

Board meeting | 8 February 2024

Public session



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| Venue | Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams |
| Time | 11:15am to 12:45pm |

| Meeting administration | | Spokesperson | Action sought | Supporting material |
|--|---|----------------|--------------------------|---------------------|
| 1 | Opening Karakia | Nicki Crauford | - | Verbal |
| 2 | Apologies | Chair | Record apologies | Verbal |
| 3 | Quorum | Chair | Three directors required | Verbal |
| 4 | Declaration of any conflicts of interest | Chair | For noting | Verbal |
| 5 | Minutes of the previous meeting of 12 December 2023 Board meeting | Chair | For approval | Minutes |
| 6 | Public deputations | Chair | For information | Verbal |
| Items for information, discussion and approval | | | | |
| 7 | Chief Executive's report | Dave Chambers | For discussion | Report |
| 8 | Health, safety and wellbeing update | Paula Luijken | For discussion | Report |
| 9 | Updated Summer Water Production Plan | Mark Bourne | For information | Report |
| Governance | | | | |
| 10 | Audit and Risk Committee meeting update | Nicki Crauford | For discussion | Verbal update |
| 11 | Board planner | Chair | For information | Report |
| 12 | Directors' appointment terms, committee memberships and meeting attendances | Chair | For information | Report |
| 13 | Disclosure of Directors' and Executives' interests | Chair | For information | Report |
| 14 | General business | Chair | For discussion | Verbal update |

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| Date of next meeting | Tuesday, 5 March 2024 |
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Karakia Timatanga (To start a meeting)

1. Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora!

*Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost, a promise of a glorious day.*



2. Tukua te wairua kia rere ki ngā taumata

Hai ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TĀIKI E!

Allow one's spirit to exercise its potential

To guide us in our work as well as in our pursuit of our ancestral traditions

Take hold and preserve it

Ensure it is never lost

Hold fast.

Secure it.

Draw together! Affirm



Minutes

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|----------------------|--|
| Board meeting | Public session |
| Date | 12 December 2023 |
| Venue | Watercare Services, Level 3 Boardrooms, 73 Remuera Rd, Remuera and via Microsoft Teams |
| Time | 10am |

| Attendance | | |
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| Board of Directors | Watercare staff | Guests |
| Margaret Devlin (Chair) Julian Smith Graham Darlow Nicola Crauford Frances Valintine | Dave Chambers (CE) Mark Bourne (Chief Operations Officer) Jamie Sinclair (Chief Corporate Services Officer) Shayne Cunis (Exec Programme Director CI) Brent Evans (Acting Chief Customer Officer) Sarah Phillips (Chief People Officer) Suzanne Lucas (General Manager – Asset Upgrades and Renewals) (from start until end of item 10) Steve Webster (Chief Infrastructure Officer) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga) Paula Luijken (Acting Head of Health, Safety and Wellness) (for items 7 and 8) Nigel Toms (General Manager Risk, Quality and Assurance) (for items 7 to 9) Tere Ryan (Security Coordinator) (for items 1 to 6) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor) | Members from the public Jane Dent (for items 1 to 6) Peter Nicholas (for items 1 to 6) Members from Auckland Council Councillor Ken Turner, Watercare's Lead Councillor |

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| 1. | <p>Opening karakia</p> <p>The Chair opened the meeting with a karakia.</p> <p>Meeting administration</p> <p>The Chair acknowledged the passing of former Watercare Chief Financial Officer, Brian Monk. Brian will be fondly remembered for his contribution to Watercare and before that, the Auckland Transition Agency that set up Watercare.</p> <p>The Chair congratulated Rob Tinholt, Resource Recovery Manager for winning the national sustainability award for circularity for our EMERGE® branded fertiliser, which will soon be sold via Mitre 10 stores.</p> |
| 2. | <p>Apologies</p> <p>Trudi Fava, CCO Programme Lead, Auckland Council sent her apologies.</p> <p>Councillor Shane Henderson, Chair, CCO Oversight and Direction Committee sent apologies for the public meeting, but indicated he planned to attend the confidential session.</p> |
| 3. | <p>Quorum</p> <p>All directors were present at the meeting, so a quorum was established.</p> |
| 4. | <p>Declaration of any conflicts of interest</p> <p>No conflicts of interest were noted.</p> |
| 5. | <p>Minutes of the previous meeting of 7 November 2023</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 7 November 2023 be confirmed as true and correct.</i></p> <p>The CE noted that the AMP run rate is currently ahead of the budget for the year. However, the minutes remain correct.</p> <p>The Chair asked Management to publish Te Reo Māori Policy on Watercare's website.</p> |
| 6. | <p>Public deputations Emma McBride played a video presentation submitted by the Equal Justice Project (EJP) Law students Gena Shimoda and Catharina van Hest.</p> <p>The EJP commended the work Watercare does in managing carbon emissions and sustainability. The students recommended Watercare should be more proactive about communicating the approach and be more explicit and fulsome in how Watercare is tackling climate change. Climate change is also going to</p> |

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| | <p>disproportionally affect the youth of today, and Watercare needs to engage with younger people and, as recommended by last year's students, ensure that intergenerational equity is considered in all decision making.</p> <p>The Chair noted the EJP presentation and confirmed a formal response would be sent to them.</p> <p>Jane Dent and Peter Nicholas, members of the public and Herne Bay Residents introduced themselves and provided a presentation (Attachment 1).</p> <p>The presentation outlines a proposal to withdraw Salisbury Reserve from Watercare Resource Consent Application and Public Works Act notices served to Auckland Council to compulsorily acquire a lease for the reserve. The presentation suggested an alternative approach to enter agreement with Eke Pānuku to share their Curran Street area which has regularly been used by Eke Pānuku and Auckland Council as a works depot.</p> <p>They made the following key points:</p> <ul style="list-style-type: none"> • The residents are in favour of the project and the outcomes. However, they oppose the Reserve being used as part of the construction process for up to 24 months and then needing remediation afterwards. All up, they expect to lose the use of the reserve for 4-6 years. • To get the Salisbury Reserve site operational, extensive drainage and preparation works are required. Under the consent application, the Reserve would be used for 12 hours a day, six days a week, with plant and equipment delivered early and late in the day. • Westhaven staff have confirmed to Jane and Peter that the Curran Street site is available and Council no longer has immediate plans to redevelop that area, as funding is not available. • Jane noted that Herne Bay residents have the resources to take legal action to prevent Salisbury Reserve from being used, and they are prepared to take this legal action if Watercare does not use an alternative site. • Peter noted that the owner of a neighbouring property to Salisbury Reserve (which is one of the most expensive in Auckland), has told Peter that he does not want the Reserve to be used, and he will do what it takes to stop the Reserve being used. • Curran Street site does not require any consents. Additionally, it will not be as expensive as Salisbury Reserve site. • In summary, Herne Bay residents do not believe Watercare has fully considered alternative sites to the Reserve, or the fact that the use of Curran Street would be a positive for the project. <p>The Chair thanked Peter and Jane for the presentation and confirmed that their message had been heard clearly.</p> <p>The Board asked Management to come back with more information around the Curran Street site and give this option due consideration.</p> <p>The Chair confirmed that a formal response would be sent to Jane and Peter, before Christmas.</p> |
| 7. | <p>Chief Executive's report</p> <p>The CE introduced the report. The following key points were made:</p> <p><i>October 2023 update</i></p> <ul style="list-style-type: none"> • Watercare is working with the NTU to obtain access to the digital systems that were handed over to the NTU. |

- In response to a query from Cr Turner, the CE noted that to date Watercare does not have a visibility of what cost savings Watercare would achieve through shared services programme. We also do not know whether shared services would result in efficiencies, or whether centralising functions would in fact be less efficient for Watercare. Regardless, Watercare will be part of GSS planning in 2024 and act in Watercare's and Council's best interests.
- Muriwai Water Treatment Plant (WTP) is back in service. This means the water tankering has stopped. Since the WTP can only draw water from two springs, meeting the water demand during the summer months is a risk. The Board congratulated the team of getting this plant back up and running.
- The CE noted he was very proud of the many Water NZ Conference winners.

A letter of enquiry from the Environmental Protection Agency (EPA)

- An oversight resulted in Watercare Laboratory Services not obtaining a new approval from the EPA before the one that expired.
- There was no risk to public health as a result of the failure to get an approval, as the chemicals concerned were stored, used, and disposed of safely.
- The Lab has updated its tracking of approval expiry dates and introduced new systems to ensure compliance.
- Given the risks involved, including reputational risks, the Board asked for a further update on the compliance systems in place across Watercare for the storage and management of Hazardous Substances. It may be best that this is managed via Internal Audit.

Risk and compliance update

- There has been an increase in the number of LGOIMA requests filed this financial year.
- There has been no further update from the Privacy Commissioner in relation to their investigation regarding into a complaint from a community member. We hope to receive a further update from the Commissioner shortly, closing off the complaint.
- There has been one report to the PWC operated whistle blower line. Internal Audit is working with PWC to address this.

An update on recent incident at Ardmore WTP and a subsequent Improvement Notice issued by Worksafe

- The Board were concerned about the notifiable events that involved Worksafe and requested that the Board must be notified about any such events in future.

Climate change delivery and sustainability update

- The CE confirmed the Commerce Commission guidelines on environmental claims is for information only.
- The Board will be provided an update regarding climate change disclosure requirements.

Ōrākei main sewer

- The Board queried whether Watercare should be doing more messaging around the sinkhole. The CE advised that we are continuing to have a weekly incident team meetings led by the Operations team. We are also keeping Auckland Council/Healthy Waters informed, who manage SafeSwim. Stakeholders continue to receive weekly updates; and there is a link to the Safeswim website on Watercare's Auckland sinkhole webpage to ensure people check the latest water quality information before they swim in the Harbour. We are also keeping local stakeholders (e.g. recreational businesses on the harbour) up to date with developments.

