

Local Water Done Well

Elected Member Briefing 27 August 2025
Collaboration Agreement and Terms Sheet

Introduction & Purpose

- Joint WSDP has been approved by all Councils and lodged with DIA
- Next significant body of work is the joint Collaboration Agreement
- The purpose of this presentation is to outline what the Collaboration Agreement is and what it contains

Collaboration Agreement

- Now that Councils have resolved to enter a joint WS-CCO, the Collaboration Agreement sets out the framework for Councils to work together to the point the WS-CCO is established
- The Collaboration Agreement gives effect to the decisions made by the three councils
- It follows a template provided by the DIA

What is the Collaboration Agreement?

The collaboration agreement:

- provides a common understanding of how the WSCCO will be set up and how it will operate
- has regard for the implementation plan in the accepted WSDP
- defines the governance structures to be established for the WS-CCO
- provides the basis for developing and agreeing the foundational documents for the WS-CCO – constitution, shareholders agreement and transfer agreement
- defines agreed principles for sharing costs in establishing the WS-CCO
- allows participating councils to agree on variations to timing and resources
- establishes agreed protocols for information sharing and communications
- is legally binding, with provisions for entry/exit, dispute resolution and mediation.

What the Collaboration Agreement is Not?

The collaboration agreement is not:

- A statutory requirement (and is not subject to scrutiny by any regulatory agency)
- Does not create a partnership, joint venture, agency, trust or employer/employee relationship between any of the participating councils
- Does not limit or pre-empt each council's own statutory obligations including decision-making responsibility and public consultation obligations
- Does not establish formal relationships with iwi/hapū
- Does not establish or define service agreements with external contractors

Collaboration Agreement – Outline (1)

It sets out how the councils will:

- Work together on an ongoing basis to develop and establish the WSCCO in line with legislative requirements
- Allocate and share resources
- Remain accountable to each other
- Structure their joint activities during the period leading up to the establishment of the new water services delivery model
- Work together to complete a Commercial Terms Sheet, which collates the key decisions needed to execute all the foundation documents (target completion by the end of the calendar year)

Collaboration Agreement – Outline (2)

- Signed under delegation by the three council CEOs.
- The Lead Council is HDC:
 - The signatory to the DIA Establishment Funding Agreement
 - The main point of contact with DIA, including reporting against the contract
 - Responsible for engaging external support (e.g. Simpson Grierson)
 - Provides a shared information portal for records relating to the establishment of the WS-CCO

Agreement Objectives

- for the Councils to continue to work closely, collaboratively and successfully to develop and plan a joint WSDP that meets each Council's needs and objectives for their respective communities;
- to facilitate the Councils making decisions in a timely manner to ensure the joint operating model can progress in a timely way to meet the requirements for submissions of the joint WSDP and other requirements under the LG(WSPA) Act and the LG(WS) ACT;
- to enable the Councils to consider how they would operate together in a way that facilitates an effective and efficient use of the Councils' resources, providing optimum benefit to the parties' ratepayers; and
- to effectively establish a Water-Services Council Controlled Organisation for the joint operating model in accordance with the accepted WSDP and the agreed vision and commonly shared values of the participating councils and by the due date(s) as agreed between the parties and set out in the Implementation Plan.

Relationship Principles

- work together collaboratively and in good faith; putting trust, collaboration, and aspiration at the core of the project;
- contribute equitably, drawing on each councils' strengths to share the workload and the outputs and knowledge generated;
- ensure communication between them is open, proactive, transparent and inclusive, to avoid any surprises;
- make every effort to understand the other Council's needs and objectives for the joint operating model, and make all reasonable endeavours to ensure the joint operating model meets such needs and objectives;
- raise any issues that arise in connection with this agreement at the earliest opportunity, for joint resolution;
- resolve disagreements between them promptly and amicably; and
- in the interest of clear and consistent communication, consult with the other Councils before commenting publicly on the joint operating model or this agreement

Collaboration Agreement – Governance Structure

- Project Oversight Group (POG)
 - Mayors
 - Iwi representation
- Project Steering Group (PSG)
 - CEOs
 - Iwi representation
- Project Team (PT)
 - Executive Director (Lead)
 - Transition Managers
 - Other members as required
- Workstreams
 - Legal
 - Finance
 - Comms
 - Others TBD

Project Oversight Group

The role of the POG is to:

- Confirm the overall direction of the project
- Address political issues that have been escalated to it by the PSG
- Engage with stakeholders
- Invite members to join the POG with the agreement of the group
- Ensure they are kept informed on the project by information provided from the Project Steering Group
- Comment on any draft joint submission on behalf of the parties to the government in respect of the LWDW policy and legislation
- Engage with Iwi leadership on the strategic direction for the project

Key Components of the agreement (1)

- Terms and condition
- Project overview, scope and project plan
- Key activities for each council and the Lead Council to undertake and responsibilities allocated to it to achieve the objectives
- The Executive Director's responsibilities and delegations
- Cost sharing

Key Components of the agreement (2)

- Councils entering and exiting
- Dispute resolution
- Confidentiality and information disclosure
- Intellectual property rights
- Budgets

Questions