

19 September 2025

Mr Murray Strong  
Chairperson  
Selwyn Water Limited

Dear Murray

#### **STATEMENT OF SHAREHOLDER EXPECTATIONS FOR SELWYN WATER LIMITED 2025/2026**

1. The Selwyn District Council (**SDC**), as the shareholder of Selwyn Water Limited (**SWL**), is required by section 224 of the Local Government (Water Services) Act 2025 to prepare and adopt a Statement of Expectations (**SOE**).
2. This SOE has been prepared with input from SWL and sets out SDC's expectations of SWL. It is to be used to inform and guide the decisions and actions of SWL over the period between 2026 to 2036, including SWL's preparation of its water services strategy (**WSS**).
3. This SOE also provides guidance and sets out expectations as to how SDC and SWL will work together to achieve strategic alignment, including through regular communication, reporting, and engagement. In addition, it provides guidance as to how SWL should engage with key stakeholders and the community.
4. This SOE was approved by SDC on 17 September 2025.

#### **Outcomes to be achieved through SWL's delivery of water services**

5. SWL's purpose is to deliver drinking water and wastewater services within the Selwyn District. It is to do so in accordance with the objectives in section 17 of the Local Government (Water Services) Act 2025.
6. SWL is to deliver high quality drinking water and wastewater services in a manner that is efficient, safe and reliable, and financially sustainable.
7. SWL will ensure that affordability of water services for the District's residents remains a key focus for all decision-making.
8. It is to focus on delivering such services in a manner that minimises adverse environmental effects as far as is reasonably practicable.
9. SWL is to plan and deliver water services, as well as related infrastructure and assets, in a way that it is resilient, including to climate change and natural hazards, so that security of water services is achieved across the long-term. This should involve strategic asset and infrastructure planning with at least a 30-year timeframe in mind, including planning for necessary upgrades and renewals.
10. While its initial focus is on achieving a successful establishment, SWL is to explore future opportunities to achieve greater efficiency and scale, including through the potential investigation of opportunities to share services or partner with other water service providers. SDC is to be informed of any such opportunities, so that it can provide relevant direction to SWL.

**SWL is to deliver water services in a way that aligns with existing SDC policy and urban growth strategies**

11. SWL is to ensure that its strategic planning and decision-making is aligned, as far as practicable, with SDC's policy intentions. This is to be achieved by:
- (a) specifically considering and engaging with SDC's long-term plan(s), infrastructure strategy, strategic growth-related plans (including the Greater Christchurch Spatial Plan and Waikirikiri Ki Tua Future Selwyn), the One Water Strategy and the Selwyn District Plan when making decisions about its delivery of water services, and any infrastructure required to support growth;
  - (b) developing its capital investment programme so that it aligns with the intended sequencing of land release across the district, while also being in a position to accommodate some unanticipated or out-of-sequence growth to address unexpected demand;
  - (c) maintaining regular communication with SDC in terms of SDC's stormwater service delivery responsibilities, and aligning the delivery of new infrastructure where possible with SDC to reduce overall costs to ratepayers and consumers;
  - (d) supporting any review or update to any existing SDC policy and planning documents, by providing complete, accurate and timely technical and strategic advice to assist council decision-making and adopting (as far as practicable) a single 'Council family' aligned approach (including as part of any new planning regime as a result of RMA reform);
  - (e) supporting SDC in relation to any advocacy on future relevant Government reform, and not advocating independently (unless authorised by SDC); and
  - (f) supporting and measuring against (where possible) SDC's climate change initiatives and targets.

**Information required in half-yearly report**

12. SWL's half-yearly report is to include reporting on:
- (a) Key personnel and staff numbers;
  - (b) SWL's activities and performance (financial and operational, including against the performance measures in the Water Services Strategy);
  - (c) SWL's capital programme, including reporting on delivery of capital projects;
  - (d) Compliance, and any other consenting issues;
  - (e) Forecast expenditure, lending and any associated implications for future water charges;
  - (f) Reporting on the benefit of SWL's activities for the Selwyn community, including in relation to job creation, social, environmental (including climate change initiatives) and cultural impact;
  - (g) Health safety and wellbeing and risk reporting;
  - (h) Key stakeholder relationships, including meetings or other engagements; and
  - (i) For the first 12 months of operation, progress against transition plan and any challenges or difficulties that need to be escalated to SDC.

### **Preparation of accountability documents and policies**

13. SWL will work closely with SDC when developing its significance and engagement policy to ensure that: it draws on SDC's experience with community engagement in the Selwyn District, and it is workable for the District's communities.
14. SWL's WSS is to be aligned, as far as practicable, with SDC's own policy intentions, as discussed in clause 11 above.
15. SWL will provide reasonable opportunity to SDC to comment on its draft WSS and will consider those comments before adopting its WSS. Where it disagrees with any comments made by SDC, it will seek to discuss those points of disagreement before adopting its WSS.