- Mark Bourne noted that during the peak of the incident, we were doing daily water quality testing on weekdays. However, we plan to return to normal “business as usual” testing just before Christmas. At the request of the Board, the Communications team will update the website to explain why testing is returning to normal.
- The independent review into the cause of the sinkhole and collapse of the sewer is due to be sent to us in draft form, before Christmas.
- In conjunction with Healthy Waters, we are undertaking a CCTV inspection of the storm water pipes.

Statement of Intent (SOI) measures

- Total recordable injury frequency rate (TRIFR) has been increasing and continues to be our focus. However, lost time and severity of injuries is tracking down.
- A draft report from HSE Global, an independent external reviewer, is expected before Christmas.
- A deep dive into HSW numbers is being undertaken to ensure they are correct.
- The Controllable cost target is red. However, at time of budget it was anticipated that flood management costs will be recovered via insurance claim. When this is taken into account, controllable costs are actually under budget.
- Despite the extreme weather events, the Customer Net Satisfaction score is showing a good progress (44 against a target of 45). This score should be changed from red to amber.
- The Board discussed attachment 1.1, methodology update for the SOI measure on ‘Reactive maintenance spend vs proactive renewals spend’. The update was taken as read. The Board asked the team to keep the measure simple and suggested using the graph on ‘unplanned maintenance and renewals’. In theory, as planned maintenance increases, reactive maintenance should decrease, and at a certain point of time, the two measures should cross each other, rather than diverge. Mark Bourne noted that the graph only represents a sub-set of our assets, not all of them. Our major strategic assets are closely monitored, and we undertake much more planned maintenance on those types of assets, to ensure we have fewer outages. In contrast, we do less proactive maintenance on our smaller assets (those represented in the graph), which includes 17,000 kms of pipelines and 600 pump stations.

People dashboard and staff engagement survey results

Sarah Phillips noted that:

- The twice yearly full engagement survey was completed in November 2024.
- The engagement score has moved up 0.3 points to an average of 7.6 and eNPS has moved up 23 points from 4 to 27.
- The participation rate also remained high for this survey, with Operations and Infrastructure business units having very good participation rates.
- All but one business unit saw an improved results. The remaining business units’ score remained the same.
- Feedback from the survey shows an improvement around communicating our remuneration strategy, and staff also feel good about our Health and Safety.
- Staff turnover continues to trend down and is now 12.5%.
- Given the challenging year, the Board recognised Management’s efforts and congratulated the team on the positive results.
- In response to questioning from the Board, Sarah noted the survey results showed that the business wanted to see the Board and Management focussing on strategy and direction.

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| | <p><i>Flood recovery working group – update</i></p> <p>Suzanne Lucas provided an update on the flood recovery.</p> <ul style="list-style-type: none"> • Since the last update, no new issues/faults have been found. • We are continuing to go through the same process ie. prioritising the work based on the criticality. • There are 37 projects under design phase and 18 in delivery. There are still many temporary repairs in place, including four sites with bypass pumping whilst we finalise design. • \$23m worth programme of works are capex approved. A programme of works worth \$26m is awaiting capex approvals, out of which \$10m-\$15m are planned approvals. To keep the focus on recovery works, the programmes have been kept separate from our business as usual works. • The stakeholder team has been heavily involved in the flood recovery works. • The likelihood of getting the insurance payout this financial year is low. The insurance company wants to see construction invoices before they pay out. Also, our original insurance estimate signal was quite high, and has now been revised down, so they are keeping a very close eye on the claims. It is a long and complicated process, but we have a good team working on the claims. • The Board asked Management to escalate this matter further with Management at AON, and explain that the Board are concerned at the delay in at least providing a progress payment, given it has now nearly been one year since the storm. • The Board requested an update on Phase 3 flood recovery, which should set out the ongoing risk around flood works and climate adaptation. <p><i>Watercare’s response to Department of Internal Affairs</i></p> <ul style="list-style-type: none"> • Watercare’s response to Department of Internal Affairs regarding Consultation Feedback on Funding and Pricing Plan and Asset Management Plan is to be shared with Auckland Council. <p><i>The Board noted the report.</i></p> |
| 8. | <p><i>Health, safety and wellbeing update</i></p> <p>Jamie Sinclair and Paula Luijken noted the following key topics:</p> <ul style="list-style-type: none"> • A comparison from last year’s HSW numbers shows the number of days off and incapacity per injury has reduced significantly. • A review has been underway to deep dive into our injury data to look for any trends. • The HSW culture review is underway. • The recent culture survey results showed an increased score from 7.6 to 8.1. • For critical risk events noted in the report, good controls were in place such as exclusions zones. • The Board were concerned about the violence and aggression incident noted in the report which involved Newmarket reception. Whilst this event was unusual for Watercare it is not unusual for a public entity. The Board recommended that staff be reminded of where panic alarms are, and that they should use them in these types of situations. <p><i>The Board noted the report.</i></p> |

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| 9. | <p>Audit and Risk Committee meeting update</p> <p>Nicki Crauford, the Chair of Audit and Risk Committee (ARC), provided an update on the ARC meeting held on 21 November 2023. She noted that the ARC:</p> <ul style="list-style-type: none"> • Reviewed the Board Delegation to the CE Policy, recommended minimal changes, and this will be going to the Board for approval; • Discussed a request from Auckland Council and Audit NZ regarding amendments to be made in the SOI 2023-26 to include forecasts for the next three years; • Discussed a critical asset review requested by Auckland Council; • Discussed internal audit plan for the period ending 30 June 2024 and recommended to include an audit of the planning and consents team and billing engines; • Received further update on Watercare’s incident response on Auckland Anniversary floods and Cyclone Gabrielle; • Received an update on ongoing impact and risk of landslips to water production; and • Received an update on supplier code of conduct, modern slavery and Business Payments Practices update. <p>Nicki noted that during December 2023, as a Chair of Watercare’s ARC, she attended Auckland Council’s Audit and Risk Committee meeting where the main item of discussion was Watercare’s enterprise risks. It was a positive meeting and the Mayor noting that our risks were well explained.</p> |
| 10. | <p>Asset management committee meeting update</p> <p>Graham Darlow, the Chair of Asset Management Committee (AMC), provided an update to the Board on the AMC meeting held on 29 November 2023. He noted that the AMC discussed:</p> <ul style="list-style-type: none"> • Capital delivery for the Waikato District Council (WDC) contract; • Huia Water Treatment Plant replacement project update; • AMP financials, AMP run rate and cash position; • Five yearly AMP forecast; • Lessons learnt from the Enterprise Model agreement; and • to work out how regularly the committee should meet in 2024. |
| 11. | <p>Board planner</p> <p>The Chair asked the Governance team to:</p> <ul style="list-style-type: none"> • Schedule Board meetings for rest of the 2024. • Arrange a Board site visit to Huia WTP replacement project before the March 2024 Board meeting, as discussed at the AMC meeting. • Schedule a Board meeting for 25 January 2024 to approve the Long Term Plan financials. |

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| | <p>Emma McBride noted that Auckland Council will not be progressing formal site visits for 2024. They have advised that CCOs can invite councillors for specific project or programmes related to site visits or events. Watercare has received a draft schedule for deep dive sessions with the CCO Direction and Oversight Committee with Watercare's deep dives to occur in February and July. These dates will be added to the Board planner.</p> <p><i>The Board noted the Board planner.</i></p> |
| 12. | <p>Directors' committee membership and meeting attendances</p> <p><i>The Board noted the report.</i></p> |
| 13. | <p>Disclosure of Directors' and Executives' interests</p> <p><i>The Board noted the report.</i></p> |
| 14. | <p>General business</p> <p>The public session closed at 11:42am.</p> |

CERTIFIED AS A TRUE AND CORRECT RECORD

.....
Margaret Devlin, Chair

Attachment 1

5.1

SAVE SALISBURY RESERVE

PETER NICHOLAS
JANE DENT



WHAT WE ARE SEEKING

- Watercare Board to instruct the Executive to:
 - Withdraw Salisbury Reserve from Watercare Resource Consent Application
 - Withdraw Watercare's Public Works Act notices served on Auckland Council to compulsorily acquire a lease for the reserve.
 - Enter agreement with Pānuku to share their Curran Street area which has regularly been used by Pānuku and Auckland Council as a works depot.

PANUKU LAND SOLUTION

- Watercare already has an involvement in the Pānuku land as the North Shore watermain has a property easement there.
- The community has had discussions with Panuku to assist Watercare in reaching an agreement.

BACKGROUND

- Salisbury Reserve has been identified as a second supporting works area within an overall consent for the Herne Bay Trunk Sewer Upgrade.
- The reserve would be privatised by the works contractor for two or more years removing the Reserve from a large Herne Bay catchment.
- Works within the Reserve will have significant social impact on the community.

BACKGROUND

- Overwhelming Community opposition to the consent and proposed lease.
- The Community has resolved to commence litigation if Watercare fails to withdraw the two applications.
- The use of the Reserve is bundled into the overall resource consent, so litigation has the potential to delay the entire project which neither party wants.
- The assessment of effects (within the RC) for the use of the reserve are fundamentally inadequate and will be open for challenge in the consent process

5.1

CONFLICTING MESSAGES

- Confusion over the need for Salisbury Reserve
- Confusion over the area needed within the site
- Inadequate assessments of alternatives to Salisbury

SOLUTION

- Local connections in Herne Bay have identified a better site for the temporary works contractor to use the during construction period.
- Westhaven staff have confirmed the site is available, and due to its significant size can be shared with any Pānuku projects that may be underway.
- Pānuku has confirmed that the associated Harbour Bridge redevelopment project has been placed on hold as its funding is no longer available.

