

18 December 2025

Geoff Hunt
Chair
Watercare Services Limited
[Via email:](#)

Tēnā koe Geoff

Letter of Expectation for Statement of Intent 2026-2029

This letter of expectation sets out the council's priorities and expectations of Watercare for 2026/2027.

It sets out common expectations across all council-controlled organisations (CCOs), and expectations specific to Watercare.

The content of this letter was approved by the Budget and Performance Committee (the Committee) on 15 December 2025, with delegation to the Mayor, Committee Chair and Lead Councillor to finalise and issue this letter of expectation.

Part 1. Expectations of all CCOs

i. Delivering year three of the Long-term Plan 2024-2034

CCOs are expected to work positively and collaboratively with the council to deliver against the long-term plan investment commitments. Overall financial settings are being maintained. This includes the group savings target of \$20 million, on top of other savings targets agreed through previous plans and decisions, as well as delivering on work programme commitments.

The council will commence public consultation on the draft Annual Budget 2026/2027 in late February 2026. Following consultation and deliberations, the final Annual Budget 2026/2027 will be adopted in June 2026. Once this occurs, final SOIs (including financial information and performance measures) should be aligned with the final annual budget and the strategic priorities contained within.

Under the new water reform legislation, Watercare's SOI 2025-2028 remains in place for 2026/2027 until it is replaced by a new water services strategy by 1 July 2027. The council requests Watercare provides financial updates to your SOI in line with the timeframes provided for group planning. Council staff will work with your teams on the process to modify the SOI 2025-2028 with your updated financials.

ii. Preparation for the Long-term Plan 2027–2037

CCOs are expected to provide updates to their draft asset management plans (AMPs) to inform the Long-term Plan 2027-2037 and input as requested on strategic advice and options development (as applicable to their CCO) as elected members prepare the next Long-term Plan, including assessing strategic alignment and spatial investment priorities.

CCOs deliver on the AMP requirements outlined in the 2025/2026 letters of expectations, and AMPs are updated alongside the Long-term Plan 2027-2037 (as appropriate). CCOs are expected to continue to work with the council's Infrastructure Strategy and Asset Management System teams on the development of asset management plans.

iii. Accelerating group shared services

As previously communicated, CCOs are expected to actively support the Group Shared Services (GSS) board in accelerating the transition of functions to the GSS model to achieve strong financial and other benefits. Transport reform will be a key lever to achieve this. It is particularly important to have a group view of new technology platforms and arrangements of all entities to ensure that Aucklanders are getting the best value from digital investments.

iv. Planning, delivery and paying for growth

Coordinating investment in infrastructure across the council group is important to ensure we can deliver for Auckland's growth. CCO plans and investment should be aligned with the Future Development Strategy, and CCOs are expected to work with the Auckland Urban Development Office on coordinated and effective group planning and delivery and the achievement of the council's urban development outcomes.

Advice from CCOs will be required to support integrated decision-making and the council's consideration of Plan Change 120 and the government's resource management changes.

v. Effective spending

CCOs are expected to continue to focus on value for money initiatives, deliver better value projects and collaborate with the council on reviewing design standards, increasing the focus on benefits and place-based investment, and group procurement rules.

vi. Upholding te Tiriti o Waitangi derived obligations

The council group is committed to upholding its obligations derived from te Tiriti o Waitangi and to achieving better outcomes for Māori. CCOs are expected to share this commitment and contribute to its delivery, including through (but not limited to):

- aligning with Tāmaki Ora Māori Outcomes Strategy and Performance Measurement Framework 2025 – 2027, particularly Achieving Māori Outcomes (AMO) plans.
- reporting on the delivery of their AMO plans as part of the quarterly performance reports. The reporting should include key performance indicators (KPIs) to track progress over time.

