

STAFF TRANSITION GUIDELINES

JUNE 2026



Message from our Board Chair

Tēnā koutou katoa

I am so pleased on behalf of the new Waitī Waters board of directors to be writing to you, the water services staff of the four councils about the establishment of our new water services organisation for Tararua and Wairarapa. For those of you who have been in water services and local government for a while, this reform process must have seemed to go on forever. But we are now making clear and good progress.



On April 17, 2026, Waitī Waters was launched at a formal mihi whakatau and the new Board members welcomed by the Carterton, Masterton, Tararua and South Wairarapa Councils and Rangitāne and Ngāti Kahungunu, our iwi partners. It was a significant and exciting milestone for the region and one I'm personally proud to be part of.

As the Board of Waitī Waters, we know that the region has been working towards this change for several years and we are committed to working alongside Councils and iwi partners over the next year or so to complete the establishment of this major new regional infrastructure services provider and prepare to begin operating from 1 July 2027.

We want Waitī Waters to be a great organisation that the community is confident in, that staff are proud to work for, and that delivers safe, reliable water services for customers. We need you, the committed and passionate staff currently delivering water services for Councils, to make this happen.

These Staff Transition Guidelines set out our approach for Council staff currently delivering or supporting the delivery of water services to move into roles at Waitī Waters. In preparing these Guidelines, our goal has been to provide you with as much certainty as we can about the months ahead, to enable you to make decisions, and to ensure that as many staff as possible can transfer into our new organisation.

Our name, Waitī Waters, recognises the Matariki star associated with freshwater and the importance of water for life and our wellbeing. We must get water services right for our communities, today and into the future – and we look forward to working with you on this purposeful work.

The Board has started its work in earnest and is out and about in the region over the next few months and we hope to meet many of you in that process.

Adrienne Young-Cooper

CHAIR, WAITĪ WATERS

PROPOSED STAFF TRANSITION GUIDELINES

1. About these Guidelines

These Guidelines explain how some staff in South Wairarapa, Carterton, Masterton and Tararua Councils may move to Waitī Waters.

There are four pathways for these staff into Waitī Waters roles, that we explain below.

The Guidelines also cover other employment terms, like work location and pay.

2. What is changing

Under the Local Government (Water Services) Act, each Council submitted a Water Services Delivery Plan for approval by the Department of Internal Affairs. These Plans included creating Waitī Waters to deliver drinking water, wastewater and stormwater services for South Wairarapa, Carterton, Masterton and Tararua customers and communities. From 1 July 2027 Waitī Waters must be ready to deliver these services.

The Plans also set out principles to apply to the staff transition. These are:

- ▶ maintain service continuity and reliability for customers and minimise staff disruption
- ▶ where possible, provide flexibility in the design for the new entity and Councils to adapt to changing circumstances over time, and
- ▶ recognise the independence of the new entity and provide it with the autonomy to make decisions necessary for success.

3. What these Guidelines aim to do

Our main aim in preparing these Guidelines is to give greater certainty to the people in Councils who support or deliver water services today, about what the change means for them.

The Guidelines will also help to ensure continuity of service to our communities through the transition of water services from Councils to Waitī Waters.

Waitī Waters needs a capable workforce to keep delivering reliable services to customers and communities. To support this, our goal is to transfer or recruit as many water services people as possible, and to limit staff losses through resignation or redundancy.

We hope the Guidelines will give you greater certainty about your future employment and will help Councils plan for the changes they will need to make when they stop delivering water services.

4. Who is covered

The Guidelines apply to all staff who deliver and support water services today, including full-time, part-time, fixed term and casual staff of the four Councils.

The Guidelines don't apply to:

- ▶ independent contractors engaged by the four Councils
- ▶ staff of organisations providing contracted services to the four Councils (such as Citycare and Downer), and
- ▶ Council change management processes – Councils will continue to be responsible for staff who do not transfer to Waitī Waters.

5. Key legal points

Council chief executives must identify impacted staff

The Guidelines reflect the relevant parts of the Local Government (Water Services) Act 2025, the Local Government Act and general employment law. They also reflect staff transition principles approved by the Waitī Waters Board.

