



Water Services Entities Bill – governance, accountability and consumer engagement

The Water Services Entities Bill is the first step in a suite of legislation enact the three waters reforms.

The Bill sets out the **ownership, governance, accountability arrangements** relating to these water services entities and includes essential provisions for ongoing public ownership and engagement, and **safeguards against future privatisation**.

This factsheet provides an overview of the governance and accountability arrangements set out in this Bill.

Governance

The Bill establishes a two-tier governance structure of the water services entities:

- **At the strategic level**, regional representative groups will provide regional and local level direction and oversight, including joint monitoring of the water services entities. The regional representative groups will be based on a representative model.
 - Regional advisory panels may be established by the regional representative groups to provide them with advice about how to perform or exercise their duties, functions, and powers.
- **At the operational level**, the water services entities will appoint independent, skills-based, professional boards. These independent boards will run the day-to-day management of the entities and oversee the maintenance and renewal of water infrastructure.

The Water Services Entities Bill sets out the roles and responsibilities of the regional representative groups. Each regional representative group will consist of between 12 and 14 members, with half of its members appointed from mana whenua within its region, and half from territorial authorities.

The legislation enables each group to determine their own constitutions setting out their composition, and the procedure to appoint representatives from territorial authority owners and mana whenua. This enables greater flexibility for each regional representative group to determine its own governance arrangements and how to establish regional advisory panels to ensure all communities have a strong voice in the new system.

Accountability

The Bill establishes strong accountabilities to communities and consumers on the performance and strategy of a water services entity.

The water services entity board will:

- consist of between 6 and 10 members who collectively have the appropriate skills to manage the infrastructure and service delivery.
- be directly accountable to the regional representative group.

The regional representative group will form a committee to appoint and remove, if necessary, members of the skills-based board.

At a strategic level, the regional representative group will issue a statement of strategic and performance expectations, which sets the objectives and priorities for services within the entity area. Mana whenua may also provide the entity with a Te Mana o te Wai statement for water services.

The board of a water services entity must give effect to the statement of strategic and performance expectations. It must also issue a plan on how it will take action on any Te Mana o Te Wai statements it receives within 2 years.

Consumer interests

The water services entities must:

- undertake direct engagement with consumers on its asset management plans, funding and pricing plans, and infrastructure strategies.
- establish a consumer forum(s) to assist with effective and meaningful consumer and community engagement, and understand consumer needs, expectations and service requirements.

The chief executive of each water services entity must undertake an annual a consumer engagement stocktake that captures consumer and community feedback on satisfaction with how the entity is performing. The consumer stocktake must set out how the water services entity will respond to consumer and community needs and address concerns.