- building strong partnerships with mana whenua and mataawaka, and advancing Iwi Ora (iwi wellbeing) and Te Hapori Ora (whānau and community wellbeing). This includes aligning with the council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. This approach respects the unique mana motuhake of each iwi and mataawaka entity by prioritising their needs and aspirations.
- working collaboratively with Ngā Mātārae to progress the shared outcomes across Auckland Council namely Whai Rawa Ora (economic wellbeing and focus on sustainable procurement), Te Hapori Ora (opportunities for young people particularly rangatahi Māori), Tūāpapa Hononga and Tūāpapa Hāngai (mana ki te mana approach to engagement with Māori, and Māori Outcomes staff engagement and connections).
- working collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the council group to take a whole of-council-group approach to delivering outcomes for Māori. This includes continuing to participate in council-led activities and hui such as the Tāmaki Ora Programme Delivery Board (or any internal governance equivalent).

vii. Quality advice

CCOs should provide timely, delivery-focused, quality, concise advice to all elected members and ensure local boards are engaged early on projects and decisions directly impacting their local area. This supports the 'More Empowered Local Boards' approach, consistent with the council's shared governance model.

viii. Climate change

CCOs should continue to be guided by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience), adaptation and mitigation into work programmes and decisions.

ix. City centre

CCOs are expected to work with the council and partners to support a vibrant, clean, safe, and welcoming city centre and maximise opportunities arising from the City Rail Link, the New Zealand International Convention Centre openings in 2026, as well as any refresh of the City Centre Master Plan.

CCOs are also expected to comply with the ['Statement of Expectations for Substantive Council-Controlled Organisations'](#).

Part 2. Key expectations of Watercare

The council's key expectations of Watercare continue previous directions:

- Work with the council to establish the strategic direction for Watercare within the new legislative planning and accountability framework.
- Aligning growth planning and delivery.
- Implementation of the Auckland Water Strategy.

- Watercare remains accountable to the council and Aucklanders and owned by Aucklanders.

(i) **Strategic direction for Watercare**

The council will outline direction to Watercare in 2026 through a (new type of) statement of expectation under the Local Government (Water Services) Act 2025 (**Act**). Watercare is expected to work collaboratively with the council to develop this statement of expectations, noting Watercare remains owned by, and accountable, to Aucklanders.

The council's direction will inform and guide the decisions and actions of Watercare. This includes when Watercare develops its new Water Services Strategy, which will set strategic, financial and infrastructure plans. The council expects Watercare to be transparent and collaborative when implementing any of the remaining requirements under the Watercare Charter and the Act.

(ii) **Aligning growth planning and delivery remains critical for Auckland**

Watercare needs to continue to work with the council to align planning for growth and respond to the government's reforms to the planning system.

We expect Watercare alignment with council's position in relation to private plan changes or developments that do not conform with the Future Development Strategy.

(iii) **Implementation of the Auckland Water Strategy**

Watercare should continue to collaborate with the council to implement the Auckland Water Strategy with a focus on planning for long-term water security, including:

- to proactively plan for climate change and diverse water supply, including wastewater reuse.
- roll out of smart meters and achievement of water security targets.

(iv) **Watercare is accountable to the council and Aucklanders**

The council remains the sole shareholder of Watercare and good communication, public engagement, no surprises and political oversight are essential. The Watercare SOI 2025-2028 will continue as the key accountability document in 2026/2027, setting the deliverables, budgets and performance measures for 2026-2028 against which Watercare will report. Watercare should inform the council if any further updates are needed to the SOI 2025-2028.

Staff are available to expand aspects of this letter if required. Please contact Alastair Cameron, Manager CCO Governance and External Partnerships to discuss.

Ngā mihi

A handwritten signature in blue ink that reads "Wayne Brown". The signature is written in a cursive style with a large 'W' and 'B'.

Wayne Brown
Mayor of Auckland

Cc:

Cr Greg Sayers, Chair Budget and Performance Committee

Cr Ken Turner, Lead Councillor

Jamie Sinclair, Chief Executive, Watercare

Alastair Cameron, Manager CCO Governance and External Partnerships

Tamsyn Matchett, Chief of Staff, Mayoral Office