Council chief executives must identify impacted staff under the Local Government (Water Services) Act 2025. This includes two lists:

- ▶ List A: staff whose work **mainly** relates to services that will transfer to Waitī Waters, and
- ▶ List B: staff whose work does **not mainly** relate to services that will transfer to Waitī Waters, and whose role will be disestablished by their Council.

Waitī Waters is not legally required to make offers to staff

It's important for you to know that unlike in the previous water reform, Waitī Waters is not legally required to employ staff on List A or List B.

If Waiti Waters offers a substantially similar role to List A staff member, certain conditions apply

If you're on List A and you're offered a substantially similar role in the same general locality and on the same or better terms and conditions, redundancy will not apply to you, even if you decline the offer.

If you're on List A and you accept a Waiti Waters offer for a substantially similar role, your service continuity is legally protected (for leave and other service-based entitlements).

These Guidelines don't create an employment relationship

It's important for you to understand that these Guidelines do not create an employment relationship between you and Waiti Waters, and they do not create any new legal obligation (over and above existing law). However, they do outline Waiti Waters' intentions and Waiti Waters intends to follow them in its recruitment and selection process.

6. Four pathways to roles in Waiti Waters

Council water services staff can move into Waiti Waters positions through four pathways. Using these Guidelines, Waiti Waters will review all existing positions that support or deliver water services, to decide the pathway that will apply. If you hold one of these positions, we'll let you know which pathway you are on as soon as we can.

This is what it will mean for you, depending on your pathway:

1. **Direct offer:** Staff on this pathway will be offered a substantially similar role in Waiti Waters.
2. **Priority offer:** Staff on this pathway will be offered a suitable position if one is available. A suitable position is one you can do with no, or minimal training. Where there are more applicants than there are suitable roles for people on this pathway a fair selection process will be followed.
3. **Preferential consideration:** Staff on this pathway will be given preferential consideration in recruitment processes for positions that aren't fully contestable.
4. **Open recruitment:** The Chief Executive, Executive leaders, and some other roles (as decided by Waiti Waters) will be fully contestable and open for applications from both affected staff and external candidates. Staff under any transition pathway can apply for these positions.

7. How we'll decide your pathway

Waiti Waters has collected information from your HR team about all positions that mainly support or deliver water services. This includes information about how much of your time is spent on water services, or other work. If anything is not clear from this information we may meet with you, your manager and your HR team to decide which pathway your role should be on. If this is needed, you are welcome to involve your union or a support person in this discussion.

Once we have confirmed the pathway for your position, we will notify you through your HR team. We expect to do this before the end of June 2026 if you're on the **direct offer** or **priority offer** pathway. We can't confirm if you're on the preferential consideration pathway until your Council employer has completed their own change processes. This is expected to happen before February 2027.

If your position qualifies for the **direct offer pathway**, it will be added to the Waiti Waters organisation design.

Which pathway your role is on will be a decision for Waiti Waters. The general approach to deciding this is described below.

Positions solely supporting or delivering water services

If the purpose, duties and responsibilities of your position solely (100%), relate to supporting or delivering water services, then the likely pathway is **direct offer**, except if you are in a senior management position.

Positions primarily supporting or delivering water services

If a small proportion of your position (indicatively <20%) includes duties and responsibilities that do not relate to supporting or delivering water services, then the likely pathway is **direct offer** except:

- ▶ if you are in a senior management position, or
- ▶ your other duties and responsibilities are so different from your water services ones, that removing these from your position would make it substantially different.

Appendix 1 sets out the types of changes to a position that may be seen as minor or substantial. These are examples only.

Other positions mainly delivering or supporting water services including senior managers

If most of your role (indicatively 50%-79%) delivers or supports water services, but you do not qualify for a direct offer you will most likely be on the **priority offer** pathway.

Positions with some water services responsibility (indicatively 1-49%) which Council is making redundant

If your current position has some (indicatively 1-49%) water services related responsibilities and your Council employer has confirmed the position will be disestablished as a result of water services transferring to Waitī Waters, you will be on the **preferential consideration** pathway. This means you will be welcome to apply for roles in Waitī Waters, and your application will be given preferential consideration in recruitment processes that are not full contestable.

