

ITEM 2 ATTACHMENT D: QLDC WSCCO ESTABLISHMENT – CONTENT OF STATEMENT OF EXPECTATIONS

As at 16 April 2026

#	TOPIC / EXPECTATION	POTENTIAL OPTIONS	DISCUSSION / DIRECTION
General matters to resolve			
1	Focus of SoE	<p>Key requirement: SoE must relate to a period of at least 10 consecutive financial years.</p> <p>However, the SoE could provide direction that reflects different phases or stages of the transition. This could include be:</p> <ul style="list-style-type: none">- Specific direction focussed on the <u>establishment / transition period</u> (e.g. expectations that apply and guide a seamless transition from Council to the WSCCO); or- A <u>more enduring approach</u>, that guides decision-making during and post establishment / transition. <p>In practice, it is expected that there is a high degree of collaboration and information sharing during the establishment / transition.</p>	
2	Level of detail and direction provided	<p>Council can decide to develop a SoE that is relatively broad and high-level, or one that is more detailed and directive.</p> <p>When Council is considering how specific and directive to be in the SoE, it should focus on what outcomes it expects, not exactly how the Board must achieve them. This enables the Board to develop its own strategic programme and operating model.</p>	
3	Extent of reliance on existing documents, requirements and plans	<p>Council could specifically refer to and rely on existing documents, statutory requirements, policies and plans, where such plans exist – including by cross-referring to those documents.</p> <p>Alternatively, Council could decide to create more general expectations that refer to the same topics.</p>	

Where considered important, cross-referencing may be more efficient and lead to more certainty.

4 Timeframe for review or update There is no statutory review timeframe.

Instead, Council can decide how often it intends to review and update the SoE. The SoE could make this specific (ie. review every 3 years) or leave it open.

Expected timeframe for review would be every three years (in line with the Water Services Strategy process) given specific purpose of SoE (s 224(3)(b)(ii)).

Content | Direction in relation to water services

Required content (under s 227(1) of the Local Government (Water Services) Act 2025 [LGWSA])

5 Outcomes to be achieved by providing water services (s 227(1)(a))

Council may look to extract existing water services outcomes from its own LTP, and include these in the SoE.

At a high level, common outcomes are:

- Safe, reliable and compliant water services
- Financially sustainable delivery that balances infrastructure requirements with affordability
- Infrastructure that supports QLDC's rapid population growth and peak demand due to tourism / visitor popularity
- Resilience improvements, including to hazard and infrastructure risk, and longer term growth pressures
- Adoption of robust governance model, and best practice community engagement

See SoEs adopted by other Councils for examples: [IAWAI](#), [Selwyn Waters](#), & [Tiaki Wai](#).

6 Resource management and land use planning (s 227(1)(a)) Council must include requirements relating to resource management and land use planning.

Some common requirements include requiring the WSCCO to:

- Specifically consider existing planning documents
- Align capital investment with intended sequencing of land release, while allowing some flexibility for out-of-sequence development where appropriate
- Work with Council (as part of Council family) when planning documents are being prepared
- Supporting Council when required for any consenting or planning processes by providing technical and strategic advice, including expert witnesses as needed
- Support Council with any advocacy with central-government where relevant

7 Relevant statutory obligations of the Council which the water organisation must act in accordance with Will need to identify any specific statutory obligations of relevance to Council that should be captured.

Suggest officer advice to Council to clarify what statutory obligations may exist, that are different from the general responsibilities, functions, powers that will transfer through the Transfer Agreement.

8 Information required in the half-yearly report The SoE must list this information.
May be useful to focus on striking a balance between useful information for Council (to assess performance against SoE) and overburdening the WSCCO if there is a frequent need to prepare extensive information.

Potential content could include:

- Regulatory compliance update information and status of any known non-compliance and related mitigations / improvements
- Updates on key capital projects

- Expenditure as against budget, and forecast expenditure for the remainder of the year
- Critical risks and mitigations
- Key stakeholder relationships, meetings and engagements
- Reporting against performance measures
- Any relevant transition updates

Note: WSCCO is required to produce a Water Services Annual Report each year, with the content prescribed by s 246 (and Schedule 4) of the LGWSA.

