COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

Terms of Reference

Water Committee

November 2026



Contents

Constitution **3**

Purpose **3**

Functions and Powers **4**

Membership **5**

Appointment *5*

Role of Convenor *5*

Responsibilities of members *6*

Voting *7*

Procedure **7**

Meetings *7*

Quorum *7*

Attendance *7*

Reporting *7*

Administration *8*

Term of office **8**

Annex A – Committee Membership **9**

Constitution

1. This document sets out the Terms of Reference for a duly constituted committee of the Commerce Commission Board (the Board), established under Schedule 5, clause 14 of the Crown Entities Act 2004.

2. It will be known as the Water Committee (the Committee).

Purpose

3. To set the Commission's strategic direction for the Water sector in alignment with Board direction, strategy and priorities and ensure effective regulatory oversight and performance of the Commission.

Accountabilities

4. This Committee will have the following accountabilities:

   4.1. giving effect to Board strategies and priorities;

   4.2. set and oversee the delivery of the Water strategy and priorities for the Commission, including Fair Trading Act and Commerce Act matters (in consultation with the Enforcement Committee), taking into account:

      4.2.1. the Annual Enforcement and Compliance Priorities;

      4.2.2. the SOI; and

      4.2.3. the strategy set by the Board;

   4.3. identifying points of interconnection with other regulatory systems by working with other Committees;

   4.4. monitor the development of the sector:

   4.5. taking strategic regulatory decisions;

   4.6. input into framing strategic regulatory matters;

   4.7. being involved in initiation/kick off discussions on certain matters;

   4.8. monitor timeliness and quality of delegated decision making;

   4.9. identifying when Committee members should be providing specialist advice to delegated decision makers;

   4.10. monitoring investigations within its regulatory system, considering outcomes of those investigations and providing enforcement recommendations or observations to the Enforcement Committee; and

   4.11. identifying functions or powers within its remit that it considers are appropriate to be exercised by persons other than the Board, the Committee or the Chief Executive, it should make such recommendations to the Board for further delegations by the Board, or approval by the Board of sub-delegation by the Committee

Functions and Powers

5. The Board has agreed that the Committee will exercise the functions and powers of the Commission as follows:

    5.1. discharge the Commission's functions, duties and powers under the Local Government (Water Services Preliminary Arrangements) Act 2024 for the **interim regime**, including:

        5.1.1. implementation and delivery of foundational information disclosure;

        5.1.2. implementation and delivery of the Crown monitor function for Watercare;

        5.1.3. provide foresight and oversight to the transition of economic regulation tools between the interim and enduring regimes, including for information disclosure

        5.1.4. provide foresight and oversight of the funding continuity for the Commission between the interim regime and the enduring regime, in particular, the arrangements for, and timing of any levies regulations; and

    5.2. discharge the Commission's functions, duties and powers under Parts 4, 4A and 6 of the Commerce Act (as amended by the Local Government (Water Services) (Repeals and Amendments) Act 2025) as they relate to water services, including:

        5.2.1. making s 52P determinations specifying how regulation applies in relation to water services;

        5.2.2. making input methodologies determinations in relation to water services;

        5.2.3. making recommendations for further regulation or deregulation in relation to water services;

        5.2.4. issuing guidance to the water services industry about service quality codes, and making service quality codes;

        5.2.5. provide oversight for the Commission's organisational design, its implementation planning, and funding and levy streams;

        5.2.6. exempting local authorities from compliance with provisions of subpart 12 of Part 4 of the Commerce Act;

        5.2.7. making recommendations for regulations relating to the protection of consumers of water services;

        5.2.8. monitoring compliance by suppliers;

        5.2.9. responding to proceedings that challenge Commission decisions or the decision-making process; and

        5.2.10. sharing information with regulatory agencies in relation to water services

5.3. Issue warning letters and approve the Commission entering into negotiated settlements.

6. The Committee will also provide governance oversight for the Commission's role as an independent regulator for councils charging development levies, as part of the Government's Going for Housing Growth programme.

7. The Board has agreed to delegate any powers and functions in relation to enforcement proceeding matters to the Enforcement Committee.

8. For the avoidance of doubt, the Committee has the ability to exercise the functions and powers of the Commission in the above areas. However, the Committee may choose to refer matters within the above remit to the Board on a case-by-case basis.

9. In discharging its powers, functions and duties, the Committee will have regard to the risk appetite and strategic direction set by the Board for the Commission.

Membership

Appointment

10. The Committee shall comprise members appointed by the Board by resolution.

11. It shall be comprised of at least three Committee members, of which at least two will be Commissioners or Associate Commissioners and at least one must be a Commissioner.

12. Committee membership details are outlined in Annex A which refer to both Core Members and Other Members. Core Members and Other Members are members of this Committee.

13. Regarding the appointment of Associate Commissioners, it is good practice that the Committee's functions and powers are within the member's notice of appointment. If they are not, then Associate Commissioners may still be appointed, however it will be in the capacity of an external member and not as part of their Associate Commissioner role.