Senior management positions

Senior management positions are excluded from the direct offer because Waitī Waters will need the flexibility to design a fit-for-purpose senior management structure. This means that senior managers who are solely or primarily involved in water services can't transfer to Waitī Waters in the same job. Deciding which Council positions are to be designated as senior managers for this purpose is the responsibility of Waitī Waters.

When we make this decision, we will consider the following factors:

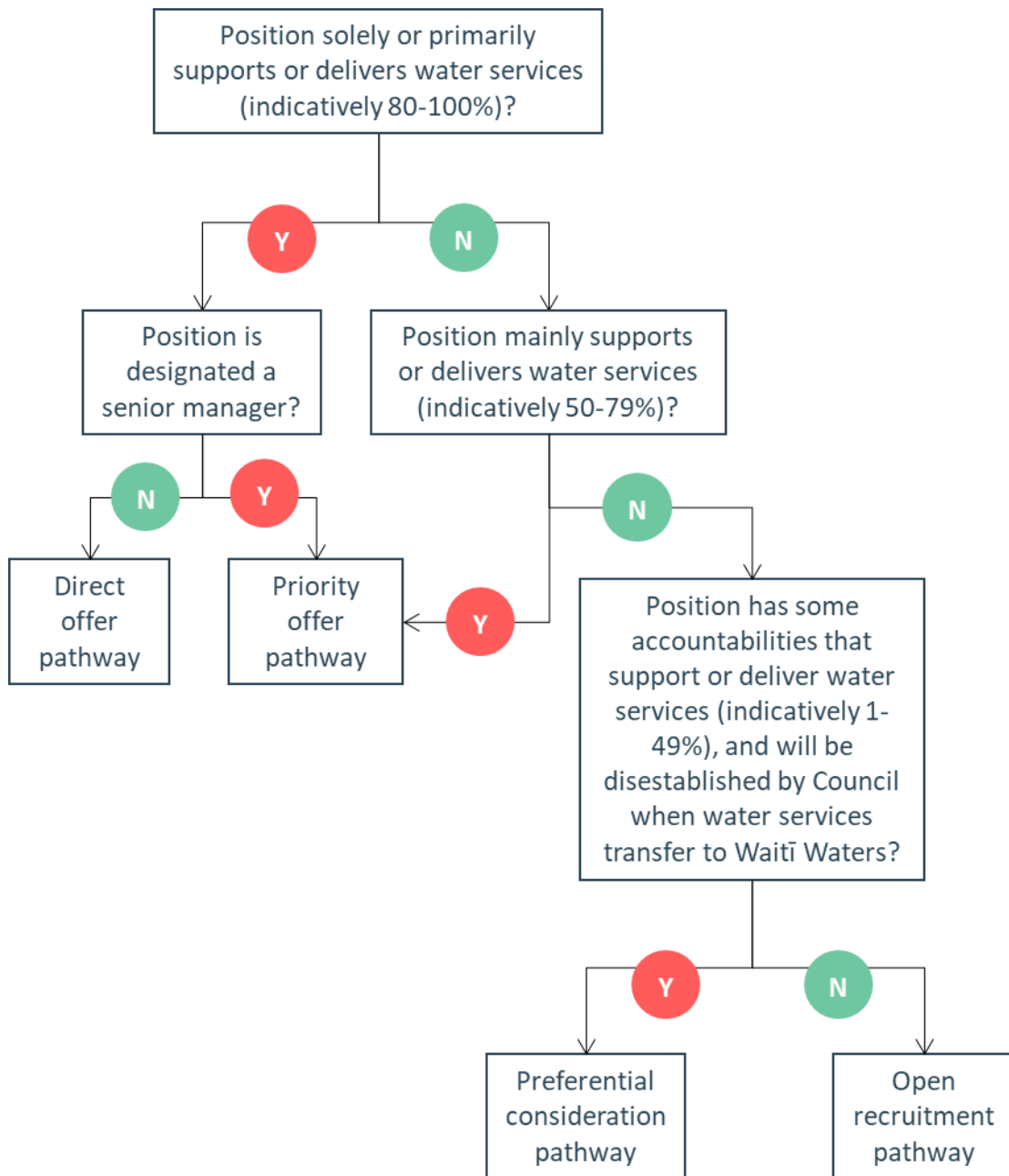
- ▶ Position purpose: if the position is responsible for the strategic management of one or more water services functions
- ▶ Position responsibilities: if the primary responsibilities involve strategy definition or leadership
- ▶ Sound design: if the position could be transferred into a sustainable management structure at Waitī Waters without change, and
- ▶ Equity: if transferring the position directly into Waitī Waters would disadvantage staff from other Councils from applying for senior Waitī Waters positions.

