step up from WSS 26, … given improvements to the asset planning approach*" It flags potential issues should the SOE have more than minor changes to the 2026 version.

Current SOE – Enduring expectations

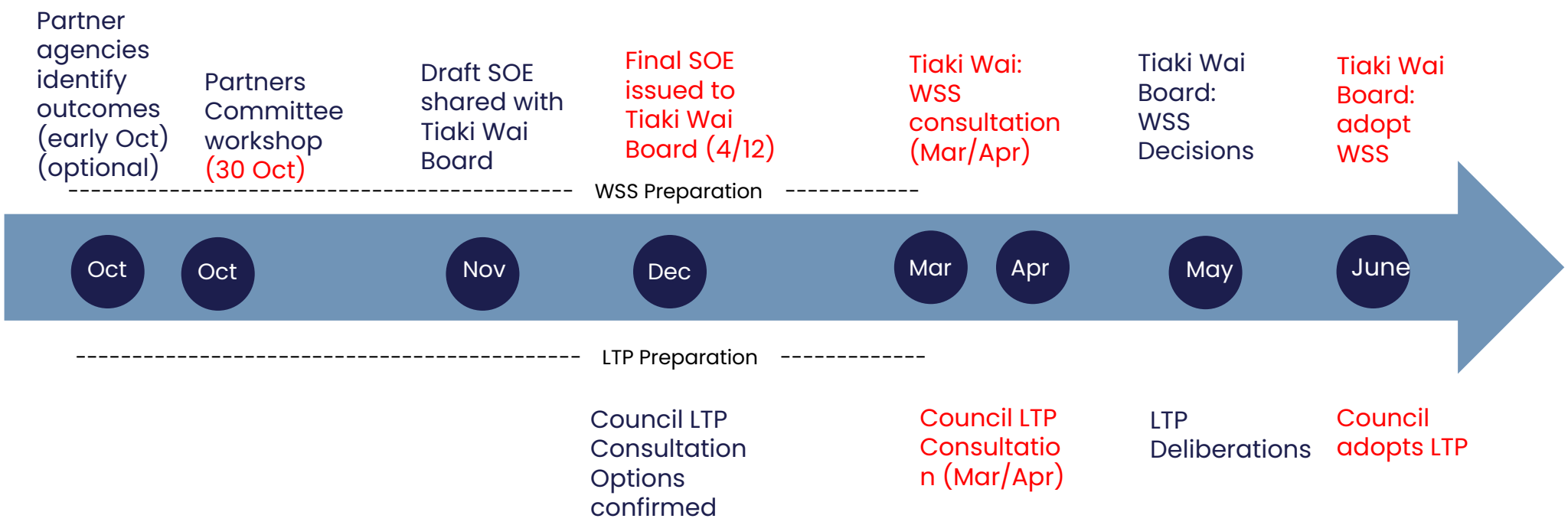
- Uphold Te Tiriti o Waitangi
- Customer facing organisation with a *customer first* culture
- Responsible guardian of the environment; protect and enhance
- Safe, reliable and resilient three waters services
- Lifeline utility provider – lead community water resilience and ensure preparedness
- Deliver value for money through cost effectiveness and fairness
- Infrastructure delivery to support defined growth plans