THE SOLUTION – SHARING PĀNUKU LAND



Image from Pānuku website

Image shows land area in use as a construction site during the Auckland Council promenade stage two works

PĀNUKU OWNERSHIP

Private Bag 92300, Victoria Street
Auckland 1142
09 301 0101
www.aucklandcouncil.govt.nz



RATES INFORMATION

Location of Rating Unit 105-125 Curran Street Herne Bay Auckland 1011

For period 1 July 2023 to 30 June 2024

Assessment Number 1234535141

Valuation Number 00012-02300174900

Valuation as at date 1 June 2021

Capital Value \$2,975,000

Land Value \$2,925,000

Record of Title Number NA78C/333

Description of Rating Unit Lot 19 DP 133386



CURRAN STREET



POSITIVES WITH CURRAN STREET SOLUTION

- No consent required for use of the Pānuku land
- No expensive preparation or remediation costs for the land
- No residential neighbours to the Curran St Site
- No community impacts on use of the site (it's been done before)
- No daily time of use constraints

POSITIVES WITH CURRAN STREET SOLUTION

- No consent condition monitoring
- No delayed start to the project
- No reputation damage to Watercare
- No expensive litigation with Herne Bay residents over an appeal to the Environment Court on the consent or a Judicial Review of the Public Works Act process.
- No wastage on additional costs such as Public Works Act requirements

QUESTIONS ?



Chief Executive's report – February 2024

Presented by: Dave Chambers



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1. November and December 2023 update

Watercare wrapped up 2023 with some significant successes.

- We publicly and voluntarily shared our gender pay gap benchmarking, showing improvements in reducing the pay gap over the previous two years as well as acknowledging the improvements still to come. This is part of our commitment towards championing fair pay.
- We also received the Gender Tick accreditation in December – this is an important recognition for organisations progressing gender equality in the workplace. This was enabled by the concerted work of our people and capability business partners and the Diversity Inclusion and Belonging Committee. The Gender Tick is valid for one year – our aim is to not only renew the accreditation but roll out new initiatives to meet the advanced criteria.
- Our resource recovery manager Rob Tinholt won the Sustainable Business Awards' national sustainability award for circularity for our struvite fertiliser EMERGE®. This is a fantastic achievement for Rob, the resource recovery team and Watercare – it showcases our leadership in this area. Mitre 10 will be stocking and distributing EMERGE® fertiliser for the general market soon.
- One year after its launch in December 2022, our Watercare App saw 55k downloads, with continuous improvement in functionality and lots of great user feedback. As of December, it was one of the top three free business apps in the App Store and one of the top four on Google Play.
- We completed construction of the third reservoir on Redoubt Rd, with commissioning planned for late January 2024. The addition of this reservoir to the complex at Redoubt Rd will increase storage capacity by another 45 million litres per day, ensuring security of supply for Auckland.

In December, we officially launched our summer water efficiency campaign “Make every drop count Auckland” across our social media platforms. The campaign has had 183 posts and more than 1.75 million impressions (the number of times our messages were displayed) so far. We will keep this going and evolve the messaging as required, keeping in mind the current supply situation and the forecast for an extremely hot and dry summer.

Watercare continues to work with Ngāti Whātua Ōrākei to discuss the Ōrākei Main Sewer collapse and long-term plans associated with the rehabilitation.

2. Water Services Programme

Local Water Done Well

In December 2023, the Minister of Local Government Simeon Brown announced that the Government will introduce and pass legislation to repeal the previous government's water services legislation in early 2024.

The repeal bill is the first part of the Government's new approach to water services delivery, Local Water Done Well, and will be introduced in February 2024 and enacted as soon as possible as part of the Government's 100-day plan.

The Minister advised of the transitional support options available to assist in completing long-term plans. To provide flexibility for the needs and circumstances of different councils, Cabinet has agreed the repeal bill will include provisions that make temporary modifications to local government legislation for the transitional period affecting the 2024 long-term plans. Once the bill is passed, the options will be available for councils to use as appropriate.

Local Water Done Well recognises the importance of local decision making and flexibility for communities and councils to determine how their water services will be delivered in the future, while still retaining a strong emphasis on water quality and infrastructure investment.

We were expecting this announcement and have been working with Auckland Council on various scenarios, including financial independence, to allow more borrowing/ infrastructure investment/ price path assessment.

Closure of the Water Services programme

Local Water Done Well has a fundamentally different approach to that of the previous Government. It does not require the establishment of and transition to new water services entities nationally, nor is the same level of central government effort or resource required. In response to Government direction, it is intended that all functions and activities within the National Transition Unit be disestablished to enable a substantive closedown of the programme by the end of March 2024. The Government's intention is to release as much funding as possible from the Programme to redirect back to Government.

The first step in those changes was to cease work on the NTU's Customer & Digital programme prior to Christmas, including Systems of Record and Corporate Systems/OT. The Water Services Policy, Legislation and Stewardship function will be retained to provide policy support, including support for new legislation as required. Consultation will be undertaken internally from 7 February 2024 to seek feedback on how a smooth and managed closedown of the programme is enabled by March 2024, with a full closedown by no later than 31 May 2024.

Council Requests for Information

The National Transition Unit (NTU) is now focussing on preserving the value of the programme. They have been approached for copies of specific information such as Draft AMP's, FPP's, allocation schedules etc, through a variety of mechanisms. They have established internal processes to capture these information requests.

The NTU is focused on supporting the effective closedown of the programme. This includes a substantive review of the information developed, its collation for ease of use, and appropriate storage to enable efficient access in response to information requests.

3. Key performance measures

[Attachment 1](#) sets out Watercare's performance against the current Statement of Intent (SOI) measures for November and December 2023.

4. Our people

In December 2023, we received confirmation of Gender Tick (GT) accreditation. The accreditation is the result work across the last 12 months to improve gender equality across five key areas. A number of initiatives have been implementing to support the GT evaluation including, a full review and introduction of new policies, partnership with Dignity to provide access to period products, and improved reporting around leadership and gender pay. The GenderTick is valid for one year and will be renewed next year if we uphold our policies and maintain the initiatives we have put in place.

As part of the Gender Tick accreditation, in November 2023 we published our gender pay gap for the first time on our website and by participating in Mind The Gap registry. As of last year, New Zealand's gender pay gap was 9.2 per cent. For the financial year 2022, our gender pay gap was 13.51 per cent. For the financial year 2023, the gap reduced to 11.82 per cent. The reduction was achieved through the first phase of a targeted action plan. Whilst we have made good progress, we still have work to do to continue to improve gender equity.

Over the end of last year, we ran our annual sports tournament where eight mixed teams from across Watercare participated in weekly sports events to take out the overall title. The sports tournament is a popular event run by a team of eager volunteers and provides an opportunity to meet and connect with people from across the business. A lot of fun was had by the teams with the Pink team taking the overall title.

December 2023, also saw our first cohort of the Koiora Leadership Development programme successfully graduate. The five-month-long programme empowers kaimahi Māori by giving a greater understanding of their link to their cultural heritage and explores what leadership means for them, for their whānau, hapū and iwi. It included an overnight stay at Te Mahurehure Marae in Point Chevalier, a tira hoe (waka row) on the Waikato River, and sessions on mental toughness, physical courage and respect and power and authority within the business. The programme culminated in a presentation to our executive team on three key initiatives to be taken forward by each team. Koiora is part of our commitment to fostering increased diversity within leadership positions at Watercare. A second cohort is planned for 2024.

The People dashboards for November and December 2023 are included as [Attachment 2](#). Metrics show turnover has continued to trend downward over November and December 2023, dropping below 12%.

5. Partnership

Watercare launched [Te Kaupapa Here Reo Māori a Watercare 2023 – Watercare's Māori Language Policy](#). The policy is now available on our website.

Water reform changes and mana whenua relationships

Over the past half-year, the primary focus of our engagement with Watercare's mana whenua partners has been on water reforms. Te Rua Whetū's secondment to the National Transition Unit's Iwi Māori Engagement team, and subsequent leadership in iwi partnerships for Wai Tāmaki ki Te Hiku, allowed us to initiate direct discussions on this important matter as soon as information became available.

Watercare's commitment to Te Tiriti and Te Mana o Te Wai is outlined in our company plan and continues to be a foundational driver for achieving positive outcomes for Māori in collaboration with our iwi and mana whenua partners.

Lessons and opportunities arising from the broader reform programme with iwi partners will be reviewed, and relevant insights will be integrated into Watercare's Māori Outcomes Plan. This includes utilising guidance documents on Te Mana o Te Wai to better support iwi and mana whenua with their aspirations for the taiao (environment).

Next steps

Looking ahead, given the evolving landscape of water reforms, prioritising the resetting of relationships with our iwi and mana whenua partners is imperative. Meetings with Chairs and Chief Executives are scheduled for the first quarter of 2024 with the aim of addressing concerns and clarifying Watercare's role and responsibilities in water services for the interim period.

Despite the temporary pause in the reform programme, the internal capability building of Watercare staff on Te Tiriti o Waitangi and Te Mana o Te Wai will continue, ensuring ongoing understanding and alignment with these principles.

6. Operations

6.1 Water resources

The leak management programme is ongoing. Since the start of the programme approximately 22,300 kms have been surveyed to date with 14,144 leaks found. Since the start of the leak management programme over 26MLD of water savings have been achieved.

6.2 Water quality

Formal compliance reporting to Taumata Arowai continues with reporting systems operational. The first Annual Report for the period 1 January 2023 – 31 December 2023 is due in February 2024.

Microbiological and chemical compliance has been achieved for the months of November and December 2023 for all water treatment plants (WTPs) and distribution zones (DZs).

Residual disinfection compliance has also been fully achieved for all distribution zones.

Annual Review of Watercare's Drinking Water Safety Plans have been completed.