A position **will be designated a senior manager** if the management position is primarily focussed on strategy and leadership of one or more transferring functions – for example, General Manager or Group Manager.

A management position **will not be designated a senior manager** if it is primarily operational or manages a function that is transferring with no change in scope – for example, a Team Leader, Project Manager, or operational site managers.

You can use the following diagram to help you understand the pathway/s that may be applicable to you.

Figure 1: How we'll decide your pathway



STAFF ABSENT FROM THEIR POSITION

8. Secondments and extended leave

Where:

- ▶ you have been seconded to another organisation, or another position in the same organisation, or
- ▶ you are on extended leave (for example, Parental Leave, ACC Leave, Study Leave), you will be covered by these Guidelines based on your substantive position – substantive position means the position you hold within your Council.

Where your secondment or extended leave ends after 1 July 2027, Waitī Waters will honour the terms of that arrangement.

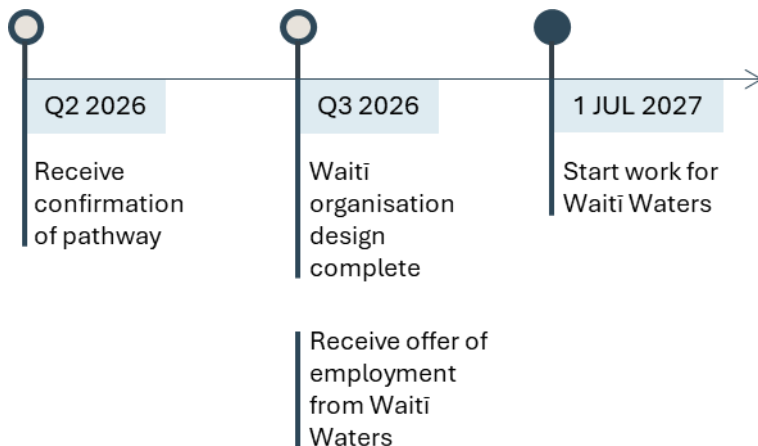
New positions or staff changes following the position review process

Once a position has been reviewed and a decision has been made on the transition pathway applicable to that position, any staff member permanently occupying that position will be covered by the relevant pathway, as long as that position doesn't change. This means that any new staff member recruited to that position can be assured that the relevant transition pathway for that position will remain.

Where a Council creates a new position after the initial position review process, and that position contains duties and responsibilities that relate to the support or delivery of water services, they will need to work with Waitī Waters to support the review of that position to determine the transition pathway.

PATHWAY 1: DIRECT OFFER

The following diagram provides an overview of how the **direct offer** pathway will work. *The timeline below is based on calendar quarters, not financial year quarters.*



9. Direct offer process

If your position is covered by the **direct offer** pathway, you'll receive your offer of employment in Q3 2026. You will have 10 working days to accept or decline the offer. If you don't respond within 10 working days, we'll treat your offer as accepted so that you do not lose your opportunity to transfer. You can let us know later if you decide to decline the offer.

10. Terms and conditions for the direct offer pathway

If you qualify for a **direct offer** your terms and conditions will depend on your current agreement.

If you're covered by an individual employment agreement, you'll have the option to remain on the terms of your existing agreement, or accept any new agreement offered by Waiti Waters. If you choose to stay on your current agreement there will be no change required to any of the terms and conditions of employment in it.

If you're covered by a Council collective agreement, you'll be offered an individual employment agreement based on the collective agreement. The collective agreement won't transfer to Waiti Waters. Once union members accept an offer of employment with Waiti Waters, the union may initiate bargaining for a new collective agreement with Waiti Waters. This could happen before your employment transfers to Waiti Waters.