Other content (Note: based on examples listed in s 227 of the LGWSA)

9	Relationship with the Council	<p>Expectations can be set as to how the WSCCO should work with Council, e.g. open and transparent, collaborative, ‘no surprises’, honesty, etc.</p> <p>This content could also include more specific requirements for regularly scheduled meetings (at more frequent intervals than under Constitution), and at different levels (e.g. CE to CE, Board to CE, etc).</p> <p>Can also require the WSCCO to develop its own relationships policy to cover key strategic relationships with Council and other stakeholders below.</p>
10	Relationships with customers, the community and/or specified stakeholders	<p>Similar to above row, but with focus on openness, transparency, accessibility and maintaining social licence.</p> <p>Council could consider the potential development of specific policies or structures that inform key relationships, such as a Customer Charter, Complaints Process or establishment of Community Liaison Group.</p>
11	Relationships with mana whenua	<p>Further consideration required to determine appropriate expectations, including discussions with mana whenua.</p>

12 Collaboration with the Council and other parties when providing water services	Council may want to consider expectations that guide how the WSCCO should work with the Council and other infrastructure providers to sequence works to minimise disruption (eg. advance notice of project plans, to align delivery of underground infrastructure, etc).
13 Application of Council obligations to third parties (including mana whenua) under existing agreements	Relevant existing agreements to be identified and referred to in the SoE.
14 Performance indicators and measures	<p>Council could choose to specify performance measures and/or targets in the SoE, or leave this to the WSCCO initially – through the WSS.</p> <p>Note that none of the SoEs adopted to date have specified performance measures and targets. If Council was to specify measures and targets, it could potentially carry over existing measures and targets from the LTP / infrastructure strategy.</p> <p>If Council was to leave the identification of measures and targets to the WSCCO, it could provide direction and expectations in relation to what those measures and targets should address. This would then provide Council with opportunities to comment on those through the draft WSS process.</p>
15 Strategic priorities to be included in the Water Services Strategy	<p>To some extent, this may draw on the outcomes that the Council wants the WSCCO to achieve. However, Council can further elaborate on those outcomes and provide more specific guidance on the strategic priorities that it will expect the WSCCO to develop in its WSS.</p> <p>Balancing Council direction with flexibility and independence for the WSCCO will be relevant.</p>

16 Specified obligations to undertake on behalf of the Council	Officer advice may be required to identify any relevant obligations, agreements or other arrangements that should be referred to here.
17 Community or consumer engagement	<p>Opportunity to provide guidance on when the WSCCO will be expected to engage with the community or consumers, and what it should prepare when engaging, and how.</p> <p>The WSCCO will also be required to prepare and adopt a Significance and Engagement Policy (SEP), which will also provide guidance on when consultation will be required and what it should involve. Council has a specific role in that process, including the ability to comment on the draft, and a requirement to approve the WSCCO SEP (before it is adopted by the WSCCO).</p>
18 Requirement for audit or independent review of the Water Services Strategy	<p>This has been discussed in context of constitution.</p> <p>Council can require audit or independent review of the WSS but note timing requirements will need consideration. For first WSS, may need to engaging audit separately from Auditor-General.</p>
19 Additional plans or reports	<p>Council can require any additional reports or plans it considers necessary and appropriate.</p> <p>Examples of additional reports and plans that could be required include:</p> <ul style="list-style-type: none"> • Thematic plans • Asset management plan • Quarterly reports (similar to the half-yearly but likely less detailed) • Health and Safety and risk management reporting, although this may be highly operational • Reporting relating to mana whenua

SoE must include the date any additional plan or report is to be provided to Council, the matters it must address and, if relevant, the period it must cover and any relevant progress reporting requirements.

Other potential content (based on other existing SoEs)

20 Establishment specific expectations Council may decide to include requirements that specifically relate to the establishment and transition phase, or transfer process.

Matters that could be addressed include:

- Transfer date and agreement
- Timing of first Water Services Strategy, and when it is to be provided to Council
- Minimising disruption to Council as far as possible
- Longer term transitional goals
- Development of appropriate transitional shared services agreements
- Development contributions and the future shift to development levies
- Approach to staff transition
- Any other particular issues such as transitional billing arrangements

21 Any other relevant Council strategies, policies, plans or documents Council could decide to identify any existing strategies, policies, plans or documents that it considers the WSCCO should consider, or even adopt for itself (as appropriate).

Other useful information See SoEs adopted by other Councils for examples - [IAWAI](#), [Selwyn Waters](#), & [Tiaki Wai](#).
See also the [QAC Statement of Expectations](#), noting that it was adopted in a different statutory context.