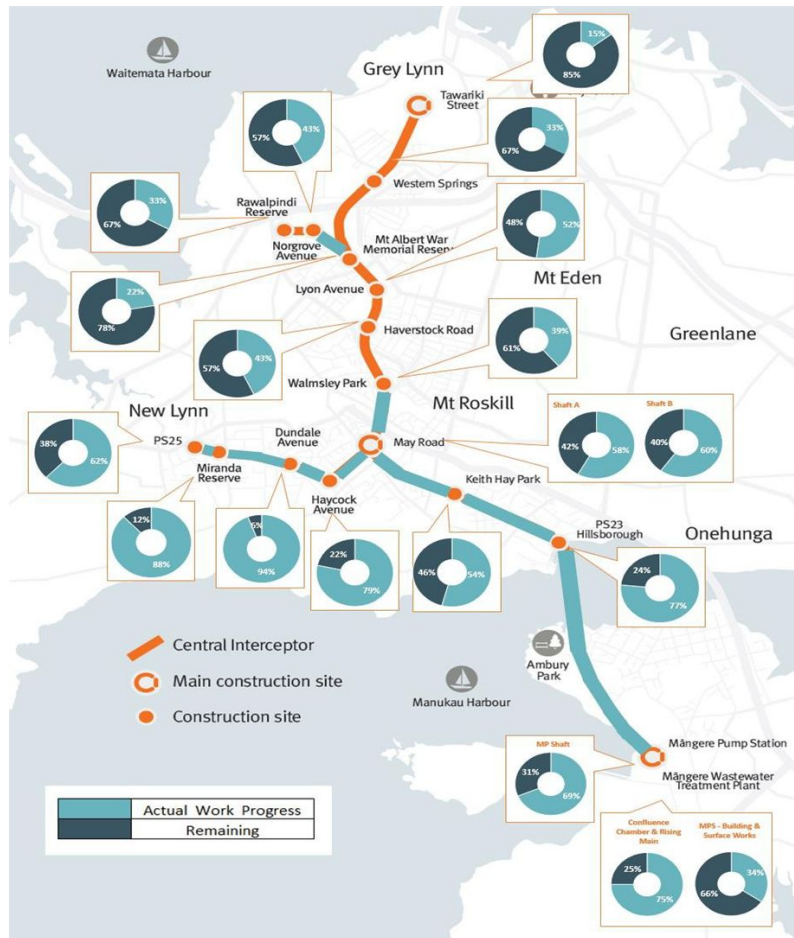
[Attachment 3](#) sets out water quality report for December 2023.

7. Central Interceptor

Milestones continue to be achieved across the CI project as construction continues across all sites. Monthly highlights are as follows:

- Tunnel Boring Machine (TBM) site establishment works at May Rd were fully complete in November 2023. The Main TBM advanced 424m in December 2023, with a total length of 8,716m installed at month end. The TBM stopped for the holiday break on 23 December 2023 just before reaching the Walmsley shaft connection point.
- Southern tunnel works – TBM services strip-out, cleaning, HDPE welding and Keith Hay Park tunnel/shaft connection work in progress.
- Micro TBM works on Link Sewer B from Mt Albert to Norgrove was complete in November 2023 with tunnel strip-out and annulus grouting activities in progress in December 2023. Micro TBM at Keith Hay Park completed both drives for Branch 9b sewer.
- Sewer chamber connection work in progress with the live interceptors exposed at Confluence Chamber, PS23, Haycock and PS25.
- Māngere Pump Station (MPS) MEICA works progressing well with all six main pumps installed. Electrical works commenced in the switchroom building and one of the two main switchboards delivered in December 2023. Continue installation of the rising main section from the pump station, underneath the Western Interceptor, to the transition to the PE section of pipelines, along with construction of the Emergency Pressure Relief structure in the Manukau Harbour.
- Stop plates installed and temporary works for confluence chamber in progress. Existing interceptors removed from the diversion chamber and confluence chamber excavation ongoing. Temporary over-pumping system installed in December 2023 to allow demolition of the existing Western Interceptor to commence in January 2024.

- Commenced excavation work for the shaft at Tawariki St, this is the last of the main tunnel shafts to be excavated for the CI scheme (excluding the Pt. Erin extension).



8. Huia water treatment plant replacement project

In late December 2023, the Environment Court granted Watercare a resource consent that allows the Huia Water Treatment Plant replacement project to proceed. The consent relates to the earthworks and vegetation removal that is needed for Watercare to build a new treatment plant to replace the 95-year-old original plant, which is at the end of its operational life.

The replacement plant caters for our region's growth and, with two new treated water storage reservoirs, improves the resilience of the water supply. It will supply water to approximately 300,000 Aucklanders, making up about 20 per cent of Auckland's water.

The resource consent was appealed by a number of parties. Over the last few years, Watercare, Te Kawerau ā Maki, the Titirangi Protection Society, the Tree Council, Waitākere Ranges Protection Society, Forest and Bird and other stakeholders have attended various mediations and meetings and now finally agreed on a way forward. This means the Environment Court legal appeals have been settled and withdrawn.

The resource consent contains a condition that requires Watercare to establish the Biodiversity Trust with a lumpsum contribution of \$8.25m to fund its work over a 25-year period. The trust will include members from Watercare, Auckland Council, the Waitākere Ranges Local Board, the community liaison group, two community representatives connected with local community-led conservation projects, and mana whenua Te Kawerau ā Maki. It will work with the community to enhance the biodiversity of 380 hectares of public and private land in and around Waima. In particular, it will enhance native forest regeneration, increase community engagement in the importance of sustainable management of the area, and carry out pest management initiatives.

Watercare is also developing a comprehensive risk management plan to prevent the spread of the phytophthora soilborne pathogen that can cause root rot diseases in Kauri trees. This includes strict control and treatment of stormwater on site, movements on and off site, and the locations where earthworks and vegetation can be transported to.

Finally, as part of this project, Watercare will be restoring the Nihotupu filter station which sits at the entrance to the Exhibition Drive walkway.

The other conditions of the resource consent are focused on mitigating adverse effects on the community and the environment covering things like traffic management, noise, hours of operation, and in particular, stringent conditions aimed to prevent any transfer of kauri dieback.

Concept design for the water treatment plant is now underway. At this stage, we plan to begin construction of the replacement water treatment plant in 2027.

9. Risk and compliance update

9.1 Privacy legislation

In December 2023 we updated the Board on a privacy complaint from a community member. The Privacy Commissioner has now confirmed that they have closed their investigation on the basis that we have: notified the affected parties; are training staff members on the requirements of the Privacy Act 2020; and are reviewing our Resource Management Act consenting process and documentation to ensure we balance the needs of both the RMA Act and the Privacy Act.

9.2 Privacy Act requests

In October 2023, we received two requests for information under the Privacy Act 2020. One of these requests was transferred to us from Auckland Council. Out of the two requests received, one request was responded within 20 working days (in accordance with the Privacy Act 2020) and we extended the time to respond the remaining request by additional 20 working days. This extension was necessary because the request necessitated us to collate information relating to our correspondence to them and about them. At the time of writing this report, we have now processed the request in accordance with the Privacy Act 2020 and responded to the requester.

9.3 Enterprise risk management

- An exercise to test Watercare's response to a cyber-attack on our control systems (SCADA) and resultant impacts on our operational plants is being planned for March 2024. The site identified for the initial test will be Huia Water Treatment Plant.
- Further to the discussion held at the November 2023 Board meeting, work is continuing on ways to capture and articulate enterprise risks facing Watercare in their totality, including emerging, global and longer-term risks.
- An emergency exercise with Fire and Emergency New Zealand (FENZ) in attendance, to test our operational response plans, is being planned for Rosedale Wastewater Treatment Plant in March 2024.

9.4 LGOIMA requests

In November and December 2023, we received 29 requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Six of these requests were transferred to us from Auckland Council.

Out of the 29 requests received, we responded to 27 requests within 20 working days (in accordance with the Act).

At the time of writing this report, we are coordinating the response for one of the requests, and we aim to respond to it within 20 working days.

For the remaining request, we discovered in December 2023 that the request was received by the company in November 2023, but not actioned. The request should have been sent promptly to our LGOIMA team for processing, but this did not happen and therefore the statutory deadline was missed. Once the request was received by the LGOIMA team and logged, it was responded to within three days.

So we can avoid this type of thing happening again, we have reminded our business leaders to share with their teams the importance of dealing promptly with LGOIMA request. The team in question has also had additional training. Finally, we have developed an online learning module specifically focussed on LGOIMAs and which is now recommended learning for all staff.

In the meantime, and before the customer received our response, the customer made a complaint to the Ombudsman regarding the delay. We are cooperating with the Ombudsman to provide the information they are requesting as part of their possible investigation.

9.5 Complaints via the Office of the Ombudsman

During January 2024, we received an enquiry from the Office of the Ombudsman. The current status of this enquiry is set out in section 8.4 of this report.

9.6 Legal action

- RMA related:
 - Huia Water Treatment Replacement Plant: As noted above the appeals have now been resolved, meaning this legal action has been settled.
- Non-RMA related:
 - There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain. The matter is being handled by our insurers. A mediation was scheduled to be held in late 20 December 2023 but an extension of time was sought by the other side. Further update should be available in the first half of 2024.
 - In February 2023, Watercare was served with a copy of proceedings lodged in the Māori Land Court by Te Runanga o Ngāti Whatua, Ngāti Manuhiri Settlement Trust concerning the legal status of the Hōteo Awa bed. Watercare owns property in Wellsford that adjoins the awa and draws water from it. Watercare filed a notice of intention to appear in late March 2023. The two iwi are now filing their proceedings and the Court will decide how it wishes to hear the case. Further updates that will involve Watercare are not expected for some time (i.e. possibly years).

9.7 Whistleblowing

The PwC operated Whistleblower line received a call regarding allegations of asbestos contamination affecting the Auckland water supply, with management and governance of Watercare being actively involved, in conjunction with Watercare's insurer, in concealing the asbestos contamination from water users.

We have completed our investigation of the matter, and as the allegation was made anonymously, we have responded to PwC. Our response is set out as [Attachment 4](#). A similar update is being provided to the Audit and Risk Committee in the February 2024 meeting.

9.8 Non-compliance with resource consents

Auckland

Overall consent compliance improved from November 2023 and only two sites had full non-compliances, the majority (85%) of non-compliances were technical. The non-compliance issue at Māngere has been resolved, and recent data from Kingseat indicates the plant has returned to normal (compliant) performance.