Current SOE - Transition Outcomes

Transition period July 2026 – June 2030

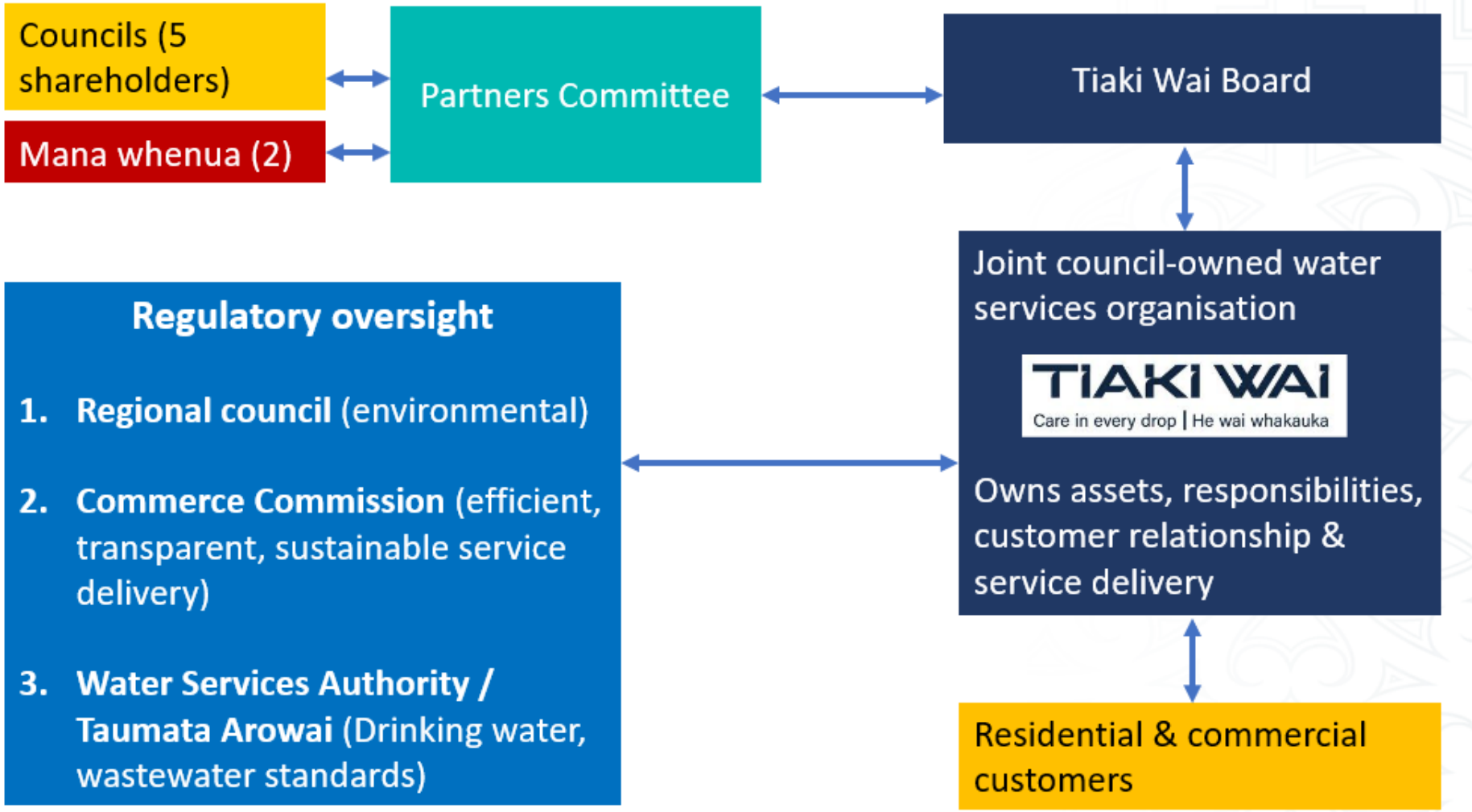
- Continuity of service for customers – avoid price shocks, provide accessible service for faults, complaints and timely resolution
- Stormwater management – take a catchment wide approach; Statement of Work (SOW) in place by July 2027
- Prudent financial and investment management - clear visibility of organisational costs, funding requirements, and investment need
- Skilled, safe and diverse workforce and capability
- Utilise procurement to enable broader community outcomes – local employment, training and local community focus

Timeline – concept only



KEY: Red text = critical dates

Tiaki Wai ownership, governance post 1 July



Roles of Partners vs Tiaki Wai Board/ ELT

Partners:

- Set the **outcomes** we want for our communities
- Communicate **long-term** strategic priorities
- Express expectations around **affordability, resilience, growth, environmental performance and customer outcomes**
- Set expectations for **engagement** with communities, mana whenua and stakeholders
- **Hold Board to account** for performance against agreed expectations and outcomes
- Focus on **what success looks like** over the next 10 years

Tiaki Wai Board/ ELT:

- Direct operational decisions
- Specify projects, programmes or asset renewals
- Oversee procurement and commissioning
- Determine investment timing and engineering solutions
- Identify and manage strategic and operational risks

Crown Review of Moa Point failure – observations for the Partners Committee

- The governance context has changed since the 2026 Moa Pt failure event; accountability now sits with Tiaki Wai Board, *however*
- The review made useful comments about how the Partners Committee needs to ensure the Board meets expectations. Themes include:
  - ✓ Confidence in strategic risk information
  - ✓ Evidence of planning for and investing in asset resilience
  - ✓ Independent assurance of capital and/or procurement programmes
- The Crown Review specifically links the Partners role with the SOE - "*To be successful the Tiaki Wai Partners Committee must ensure that the Statement of Expectations is compiled with*".
- Crown Review reports on former governance, relevant to the Partners Committee, determining: *"The issue was not over-governance, it was under-governance…it behaved as a recipient of information rather than a setter of expectations".*

HCC Staff Feedback on the 2026 SOE

- Strengthen and add expectations for audit and assurance – make them more comprehensive
- Strengthen Emergency/Incident Management expectations, particularly for risk of critical failure
- Require reporting on trade-offs and their risks when making key decisions and investment
- Strengthen requirements for critical risk reporting to the Partners Committee
- Broaden customer engagement/communications covering debt, asset management and resilience
- Set expectations for transitioning interim functions from Councils i.e. Customer Service and Billing
- Require reporting to analyse and interpret spend against delivery
- Include expectations for payment management
- Strengthen expectations about consultation with Shareholders, Mana Whenua and others
- Require in depth reporting on financial exposure and risk for councils(uncalled capital requirements)
- Provide for the option to initiate further investigation of any matter reported or of a critical nature
- Acknowledge relevant agreements, plans, policies and statements of work in place for supporting or guiding operations

Previous Feedback on Financial Sustainability for Tiaki Wai

- Required a clear, realistic, and time bound pathway to improved financial resilience. Including ability to manage shocks, absorb uncertainty, and recover from adverse conditions, without undermining long term consumer outcomes or governance integrity
- Protection of short and long-term consumer and ratepayer interests
- Attention to impacts on the glide path for revenue/debt
- Efficient allocation of risk and accountability
- Explicit recognition and management of uncertainty
- Regulatory alignment and compliance
- Recognition of wider stakeholder interests
- Clear understanding and reporting of trade-offs, who bears the associated costs and risks (consumers, Tiaki Wai, or shareholders) of trade-offs, and why that balance is appropriate in the context of establishment, transition, and long-term sustainability.

Have we missed anything?

He pātai? | Questions?

Kōrero | Discussion