14. Should a Committee member resign or retire, the Board may choose to appoint a replacement member.

Role of Convenor

15. The Board will also appoint a Convenor of the Committee. The Convenor's primary role is to:

15.1. Lead each meeting of the Committee, ensuring the agenda is efficiently progressed and conversations in the meeting are focused and balanced and guide the Committee towards decision making

15.2. Ensure the Board is kept informed in a timely manner of material risks which may affect the Commission, or of matters which might impact (adversely or positively) on the reputation of the Commission

15.3. Liaise with the relevant General Manager to ensure an effective and efficient agenda is set that meets the needs of the Committee, and to decide on attendance, including whether other Commissioners/Chair need to be in attendance Work with other Committee Convenors to meet the "no surprises" expectation for Enforcement Committee by identifying and tracking any Enforcement matters that may require decisions by the Enforcement Committee

15.4. Lead and facilitate (with support from the General Manager (or nominated delegate), and input from other members) the process of reporting to the Board on the Committee's work programme, progress, and results

15.5. To invite the chair to attend as needed, with an expectation that the Chair will be invited to attend when a matter involving significant risk to the Commission is to be considered

15.6. To invite "other" members of the Committee when their specialization may be required for Committee matters

15.7. Provide feedback on the performance of the relevant General Manager to the Chief Executive, via mechanisms agreed with the Chief Executive; and

15.8. Be responsible for leading stakeholder engagement for their regulatory system and act as primary spokesperson for the Commission in relation to the subject area of the committee.

16. In the Convenor's absence, members present at a meeting of the Committee will appoint a Commissioner or Associate Commissioner as Convenor for the meeting.

Responsibilities of members

17. In discharging their role as a member of the Committee, all members (including staff members and external members) should act in accordance with the expectations set out in the Commission's Governance Manual – particularly Chapter Four (General Board and Member Duties) and Chapter Nine (Board Committees and Divisions).

18. Committee members who are not Board members will also act in accordance with Schedule 5, clause 15 of the Crown Entities Act 2004 (these sections cover matters such as remuneration, expenses, employment requirements, liabilities and insurance), and any contract or letter of appointment agreed with the Commission in terms of their membership.

Voting

19. All matters arising at any committee meeting will be decided by a majority of votes of the Members present and voting. The Convenor will, in the event of an equality of votes, exercise a casting vote.

Procedure

Meetings

20. The Committee will meet as determined by the Convenor, ensuring sufficient notice is provided to other Committee members.

21. The Committee may undertake any of its roles or functions via email, outside of formal meetings.

22. The Committee may seek independent advice and obtain information if the Convenor of the Committee considers it is necessary. This will generally be arranged through the accountable General Manager.

Quorum

23. The quorum for all meetings of the Committee is two Committee members, of which both must be Commissioners or Associate Commissioners.

Attendance

24. Any Committee member who cannot attend a regularly scheduled meeting of the Committee must provide their apologies to the Convenor ahead of the meeting.

25. Any Commissioner who is not a member of the Committee may attend any meeting of the Committee as an observer, so long as they provide sufficient notice to the Convenor and are not otherwise excluded (i.e. in order to manage interests or potential conflicts of interest).

26. The Committee may have in attendance members of staff such as the Chief Executive and other persons as it considers necessary to provide appropriate information and explanations to the Committee. Attendance should be kept at a reasonable level and staff members may be asked to withdraw at the discretion of the Committee.

Reporting

27. To ensure the Board is kept sufficiently informed of the Committee's work programme, priorities and any significant risks the Committee will provide a report to the Board on a quarterly basis outlining the Committee's work programme highlights, upcoming matters of significance and any risks.

28. Outside of this report, the Convenor should ensure they escalate any matters on an as-required basis to the Board if they have broader implications for the Commission.

Administration

29. Secretariat services, planning, delivery and decision-making support will be provided by the Infrastructure Regulation Branch, via the General Manager as the accountable General Manager.[1]

30. The accountable General Manager is responsible for ensuring papers are circulated to Committee members in a timely manner and in line with the process and deadlines issued by the Office of the Board and Chief Executive. Any distribution of papers after the stated deadline must be approved by the Convenor.

31. The secretariat will be responsible for preparing the minutes of each meeting, circulating minutes for review, and maintaining the minutes of each meeting as a complete record in accordance with records management requirements. Draft minutes will be circulated to all the Committee members as soon as practicable after each meeting.

32. Aside from the matters outlined in this Terms of Reference and in the Commission's Governance Manual, the Committee may set its own procedure as it sees fit.

Term of office

33. The Committee will continue to meet under these Terms of Reference until the Board chooses to vary them or dissolve the Committee. The Terms of Reference may be amended, varied or modified at the agreement of the Board.

Version Control

Date	Version	Author	Comments
30/08/2025	1.0	Gemma Allcock, Senior Governance Adviser	Initial drafting
23/01/2026	2.0	Craig Spanhake, Principal Governance Adviser	Updated membership
09/11/2026	3.0	Craig Spanhake, Principal Governance Adviser	Reflecting Board resolution on 30 Oct for committee to oversee Development Levies function

[1] Note that, for the avoidance of doubt, while the accountable General Manager remains the key point of accountability for the Committee, the accountable General Manager may delegate administration and delivery responsibility within their Branch.

Annex A – Committee Membership

Core Members

"Core" members will be in attendance at all / most committee meetings and are actively involved in, and accountable for, committee matters.

The "core" members of the Water Committee are:

- John Small (Convenor)
- Loretta Lovell
- Graham Mitchell (external)

Other Members

Other members will have involvement in committee matters on an as needed basis as per their specialist areas outlined below.

It is the responsibility of the Convenor, when setting the agenda with sta , to identify which matters should involve "other" members and ensure they are invited for those items.

If an "other" member (or members) attend for a particular item, that should be clearly noted in the minutes. When attending a meeting "other" members have the same voting rights as "core" members and count towards the meeting quorum.

There are currently no "other" members of the Water Committee.