The technical non-compliances remain relatively high because of single conditions triggering multiple consents. Procedural issues continue to affect the eight wastewater network discharge consents and an associated pump-station consent with very similar conditions, and a problem with a valve at Upper Nihotupu triggered non-compliance with five separate consents. The design and constriction non-compliances relate to ongoing challenges in progressing riparian restoration at the Waikato treatment plant where a solution that does not include herbicide is required.

[Attachment 5](#) sets out the details on the significant non-compliance for December 2023.

Waikato

Watercare operates the Waikato District Council's water and wastewater treatment plants under contract.

Between 25 and 26 October 2024, the Raglan Wastewater Treatment Plant had a repeat programming fault, resulting in three discharges of treated effluent on the incoming tide to the Raglan Harbour in breach of the resource consent. The investigation identified a programming issue in the tidal data due to human error and a lack of adequate validation of the programme data.

The review and correction of the data to the end of December 2024 has since been completed.

Watercare attended the community meeting on the evening on 2 November 2024, with Waikato Water Governance Board members, Council staff, and a Watercare executive in Raglan to explain what happened, what actions have been taken, and to respond to any concerns. A report was provided to the Waikato Regional Council detailing the two events resulting in five instances of treated effluent being discharged on the incoming tide from the plant and the corrective actions.

A meeting with the Waikato Regional Council will be held on 8 February 2024 as part of an investigation into the consent breaches. The Watercare Board will be kept up to date with all developments.

10. Laboratory services – hazardous substances review

Background

As noted in the CE's report for December 2023 Board meeting, the Laboratory received a letter of enquiry from the Environmental Protection Authority (EPA). This query was prompted following the Laboratory's application for a new containment permit application, during which it was identified that the Laboratory was holding Persistent Organic Pollutants (POPs) without a current permit, a breach of the Hazardous Substances and New Organisms (HSNO) Act 1996. The total amount of POPs held being 56mg (or approx. 56/1000th of a teaspoon of liquid).

The Laboratory has reviewed its management of POPs against the controls required by EPA, the only gaps identified being administrative controls (e.g., incomplete tracking records, not notifying EPA when POPs are purchased / disposed). The Laboratory responded to EPA on 1 December 2023 having implemented the additional measures requested and the EPA has subsequently been granted a new five year containment permit valid until 27 November 2028.

Hazardous substances regulatory framework for laboratories

The Laboratory is required to follow two key pieces of legislation for managing hazardous substances: the HSNO Act 1996 and Health and Safety at Work (Hazardous Substances) Regulations 2017. The Laboratory is only required to follow Part 18 of these regulations, which cover the laboratory specific context with comparatively small volumes of a broad range of hazardous substances by well-trained/specialised staff. The only other substance the Laboratory handles, subject to specific regulatory requirements, is control reference quantities of 1080 which is subject to an annual WorkSafe review.

Prior to the EPA enquiry, the Laboratory had initiated a third party consultant audit of its hazardous substance management as part of routine Laboratory management reviews of safety and compliance. Technical Compliance Consultants conducted their audit, against the relevant requirements of the HSNO Act and Hazardous Substance Regulations on 23rd January 2024, with no significant issues identified.

In addition to the hazardous substance regulatory framework, the Laboratory is IANZ ISO/IEC 17025 accredited which requires an overarching management system (akin to ISO 9001) and is audited externally by IANZ on an annual basis. The Laboratory is routinely identified as a specific audit site, when the Watercare's AEP and Telarc H&S audits are conducted. The most recent audit dates being Telarc (ISO 45001 Stage 2 assessment) – 14 September 2023. These audits have not identified any relevant issues pertaining to hazardous substance management at the Laboratory.

Next steps

The following additional actions are in progress/completed:

- Exempt Laboratory training for senior laboratory staff / HS Reps completed on 5 December 2023 with refresher training scheduled every year.

- Register of all permits / approvals across the laboratory has been compiled.
- A review of the Laboratory's Exempt Laboratory Manual is underway to ensure any gaps are identified and addressed.
- Full audit of all hazardous substances held on-site is underway, which will include requirements for review of current volumes held.
- A further independent review will be completed in 12-18 months (pending the issuing of a new Worksafe safe work instrument guidance document for laboratories) and five yearly thereafter, or earlier if any regulatory changes are made.

Future planned approach for chemicals held on operational sites is outlined below and will commence immediately:

- Internal Audit can assist with a review of the Certifications, ensuring that all relevant certifications for individual sites are up-to date and valid.
- Health, Safety and Wellbeing (HSW) team will perform a physical inspection of storage of the hazardous substances to ensure that we are complying with our Certification.
- HSW and Internal Audit Team to complete the Hazardous Substance training to ensure that they are aware of the audit/inspection requirements.
- HSW will develop and deliver a rolling physical inspection programme to ensure that sites are complying with the requirements of the certification and highlight any deficiencies.
- The Internal Audit Team will confirm the programme is up to date and actions are completed as planned.

11.Climate change delivery and sustainability update

Performance against the greenhouse gas SOI measure is tracking well at the halfway point of the year (39,539 tCO₂e vs 44,650 tCO₂e). Through reviewing available data, we are seeing positive performance in electricity, natural gas, and fuel consumption. Action continues to integrate the projects in the 2030 Decarbonisation Roadmap into the planning and delivery mechanisms of Watercare. Through this process projects in the roadmap get further analysis and, in some instances, this has led to them being removed from the roadmap. In 2024, work will start on a version two roadmap that takes this into account and aligns with further developments in the capital programme that impact emissions.

To support the achievement of Watercare's infrastructure carbon reduction targets we have been looking at alternative materials. Concrete is a significant portion of the carbon footprint of many construction projects and we have been utilising low carbon concrete (EcoSure). This product meets the needs of our infrastructure while being produced in a manner that reduces emissions and does not add additional cost. Having reviewed recent construction works we are pleased to share that 19,603m³ of EcoSure has been used across the following projects: Hays creek pipeline, Papakura WTP reinstatement, Snells WWTP site preparation, Ardmore WTP chlorine scrubber, Waikato 175 early works, Waikato 50 and Helensville WWTP Upgrade, leading to a saving of 549 tCO₂e.

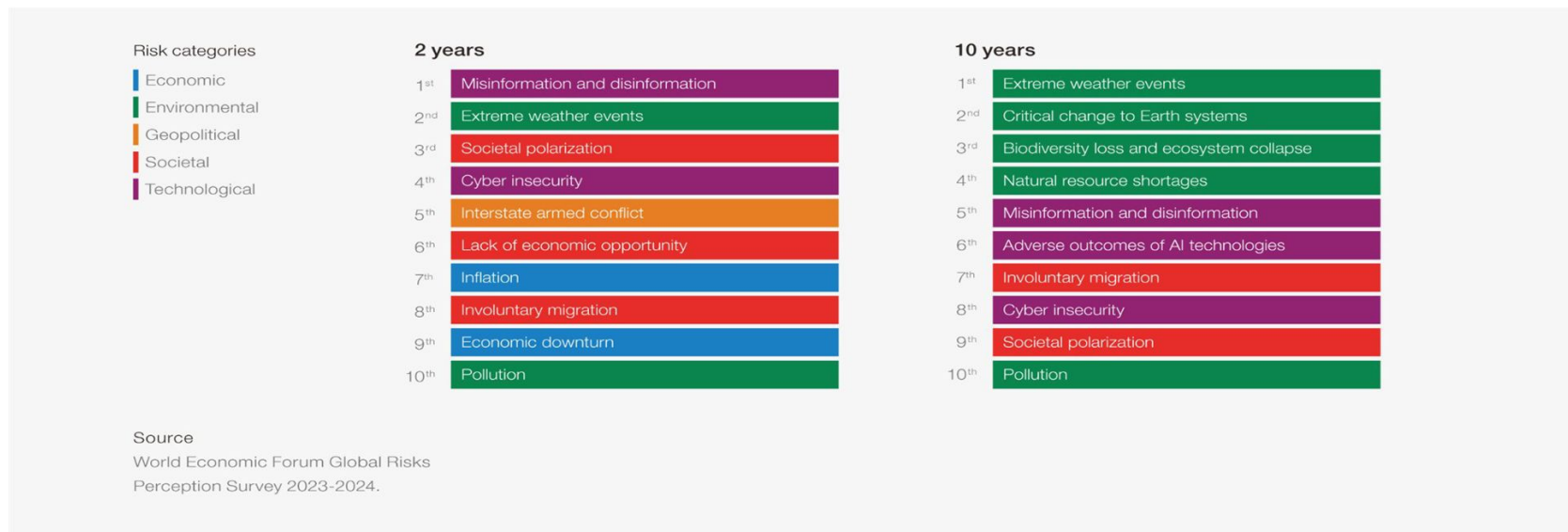
As we get to the halfway point in the financial year, there are some important projects and focus areas to highlight for the coming 12 months. These include:

- Decarbonisation roadmap tracking dashboard
- Decarbonisation roadmap version two including integration of the role and impact of bio solids
- Detailed climate change risk assessment
- Climate change adaptation metrics and target setting
- Infrastructure carbon reduction plan and programme wide savings.

The World Economic Forum has just published the 2024 [Global Risks Report](#). Climate change, in particular through extreme weather events, has risen to be a fundamental component of the top 10 risks across a short and long term outlook in recent years. The 2024 report is no different with two thirds of respondents ranking extreme weather as the top risk most likely to present a material crisis on a global scale in 2024. For perhaps the first time, misinformation and disinformation ranks as the top risk in the short term. This is a reminder that to make the required shifts in our work and lives to achieve sustainable outcomes we must also navigate socioeconomic challenges and see past misinformation that is used to deflect the realities of the climate and biodiversity crisis the world is facing.

FIGURE C Global risks ranked by severity over the short and long term

"Please estimate the likely impact (severity) of the following risks over a 2-year and 10-year period."