11. Continuity of service for the direct offer pathway

Except where section 15a applies, if you are on the direct offer pathway, you will be offered a substantially similar job in the same general locality and on the same or better terms and conditions and will have continuous service from your Council to your Waitī Waters employment. This means all your service will be recognised in the same way it is under your Council employment agreement, and all your leave balances will transfer with your employment.

If section 15a applies, and Waitī Waters offers you a job that is not substantially similar to your current job, your leave balances will be paid out by your current employer in accordance with your employment agreement. Your service will be recognised by Waitī Waters in the same way it has been recognised by your current employer except for redundancy. If you receive redundancy compensation from your current employer, this will be offset against any future redundancy entitlement by Waitī Waters.

The reason for this difference is that there are different provisions in the Holidays Act and the Local Government Act for these two scenarios.

12. Your work location

The Guidelines relate to the work location at the time of your transfer to Waitī Waters. Future location changes, if any, will be covered by employment agreements between you and Waitī Waters.

Staff who will work from the same location

Operational and maintenance staff who are based in treatment plants at the time of transfer will continue to work from those locations. Operational and maintenance staff who are based at depots at the time of transfer will continue to work from those locations, subject to agreement of the Council or supplier who owns or leases the site.

Office based staff

CDC, SWDC and MDC staff who do not work from treatment plants or depots will be required to work from a new head office in Masterton. TDC staff who do not work from treatment plants or depots will be required to work from the Oringi Road Business Park in Dannevirke (subject to ongoing access to this site being agreed with the landlord).

13. Fixed term and casual positions and direct offer

If you are a fixed term or casual worker, you will qualify for the **direct offer** in the same way as permanent workers. You will be eligible to transfer to Waitī Waters for the remaining duration of your agreement.

14. Applying for alternative positions with Waitī Waters

If you qualify for the **direct offer** you may apply for alternative positions with Waitī Waters but will not have any special preference.

15. Waitī Waters may make additional offers to a staff member who qualifies for a direct offer

A key objective of the organisation design process is setting up Waitī Waters for success and avoiding the need to make major changes soon after 1 July 2027. As the organisation design progresses and the **direct offer** roles are mapped into the new structure, the Establishment team may identify positions that need to be adjusted to be sustainable. If this includes your position, we will engage with you to discuss the options for changing the position and to assess whether the changes in each option are minor or substantial.

Where it is not possible to offer a sustainable position, with the same or similar duties and responsibilities, to a staff member who qualifies for the direct offer, these staff will have two options:

- a) work with us to identify or design an acceptable alternative position, in which case an offer for an alternative position will be made to them, or
- b) accept the offer for their same/similar position, and transfer to Waitī Waters. In this case it is possible staff may need to work through a change process with Waitī Waters after Day 1. If this does occur, the change and redundancy provisions set out in the staff member's employment agreement would apply to the change process.

16. Redundancy entitlements for staff who qualify for the direct offer

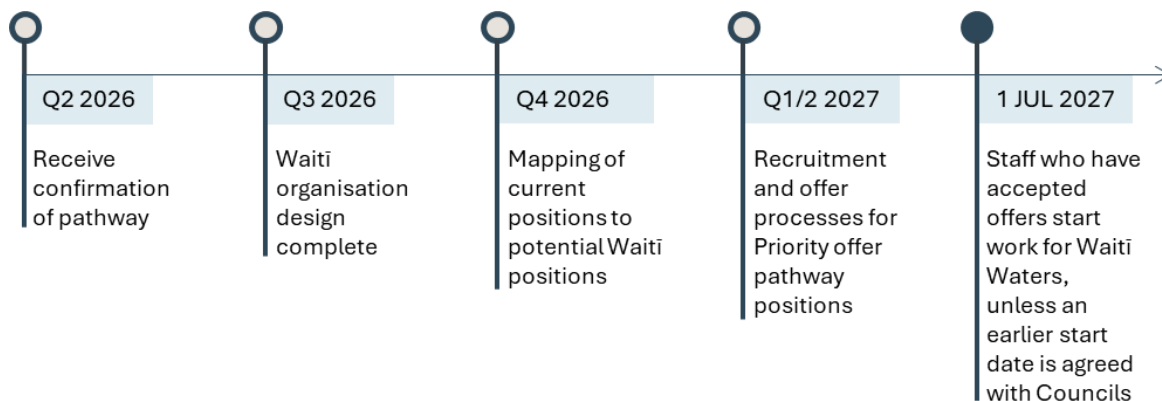
If you qualify for the **direct offer** you can choose to decline the offer for the same or similar position, or any alternative position.

