

## 1. PURPOSE

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The purpose of the workshop is to discuss the approach to the development of the Statement of Expectations and to obtain Councillor input to inform the production of the final artefact. The workshop will be jointly run by QLDC's Establishment Programme Director, Maseina Koneferenisi, and Mike Wakefield from Simpson Grierson.

The purpose of this paper is to provide material to inform the discussions to be held in a workshop with QLDC councillors on 28 April 2026 in relation to the Statement of Expectations.

## 2. STATEMENT OF EXPECTATIONS

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### STATEMENT OF EXPECTATIONS:

Review Attachment C for the legislative provisions relating to the Statement of Expectations.

#### Purpose:

A Statement of Expectations (SoE) sets the strategic direction for the WSCCO. It is QLDC's primary tool to define what success looks like, the outcomes that must be delivered, and the priorities that must guide all planning, including the legally required Water Services Strategy. The WSCCO is required to give effect to the SoE.

The SoE is designed to achieve the following:

- *Provide long-term strategic direction (10+ years):* The SoE sets the overarching expectations for outcomes, priorities, and alignment with council planning frameworks across at least 10 consecutive financial years.
- *Anchor the Water Services Strategy (WSS):* The SoE must be issued before the WSCCO prepares its WSS, because the WSS is required to demonstrate **how** the organisation will give effect to the expectations and outcomes in the SoE.
- *Strengthen shareholder oversight and accountability:* The SoE is the key lever for QLDC to:
  - articulate expectations clearly
  - ensure transparency
  - set outcomes the WSCCO must achieve
  - require alignment with broader council resource management and land-use planning
- *Support public accountability:* The SoE forms part of the strengthened planning and reporting environment for water services, ensuring that the WSCCO operates transparently and is accountable for delivering on council-set outcomes.

The SoE must not:

- direct the **how** the WSCCO performs statutory functions
- conflict with statutory duties or regulatory requirements, or
- direct the water organisation to perform (or not perform) a specific action in relation to specific individuals.
- Undermine financial independence

#### SoE Content Requirements:

Category	Content
<b>Mandatory</b>	<i>Expected outcomes:</i> The outcomes the shareholder expects the WSCCO to achieve through its water services.
<b>Mandatory</b>	<i>Alignment with council planning frameworks:</i> Requirements related to the council's resource management and land use planning.
<b>Mandatory</b>	<i>Shareholder obligations:</i> Requirement for the WSCCO to operate in accordance with the relevant statutory obligations.
<b>Mandatory</b>	<i>Reporting requirements:</i> Defines the specific information the WSCCO must include in its half yearly reports to shareholders
<b>Optional</b>	<i>Relationship Management:</i> How the WSCCO should manage its relationship with shareholders, communities, iwi/hāpu, and consumers.
<b>Optional</b>	<i>Performance Indicators:</i> Specific metrics and measures shareholders will use to monitor the performance of the WSCCO.
<b>Optional</b>	<i>Strategic Priorities:</i> Expectations relating to the strategic priorities to be included in the Water Services Strategy.
<b>Optional</b>	<i>Third Party Agreements:</i> A requirement for the WSCCO to act in accordance with, or undertake obligations from, a shareholders' agreements with third parties.
<b>Optional</b>	<i>Community Engagement:</i> Requirements for the WSCCO to undertake specific community of consumer engagement.
<b>Optional</b>	<i>Independent Audit or Review:</i> A requirement that part or all of the WSCCOs Water Services Strategy be independently reviewed or audited. Can also be specified in the Constitution.

## **SoE Preparation Process Considerations:**

### *QLDC may begin preparing the SoE before the WSCCO is established*

Recognising the complexity and lead-time required for preparing an SoE, the legislation explicitly allows QLDC to undertake preparatory work in advance of the WSCCO being formally established. This enables councils to align the SoE with transition planning, regulatory expectations, and early WSS scoping. Early preparation helps avoid delays after establishment and allows for a more seamless transition into the WSCCO's planning cycles.

### *QLDC may issue an interim SoE*

Where timing pressures or transitional circumstances require earlier direction, QLDC may issue an interim Statement of Expectations. An interim SoE can provide preliminary operational priorities, shareholder expectations, or other direction to guide the WSCCO during the period before a full SoE is completed. This tool is particularly valuable during establishment phases or periods of regulatory change, as it ensures the organisation is not left without shareholder guidance while the full SoE is being developed.

### *QLDC must provide a draft SoE to the WSCCO and allow reasonable opportunity for comment*

Before the SoE is finalised, the WSCCO must be given an opportunity to review the draft and provide feedback. This consultation requirement ensures that the SoE is practical, implementable and informed by operational expertise within the organisation. QLDC must then genuinely consider any comments received before finalising the document. This does not require QLDC to adopt all feedback, but it does require a fair and transparent consideration process. The requirement supports a constructive relationship between shareholder and organisation and reduces the risk of misalignment or implementation challenges.

### *QLDC must provide the final SoE at least six months before the WSCCO must produce its Water Services Strategy (WSS)*

The SoE is intended to serve as a core input into the WSCCO's Water Services Strategy. To enable the organisation to integrate the expectations into its forecasting, investment planning and regulatory obligations, the Act requires that the SoE be finalised and provided no later than six months before the WSS is due. This ensures the WSCCO has adequate lead time to understand, interpret and reflect shareholder expectations within its primary planning document.

### *QLDC must provide the SoE no later than six months after the WSCCO is established*

For newly established WSCCOs, the Act sets a time-bound requirement to ensure that the organisation receives shareholder expectations early in its establishment phase. QLDC must issue the SoE within six months of the WSCCO's legal establishment, ensuring the board and executive team have clear direction from the outset. This early clarity helps shape initial governance settings, early operational decisions, and the foundation of organisational culture and priorities.

*QLDC must publish the process used to prepare the SoE*

To support transparent and robust governance, QLDC is required to publish a description of the process undertaken to develop the SoE. This includes documenting who was consulted, what evidence or strategic frameworks informed the content, and how drafting and decision-making were conducted. Publishing the process increases confidence for both the WSCCO and the public by demonstrating that shareholder expectations are well-reasoned, procedurally fair and aligned with statutory obligations. It also provides an audit trail that can support future reviews or amendments.

*The WSCCO must give effect to the SoE*

The SoE is not an advisory or discretionary document; it has binding force under the Local Government (Water Services) Act 2025. Once adopted, the WSCCO is legally required to give effect to the SoE, meaning that its strategic planning, operational decision-making and prioritisation must actively reflect the expectations set by QLDC as shareholder. This ensures that the WSCCO's activities remain aligned with council objectives, community outcomes and regulatory requirements. The requirement to "give effect to" sets a significantly stronger accountability framework than traditional CCO oversight under the LGA 2002.