12. Matters for noting

12.1 Significant meetings attended by the CE

- Auckland Infrastructure CE's meeting
- CI Leadership Steering group meeting
- Hui with Owairaka Development iwi interests
- Mayoral office discussion for 8 and 9 November Budget Committee LTP briefing
- Quarterly Group CEs and Chairs Hui
- Budget Committee workshops – LTP 2024-2034
- Group CE's fortnightly meetings
- CI site tour with Mayor, Councillors and Chair
- Meeting with AusTrade – Brad Williams
- Infrastructure NZ breakfast meeting
- Meeting with Minister Simeon Brown and Chair

12.2 Letter of expectation received from Auckland Council

Watercare received Auckland Council's letter of expectation for 2024-2027 on 21 December 2023 ([Attachment 6](#)). The Board is invited to provide Management with their feedback on the letter at the February 2024 Board meeting.

In the meantime, Management is reviewing the letter and will be providing the Board with a draft statement of intent in response to this letter at the March 2024 Board meeting. This will be a discussion report in the confidential session. Following discussion, Management will then prepare a final draft statement of intent for Board's review and approval at the statutory public meeting on 12 June 2024.

12.3 Watercare's response to public deputations

Following the presentations by the students of Equal Justice Project (EJP), and Jane Dent and Peter Nicholas to the Watercare Board on 12 December 2023, Watercare sent response to them on 22 December 2023 ([Attachments 7 and 8](#)).

12.4 Ombudsman Report on Workshops

In August 2022, the Ombudsman initiated an investigation to test concerns that councils were using workshops and other informal meetings to make decisions (i.e. that these workshop meetings are in fact subject to the LGOIMA). As part of this investigation the Ombudsman considered the culture and actions of eight councils (not including Auckland Council) between 12 October 2019 and 30 June 2023.

The Ombudsman released his report late last year: [Open for business: A report on the Chief Ombudsman's investigation into local council meetings and workshops | Ombudsman New Zealand](#).

In the report, the Ombudsman highlights the requirement under the Local Government Act 2002 (**LGA**) for a local authority to “conduct its business in an open, transparent, and democratically accountable manner” and the requirement in the LGOIMA that anything taking place or provided to any meeting is “official information” and subject to the principle of availability unless there is a good reason to withhold it.

The Ombudsman has provided three principles of good administrative practice, which he considers should guide council workshops:

- Councils have a general discretion to advertise and undertake all meetings in public, and this is consistent with the principle in the LGA that councils should conduct their business in an open, transparent, and democratically accountable manner.
- A general policy of not publicising/closing all non-decision making meetings, such as workshops, may be unreasonable and/or contrary to law. The Ombudsman can assess this on a case-by-case basis.
- Using closed workshops to do ‘everything but’ make a final decision could be seen as undermining the principles in the LGA and purposes of the LGOIMA, and may be unreasonable in terms of the Ombudsmen Act 1975.

Implications for Watercare

The above three principles should be kept in mind should the Board ever consider holding a non-board meeting workshop in the future.

13.Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the months of November and December 2023:

- there were five documents required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there were no documents signed by the two members of the Watercare Board.
- there was one capex approval signed below a threshold of \$50m.

- there were two contracts approved over \$100,000. They are as follows:

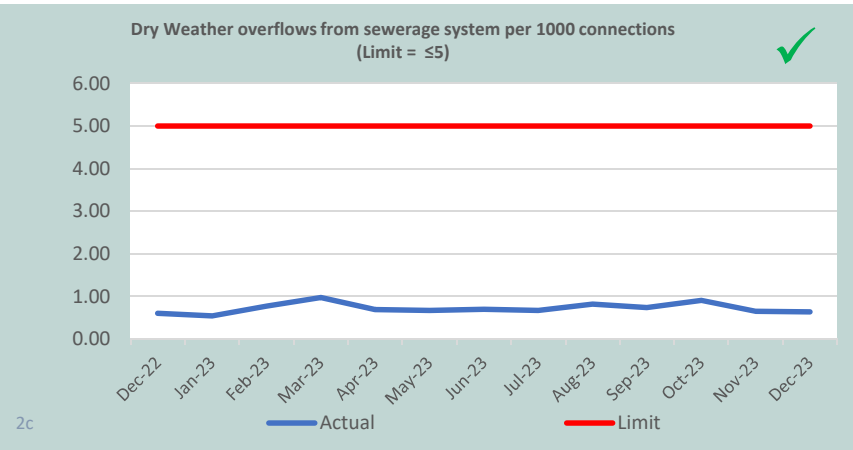
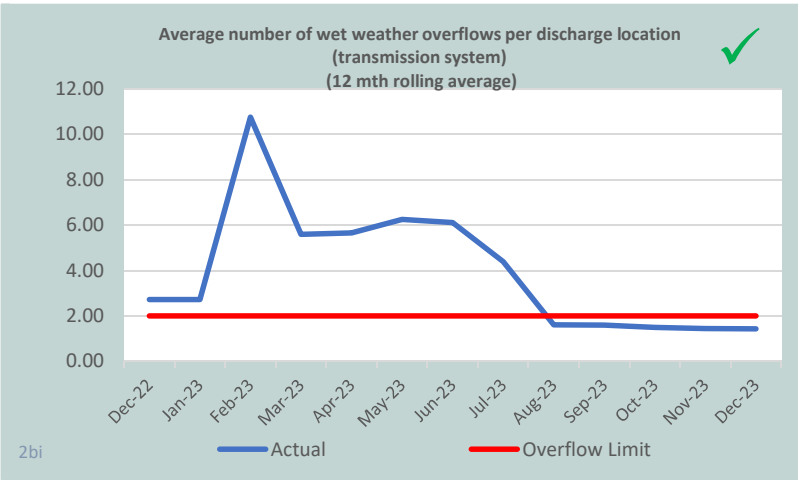
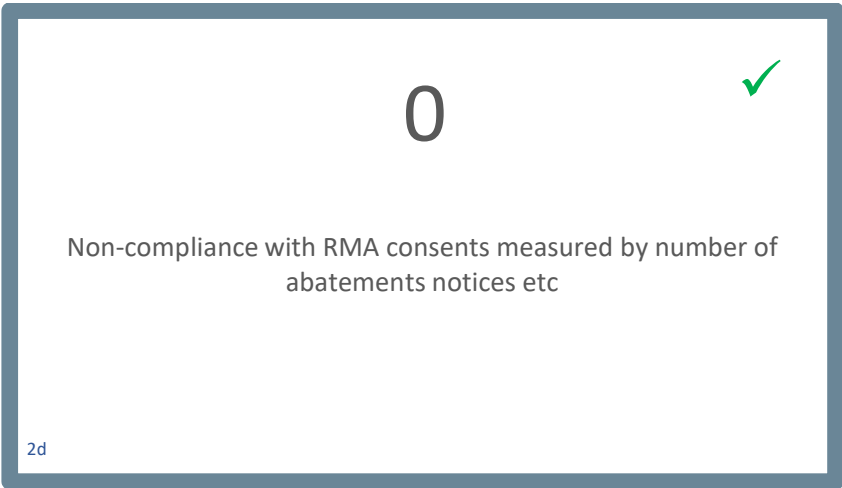
| Contract description | Successful supplier |
|--|--------------------------------|
| Ecotricity Climate Positive Supply Agreement TOU Electricity | Ecotricity Limited Partnership |
| Ferric Chloride Supply | Redox Limited |



Dave Chambers
Chief Executive

Attachment 1 – Performance against Statement of Intent measures

SOI Measures — Natural Environment



7.1

SOI Measures — Assets and Infrastructure

100%



Volume of water compliant with standards

1a

100%



Compliance with Part 4 of the Drinking Water Standards
(bacterial)

1a

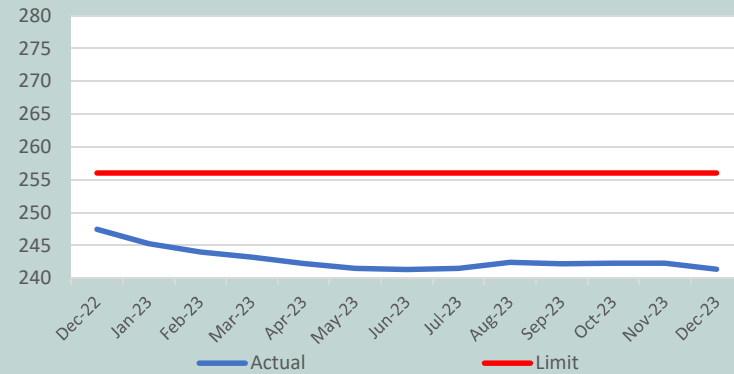
100%



Compliance with Part 5 of the Drinking Water Standards
(protozoal)