If you qualify for a **direct offer** and receive an offer of employment for the same or similar position, on the same or better terms and conditions and in the same general locality, and you choose not to transfer to Waitī Waters, you will not be entitled to redundancy compensation from your Council employer.

PATHWAY 2: PRIORITY OFFER

The following diagram provides an overview of the process for the priority offer pathway.

The timeline below is based on calendar quarters, not financial year quarters.



17. Priority offer recruitment process

Roles open to priority recruitment

Any roles that are not fully contestable in the first instance, and all other new Waiti Waters positions, will be available as a matter of priority to Council staff who **mainly** do water-related work but **do not qualify for the direct offer** pathway. This includes designated senior managers.

Waiti Waters is not required to appoint any qualifying applicant, or to give reasons for not appointing an applicant. However, our aim is to maximise employment opportunities for Council staff who mainly do water-related work and who are suitably qualified for the roles they apply for through this process. Waiti Waters will also consider developing staff into these new roles wherever this is practical.

Candidates will be short-listed for the selection process based on the following criteria:

1. overlap in current duties and responsibilities
2. relevant skills and experience
3. if relevant to the position, necessary qualifications, certifications etc.

If no suitable candidates are identified for a position, the position will move to open recruitment with preference applying at the discretion of Waiti Waters.

18. Priority offer process

Waitī Waters recognises that accepting an offer of employment is an important decision. Offer acceptance timeframes will reflect the need to balance providing staff with enough time to consider their options, and the need to ensure timely and orderly establishment of the new organisation and continuity of essential services.

Under the **priority offer** process, any offer will set out how long you have to accept or decline it. This will generally be 10 working days, although a shorter timeframe may be required in some circumstances.

If you don't accept the offer in this time, we'll treat the offer as declined because we need positive confirmation from you to assume a new employment relationship in a different role; and, because recruitment processes for Waitī Waters in Q1 and Q2 2027 will be time-sensitive, to ensure all key roles can be filled before 1 July 2027.

19. Terms and conditions for the priority offer

If you qualify for the **priority offer** pathway and are made an offer of employment, your terms and conditions will depend on whether you are a union member, and if a Waitī Waters collective agreement is in place.

If you **are not** a union member, your terms and conditions will be based on a standardised individual employment agreement.

If you **are** a union member, whose role is covered by a new Waitī Waters collective agreement, the terms and conditions of that agreement will apply. If there is no new Waitī Waters collective agreement, a standardised individual employment agreement will apply. Once union members have accepted roles with Waitī Waters, their union may initiate collective bargaining, and any ratified collective agreement will apply.

20. Continuity of service for priority offer pathway

If you qualify for the **priority offer** pathway and are made an offer of employment, Waitī Waters will recognise service with your existing employer for future service-based entitlements (like annual leave or future long-service leave) in your new employment agreement.

If you receive redundancy compensation from your Council this will be offset against any future redundancy entitlement by Waitī Waters.

It is likely you will be paid out your leave balance when you stop working for Council. Under the Holidays Act it is not possible to transfer these balances between Councils and

Waiti Waters. That can only happen if the new job is substantially the same as the old one, is on the same or better terms and conditions of employment and is in the same general locality.

21. Work locations

Operational and maintenance staff who are based in treatment plants at the time of transfer will continue to work from those locations. Operational and maintenance staff who are based at depots at the time of transfer will continue to work from those locations, subject to agreement of the Council or supplier who owns or leases the site.

CDC, SWDC and MDC staff who do not work from treatment plants or depots will be required to work from a new head office in Masterton. TDC staff who do not work from treatment plants or depots will be required to work from the Oringi Road Business Park in Dannevirke (subject to ongoing access to this site being agreed with the landlord).