### **Working with Selwyn District Council**

16. SWL will maintain regular contact with SDC to ensure an open and collaborative relationship. This is to involve:
  - (a) Monthly meetings between Chief Executives during the first 12 months of SWL's operation, and bi-monthly meetings thereafter;
  - (b) Quarterly meetings between the SWL Board and SDC until 31 December 2026, and bi-annual meetings thereafter;
  - (c) Early engagement with SDC on key proposed decisions, including with an outline of the proposed approach to any community consultation (or any consultation required by the Local Government (Water Services) Act 2025);
  - (d) Advance notice to SDC before SWL considers making any decision that involves a significant departure from its WSS, or reprioritises the delivery of activities, including advice about how the decision will be consulted on or otherwise regularised (e.g. through an amendment to the WSS);
  - (e) Advance notice (where practicable) to SDC of any actual or potential compliance issues, along with proposed solutions for addressing any compliance issues that will be implemented by SWL; and
  - (f) If it is not possible to provide advance notice in accordance with clause 16(e), SWL will provide immediate notice to SDC of any non-compliance and the reasons for it, as well as identification of the proposed solutions.

### **Working with mana whenua and key stakeholders**

17. SWL is to build strong and constructive relationships with mana whenua and all key stakeholders.
18. In particular, this will involve developing relationships with:
  - (a) The Selwyn District community, through:
    - (i) a transparent approach to strategic planning;
    - (ii) regular public sharing of information outlining intended activities on SWLs website;
    - (iii) open, collaborative consultation that focusses on ensuring that directly affected or interested communities have opportunities to engage directly with SWL (where required); and

- (iv) providing options for consumers to directly interface with SWL, including for any customer complaints or assets failures; and
  - (v) considering the potential benefit of establishing a community liaison group, and reporting to SDC in the first half yearly report as to whether this is workable;
- (b) Ngai Tahu, and local Runanga, to ensure that:
  - (i) iwi values and issues are reflected in SWL's plans and initiatives in accordance with SDC's bicultural strategy—Te Rautaki Tikaka Rua; and
  - (ii) SWL partners with iwi where possible and otherwise supports and continues to build on the existing strong relationship between iwi with SDC.
- (c) Neighbouring local authorities, the development community across Selwyn District, and all other third parties that play a key role in water service delivery.

### Other expectations

19. SWL is expected to:
- (a) Generally conduct its business in a manner that:
    - (i) is in accordance with sound business practice, including by ensuring that comprehensive business case development occurs for key or strategic projects;
    - (ii) is in the best interests of current and future consumers within the District; and
    - (iii) satisfies the requirement to be a good employer.
  - (b) Manage its operations in accordance with SWL's constitution, and all relevant legislation.
  - (c) Maintain strong independence and implement best practice approaches to the governance and operation of its business.
  - (d) Observe the practice of 'no surprise' reporting to SDC and maintain a 'no surprises' policy which sees SWL inform SDC in advance of any material or significant events, transactions or other issues that may attract public interest.
  - (e) Be open, transparent and accountable, including by complying with the Local Government Official Information and Meetings Act 1987 (**LGOIMA**) and SDC's information disclosure policies (noting information held by SWL as a council-controlled organisation is subject to LGOIMA).
  - (f) Ensure health, safety, and staff wellbeing are a top priority and that appropriate policies and structures are in place to support this.
  - (g) Ensure appropriate risk management identification and management structures are in place.

### Focus during establishment phase

20. For the first financial year of operations from 1 July 2026, SWL is to operate and be governed to achieve the expectations outlined in this SOE. In particular, SWL is expected to:
- (a) build its internal capacity so that it can successfully deliver on its stated purpose and role;

- (b) develop its working relationship with SDC, mana whenua, relevant regulators and other key stakeholders;
  - (c) undertake its business in a manner that generally aligns with SDCs existing LTP and other policies, until it adopts its first WSS;
  - (d) keep SDC regularly updated as to its performance against its objectives and priorities with prompt reporting to SDC of any difficulties or misalignment;
  - (e) work with SDC and the Local Government Funding Agency (**LGFA**) to prepare to accede to LGFA;
  - (f) develop its funding and financing programme, including determining its required revenue, and work closely with SDC (as agent) to facilitate the required collection and transfer of water charges to support delivery of services by SWL;
  - (g) prepare, with input from SDC, a new development contributions policy and framework (or equivalent, in the event of future reform and the introduction of a development levy regime) for SWL that will facilitate the recovery of 100% of SWL's growth related costs.
21. Up until 31 December 2026, SDC expects SWL to provide quarterly reports that include the same information listed for inclusion in the half-yearly report.

Yours sincerely



Sam Broughton  
**Mayor**



Steve Gibling  
**Acting Chief Executive Officer**