1b

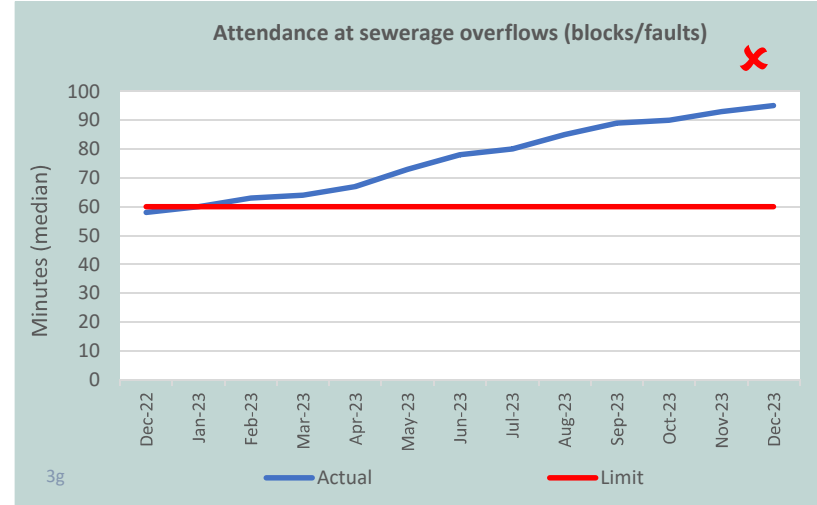
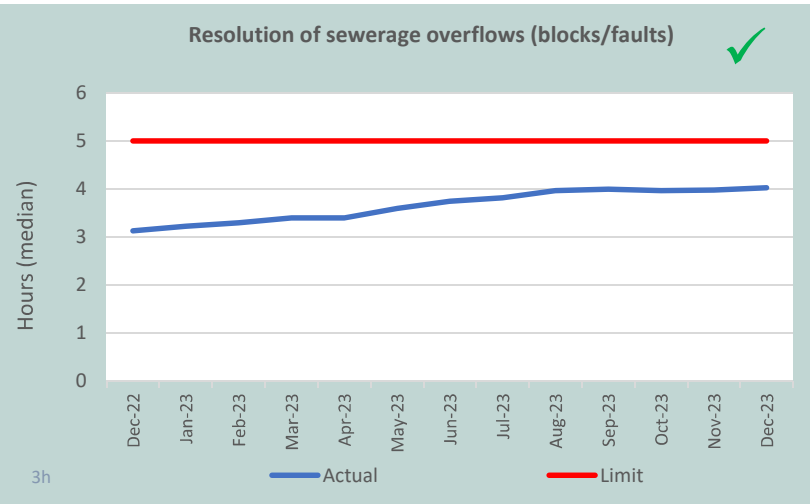
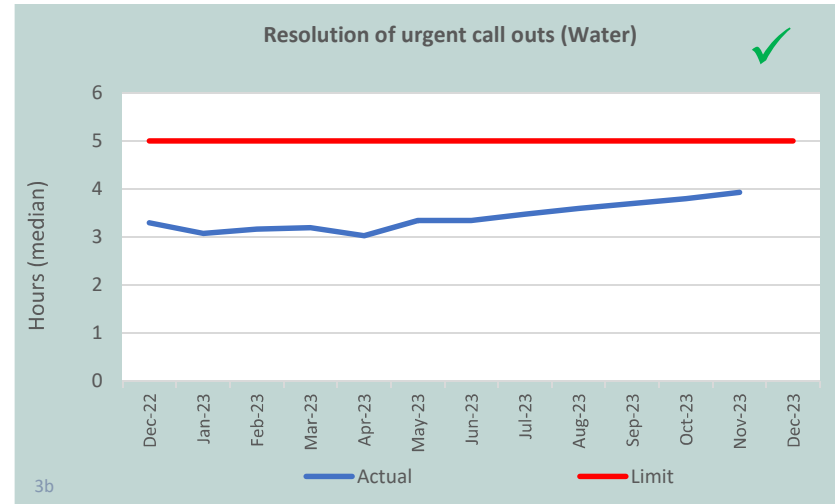
Average consumption of drinking water per day (gross)
(12 mth rolling average)



6a

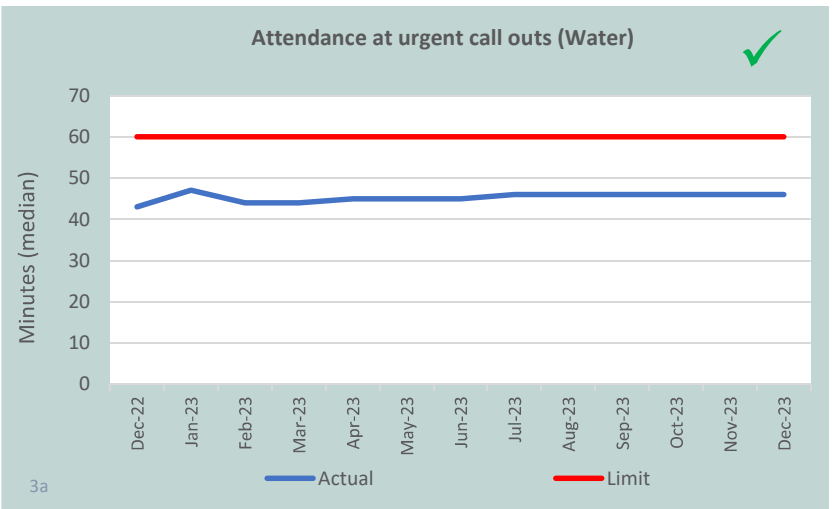
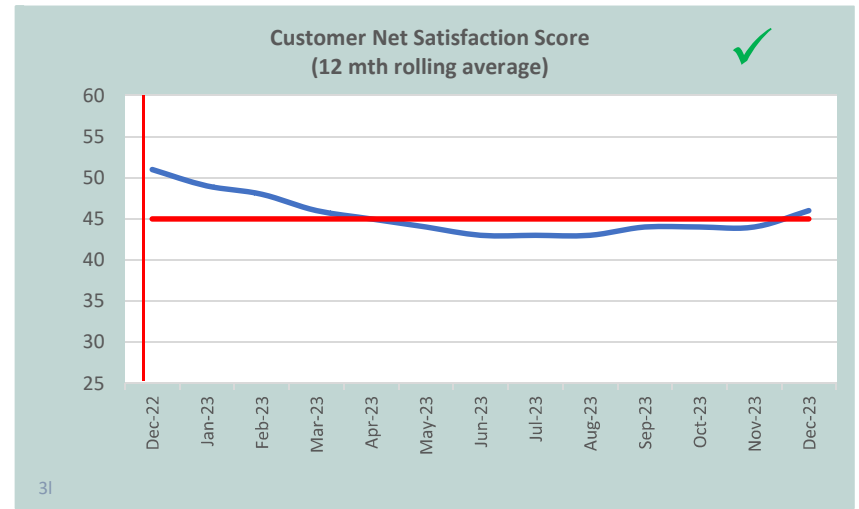
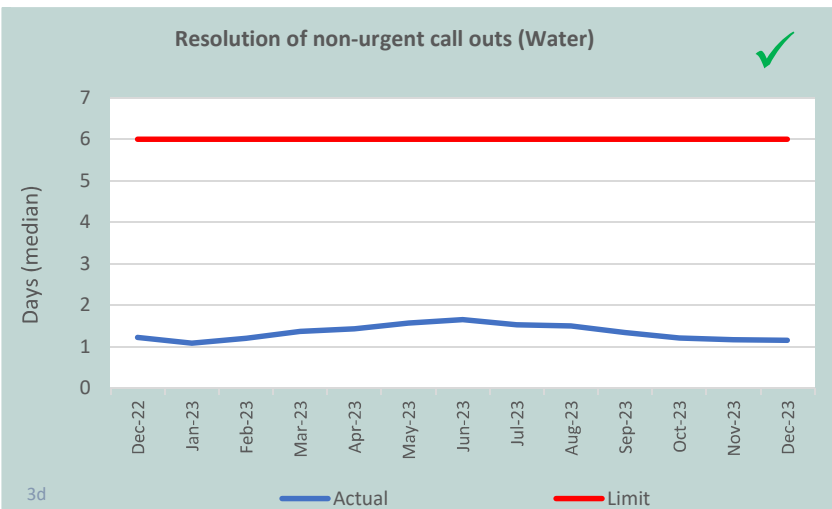
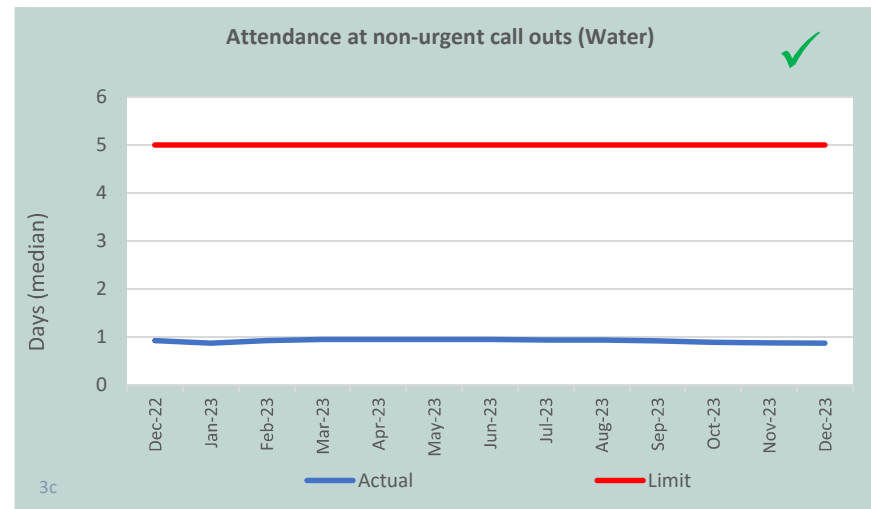
7.1

SOI Measures — Community and Stakeholder Relationships



7.1

SOI Measures — Community and Stakeholder Relationships



7.1

Watercare performance measures (unaudited)