Redundancy entitlements for staff covered by the priority offer pathway

If you qualify for a **priority offer** you can choose to decline any offer. If you decline an offer of the same or a substantially similar role, on the same or better terms and conditions of employment and in the same general locality, you will not be entitled to redundancy compensation.

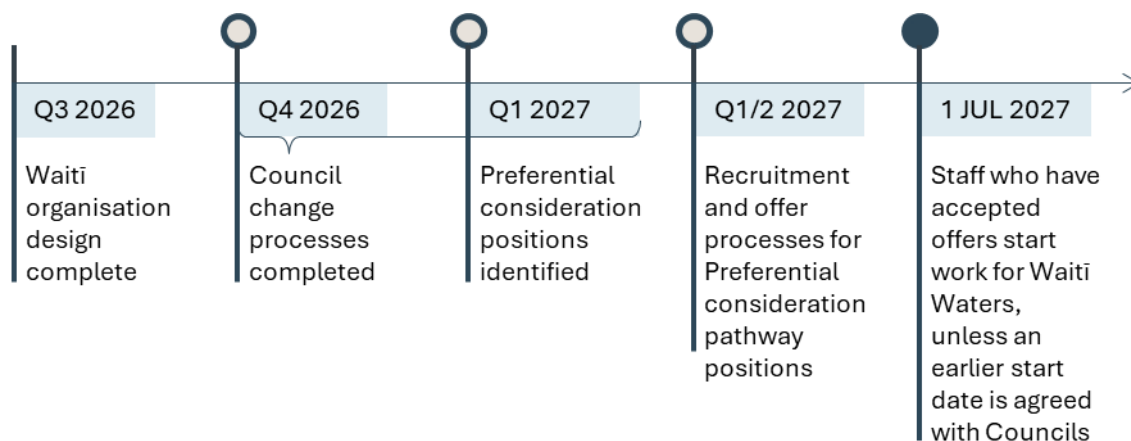
However, most staff on this pathway will not be offered their same or a substantially similar role. In this case, your entitlement to redundancy compensation (if your existing position is made redundant by your Council), will depend on your employment agreement.

A summary of the redundancy clauses in each Council's collective agreements is provided in Appendix 2.

PATHWAY 3: PREFERENTIAL CONSIDERATION

The following diagram provides an overview of the process for the **preferential consideration** pathway.

The timeline below is based on calendar quarters, not financial year quarters.



22. Preferential consideration recruitment process

If your position is covered by the **preferential consideration** pathway, you can apply for all roles that are not in a fully contestable recruitment process once the **direct offer** and **priority offer** processes are completed. Preferential consideration may be given before a job is advertised externally or in parallel with an external advertising process.

Preference means that a worker on List B (staff whose work does not mainly relate to services that will transfer to Waiti Waters, and whose role will be disestablished by their Council) will be given preference for shortlisting for a role they apply for where they have:

- ▶ overlap in current duties and responsibilities,
- ▶ the relevant skills and experience,
- ▶ where necessary for the position, qualifications, certifications etc,
- ▶ demonstrated relevant career development aspirations.

23. Preferential consideration offer process

Waiti Waters recognises that accepting an offer of employment is an important decision. Offer acceptance timeframes will reflect the need to balance providing staff with sufficient time to consider their options, and the need to ensure timely and orderly establishment of the new organisation and continuity of essential services.

Under the **preferential consideration** process, any offer will set out how long you have to accept or decline it. This will generally be 10 working days, although a shorter timeframe may be required in some circumstances.

If you don't accept the offer in this time, we'll treat the offer as declined because we need positive confirmation from you to assume a new employment relationship in a different role; and, because recruitment processes for Waiti Waters in Q1 and Q2 2027 will be time-sensitive, to ensure all key roles can be filled before 1 July 2027.

24. Terms and conditions of employment for preferential consideration

If you qualify for the **preferential consideration** pathway and are made an offer of employment, your terms and conditions will depend on whether you are a union member, and if a new Waiti Waters collective agreement is in place.

If you **are not** a union member, your terms and conditions will be based on a standardised individual employment agreement.

If you **are** a union member, whose role is covered by a new Waiti Waters collective agreement, the terms and conditions of that agreement will apply. If there is no new collective agreement, a standardised individual employment agreement will apply. Once union members have accepted roles with Waiti Waters, their union may initiate collective bargaining, and any ratified collective agreement will apply.

