

## **ATTACHMENT C: WSCCO GOVERNANCE AND OVERSIGHT REQUIREMENTS**

Outlined below are the key elements of the legislative framework set out in the Local Government (Water Services) Bill that relate to a shareholding council's influence and control of a WSCCO. The Local Government Act prescribed CCO model relies on principles of trust, integrity and strong stakeholder relations. The WSCCO model aspires to the same principles but is more prescriptive around the binding nature of Council's expectations.

### **Strategic Direction:**

- The council must prepare a Statement of Expectation (SOE), and this must include the council's expected outcomes and strategic priorities for water services. The SOE is binding on a WSCCO.
- A WSCCO must prepare a Water Services Strategy and must reflect the council's expectations, as stated in the SOE, in its Water Services Strategy.
- The council may choose to approve the final strategy or require a WSCCO to amend the draft strategy based on its comments, in which case a WSCCO must do so. At a minimum the council must review the draft WSS and annual budgets and provide comments to the WSCCO.

### **Oversight and Monitoring:**

- The SOE must state what information is to be included in the WSCCO's half yearly report and may include performance indicators and measures that the council will use to monitor the WSCCO
- The council must include in the SOE that the WSCCO is required to act in accordance with any relevant statutory obligation that applies to the council.
- The council must include in the SOE how it expects the WSCCO to meet objectives and perform its duties and functions and exercise its powers.
- Any expectations stated in the SOE are binding on the WSCCO.
- The WSCCO must include in its Water Services Strategy the measures and targets by which the council will assess its performance.
- The council must undertake an annual review of the WSCCO's performance in giving effect to the SOE and the priorities, objectives and outcomes specified in the Water Services Strategy.

### **Relationships and Engagement:**

- The council may state in the SOE how it requires the WSCCO to conduct its relationships with the council, communities, other stakeholders, hapū, iwi, and other Māori organisations, and consumers. Any expectations stated in the SOE are binding on the WSCCO.
- A WSCCO is not required to consult with the community on its Water Services Strategy. However, the council can choose to require the WSCCO to consult on any proposals contained in the draft Water Services Strategy as well as other community or consumer engagement.

### **Resource Management and Land Use Planning:**

- The council must state in the SOE the requirements relating to the council's resource management planning and land-use planning that will be relevant to the WSCCO, and these are binding on the WSCCO.

**Budget and Price Setting:**

- A WSCCO must prepare a Water Services Strategy, and this must include a complete set of financial statements for the period covered. A WSCCO must prepare an annual budget for each year that is not the first year to which the WSS relates.
- The council may choose to approve the final WSS and annual budget or require a WSCCO to amend the draft strategy based on its comments, in which case a WSCCO must do so. At a minimum the council must review the draft WSS and annual budgets and provide comments to the WSCCO.