25. Continuity of service for preferential consideration pathway

If you qualify for the **preferential consideration** pathway and are made an offer of employment, Waiti Waters will recognise service with your existing employer for future service-based entitlements (like annual leave or future long-service leave) in your new employment agreement as if it were continuous service with Waiti Waters.

If you receive redundancy compensation from your Council this will be offset against any future redundancy entitlement by Waiti Waters. It is likely you will be paid out your leave balance when you stop working for Council. Under the Holidays Act it is not possible to

transfer these balances between Councils and Waitī Waters. That can only happen if the new job is substantially the same as the old one, is on the same or better terms and conditions of employment and is in the same general locality.

26. Redundancy entitlements for staff covered by the preferential consideration pathway

If you are covered by the **preferential consideration** pathway, it is unlikely you will be offered the same or a substantially similar role. In this case, your entitlement to redundancy compensation (if your position is made redundant by your Council), will depend on your current employment agreement.

A summary of the redundancy clauses in each Council's collective agreements is provided in Appendix 2.

APPENDIX 1 – GUIDANCE ON MINOR VERSUS SUBSTANTIAL CHANGES TO POSITIONS

Minor changes	Substantial changes
<ul style="list-style-type: none">• a change to a reporting line or job title• a change to how staff will do their job, for example if there are changes to standard operating procedures, or changes to the technology or tools they use to do their job, and they can be expected to gain the skills and knowledge needed to do things differently with reasonable training and support.	<ul style="list-style-type: none">• a major change to management responsibilities or scope of authority, for example a significant change to the number of direct reports or financial authority that means the new job is a substantially different job,• a change to responsibilities that means staff will look after more or less areas of the business with a substantial impact on the nature of the job,• a change to how staff will do their job that is so significant that they can't be expected to gain the skills and knowledge needed to do things differently with reasonable training and support.

APPENDIX 2 – COLLECTIVE AGREEMENT REDUNDANCY CLAUSES

If your position is **mainly** related to the services transferring to Waiti Waters, you will not be entitled to redundancy compensation if you are offered substantially the same position in the same general locality on the same or better terms and conditions of employment.

Otherwise, a transferring worker who is declared redundant by their current employing Council could be entitled to redundancy compensation. This table is a quick guide to redundancy entitlements in collective agreements and IEAs that are based on collective agreements. Councils, unions and employees should read the agreement provisions in full and take advice if affected. There are additional definitions and details in those agreements which may affect an employee’s entitlement to redundancy. This is not a legal guide or legal advice.

| MDC | CDC | SWDC | TDC

Offer of employment for substantially the same position, in substantially the same general locality, and on the same or better terms and conditions

Accepts	No redundancy compensation	No redundancy compensation	No redundancy compensation	No redundancy compensation
Declines	No redundancy compensation	No redundancy compensation	No redundancy compensation	No redundancy compensation

Offer of employment for substantially the same position, in a substantially different general locality, and on the same or better terms and conditions

Accepts	n/a	n/a	n/a	n/a
Declines	n/a	n/a	n/a	n/a



Offer of employment for a different position, on no less favourable terms and conditions

Accepts	No redundancy compensation payable where the position meets certain requirements	No redundancy compensation payable where the position meets certain requirements	No redundancy compensation payable where the position meets certain requirements	No redundancy compensation payable where the position meets certain requirements
Declines	Entitled to redundancy compensation if the position offered doesn't meet certain requirements	Entitled to redundancy compensation if the position offered doesn't meet certain requirements (differs between AWUNZ and PSA Agreements)	Entitled to redundancy compensation if the position offered doesn't meet certain requirements (except ex-Wellington Water and Fulton Hogan staff)	Entitled to redundancy compensation if the position offered doesn't meet certain requirements

Offer of employment for any position, on lesser terms and conditions

Accepts	No redundancy compensation	Entitled to redundancy compensation	Entitled to redundancy compensation (except ex-Wellington Water and Fulton Hogan staff)	Entitled to redundancy compensation
Declines	Entitled to redundancy compensation	Entitled to redundancy compensation	Entitled to redundancy compensation	Entitled to redundancy compensation