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|--|---------------------|------------------|------------------|------------------|--|
| | | | December 2023 | November 2023 | October 2023 | |
| 1. | Total recordable injury frequency rate (TRIFR) per million hours worked (12-month rolling average). | <10 | 26.32 | 25.07 | 26.06 | Watercare Board has agreed to obtain an independent external review of how we approach Health and Safety and our performance. We are also focusing on understanding the effectiveness of critical risk controls and have refreshed our HSW commitment. |
| 2. | Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents. <i>Note the assumption is that abatement notices received relates to new notices issued in the financial year.</i> | ≤2 ≤2 ≤2 0 | 0 0 0 0 | 0 0 0 0 | 0 0 0 0 | |
| 3. | The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average). | 256 litres | 241.40 | 242.30 | 242.30 | |
| 4. | The extent to which the local authority's drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria). | 100% | 100% | 100% | 100% | |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|---|-------------|---------------|---------------|--------------|------------|
| | | | December 2023 | November 2023 | October 2023 | |
| 5. | The extent to which the local authority's drinking water supply complies with part 5 of the drinking water standards (protozoal compliance criteria). | 100% | 100% | 100% | 100% | |
| 6. | Median response time for attendance for urgent water callouts: from the time that the local authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average) | ≤ 60 mins | 46 | 46 | 46 | |
| 7. | Median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)(water, 12-month rolling average). | ≤ 5 hours | 4.07 | 3.92 | 4 | |
| 8. | Median response time for attendance for non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days) (12-month rolling average). | ≤ 5 days | 0.87 | 0.88 | 0.89 | |
| 9. | Median response time for resolution of non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days) (12-month rolling average). | ≤ 6 days | 1.15 | 1.17 | 1.21 | |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|---|-------------|---------------|---------------|--------------|---|
| | | | December 2023 | November 2023 | October 2023 | |
| 10. | The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average). | ≤ 10 | 7.33 | 7.35 | 7.28 | |
| 11. | Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average). | ≤ 60 mins | 95 | 93 | 90 | This is a reflection of the extreme wet weather over the past year. It is noted that the resolution of faults has been achieved within the KPI timeframe. |
| 12. | Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours) 12-month rolling average. | ≤ 5 hours | 4.03 | 3.98 | 3.97 | |
| 13. | The total number of complaints received by the territorial authority about any of the following: | ≤ 50 | 23.33 | 23.35 | 23.37 | |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|--|------------------------|-------------------------|-----------------------|-----------------------|--|
| | | | December 2023 | November 2023 | October 2023 | |
| | a) sewerage odour b) sewerage system faults c) sewerage system blockages d) Watercare's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average). | | | | | |
| 14. | The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average). | ≤13% | 11.09% (August 2023) | 10.77% (July 2023) | 11.23% (June 2023) | The water losses in this measure are calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced. |
| 15. | The number of dry-weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (12-month rolling average). | ≤ 5 | 0.64 | 0.65 | 0.91 | |
| 16. | Adherence to all of DIA's non-financial service performance measures. | 100% | 92.86% | 92.86% | 92.86% | Out of 14 DIA measures, 13 measures were met, and one measure (item 11) was not met. |
| 17. | Average number of wet weather overflows per engineered overflow point per discharge location (12-month rolling average). | ≤ 2 overflows per year | 1.43 | 1.44 | 1.50 | |
| 18. | Leakage performance – litres/connection/day (l/c/d). | 107.9 l/c/d | 106.34 | 102.90 | 107.29 | Watercare has set an aspirational target for economic level of leakage (ELL) at 107.9 l/c/d. The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure and renewal of watermains. |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|--|---|--|--|--|---|
| | | | December 2023 | November 2023 | October 2023 | |
| | | | | | | The aim is to achieve an ELL at or close to the target. |
| 19. | Deliver capital programme in line with the asset management plan baseline approved by the Board. | 80% of projects are in service within approved time and 80% of projects are delivered within approved budget. | 50% of projects (4 out of 8) were in service within approved time. 100% of the 4 projects that were in service within the approved time have been delivered within the approved budget*. | 44% of projects (4 out of 9) were in service within approved time. 100% (5/5) of completed projects have been delivered within the approved budget*. | 75% of projects (3 out of 4) were in service within approved time. 100% of the 3 projects that were in service within the approved time have been delivered within the approved budget*. | *We can only determine achievement to budget once projects are in service. |
| 20. | Reactive maintenance spend v's proactive renewals spend. | Establish a methodology on how this should be measured to demonstrate resilience within the network. | On track – annual target | On track – annual target | On track – annual target | An update on methodology development was provided in the December 2023 Board meeting pack. Further update on methodology will be presented in April 2024. |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|--|-------------|---|---|---|---|
| | | | December 2023 | November 2023 | October 2023 | |
| 21. | Controllable Cost target. | \$396m | YTD Actuals \$216.2m against the target of \$196.6m | YTD Actuals \$176.7m against the target of \$162.3m | YTD Actuals \$144.3m against the target of \$128.5m | Reform (\$3.3m), Flood Management (\$10.5m), Ōrākei Main Sewer Incident (\$6.8m) and additional work delivered on the Waikato District Council Contract (\$2m) have all contributed to the higher costs December YTD. The Reform and WDC costs have been offset by increased Revenue. At time of budget it was anticipated that flood management costs will be recovered via insurance claim but this was removed as part of Q1 forecast. Costs on an ongoing basis excluding the items above are below budget YTD, a very good result. |
| 22. | Debt to revenue ratio. | ≤3.35 | 3.67 | 3.52 | 3.56 | The Ōrākei Sewer Main break, delay in insurance revenue for the flood events and CI escalation have placed pressure on our cash position. These are predominantly timing differences. This ratio reflects increased borrowings for FY24. LTP has the debt ratio at 340% for FY25. |
| 23. | Percentage of household expenditure on water supply services relative to average household income. | < 1.5% | 0.83% | 0.80% | 0.81% | |
| 24. | Ratio of procurement sourced through Māori owned businesses. | 3% | 1.73% | 1.94% | 1.87% | Direct 0.31% and Indirect 1.42%. Total Māori business spend for FY24 is \$11.25m. (\$4.85m Direct, \$6.40m Indirect). We have 101 active Māori suppliers out of a total of 1992 active suppliers (5.07% of active suppliers). Although percentage of total spend has reduced, actual dollars spent with Māori businesses continues to increase. |
| 25. | Percentage of customer complaints resolved within ten days of notification. | ≥95% | 99.40% | 99.20% | 99.30% | |

| No. | Measure | FY24 Target | Actual | | | Commentary |
|-----|---|----------------------------------|--|---------------|--|---|
| | | | December 2023 | November 2023 | October 2023 | |
| 26. | Customer Net Satisfaction Score (Previously Net promoter score). | ≥45 | 46 | 44 | 44 | This measure is now being met after a slight dip. |
| 27. | Community trust score. | ≥55 | 61 | 61 | 61 | |
| 28. | <p>We will implement Mitigation measures in line with our emissions reduction targets scope 1 and 2) (Quarterly measure).</p> <p><i>Note: these targets exclude emissions from Puketutu island as our current measurement methodology does not provide enough accuracy for a performance target. Actions to directly monitor emissions from this source as well as reduce them are being delivered and future SOI's will include these numbers.</i></p> | <89,200 tonnes CO ₂ e | Q2/FY24 results: 35,782 tCO ₂ e | - | Q1/FY24 results: 21,992 tCO ₂ e | Q2 performance is ahead of target. Data is unverified and excludes solids waste from wastewater processes. The largest reduction is in electricity emissions (down 41%) due to ecotricity offset and reduced consumption. |
| 29. | Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average). | 90% | 91.68% | 92.26% | 92.79% | |

Attachment 2

PEOPLE DASHBOARD: November

Note: As of 1 July 2022, reporting has been changed to align with Finance mapping - people to cost centre, not group.

Workforce Snapshot

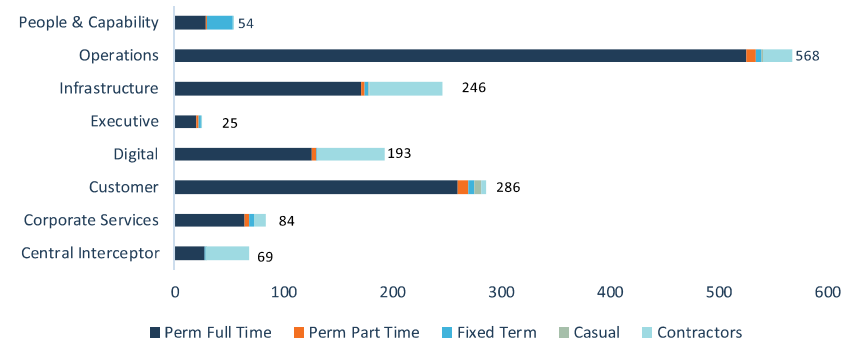


Headcount as at 30 Nov 2023

| | | |
|------------|--------|--------|
| * 1312 | 38.26% | 61.74% |
| Full Time | 33.61% | 59.60% |
| Part Time | 1.98% | 0.69% |
| Fixed Term | 2.21% | 1.22% |
| Casual | 0.46% | 0.23% |

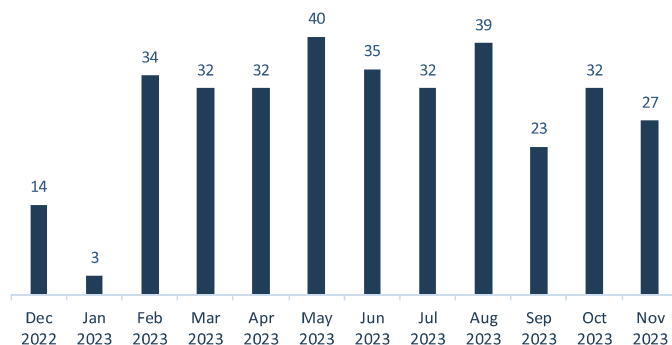
* Contractors and Directors only are excluded from the headcount figures above. Long term leave and parental leave employees are included.

Employees by Business Unit & Position Type



Active contractor information is based on data captured across both ServiceNow & PayGlobal.

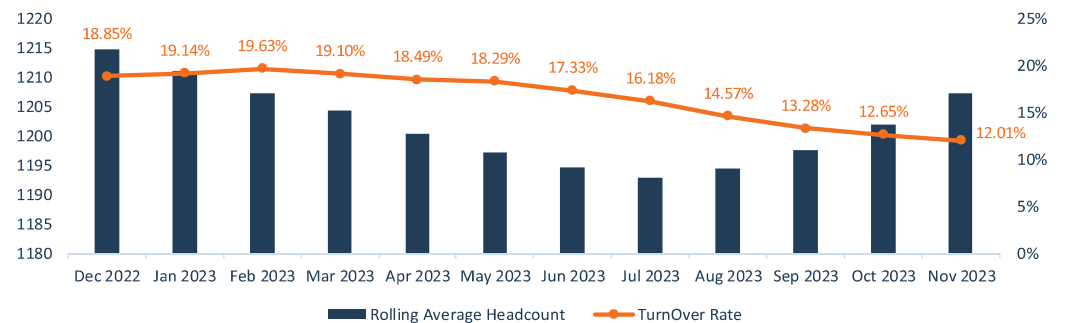
New Hires by Month



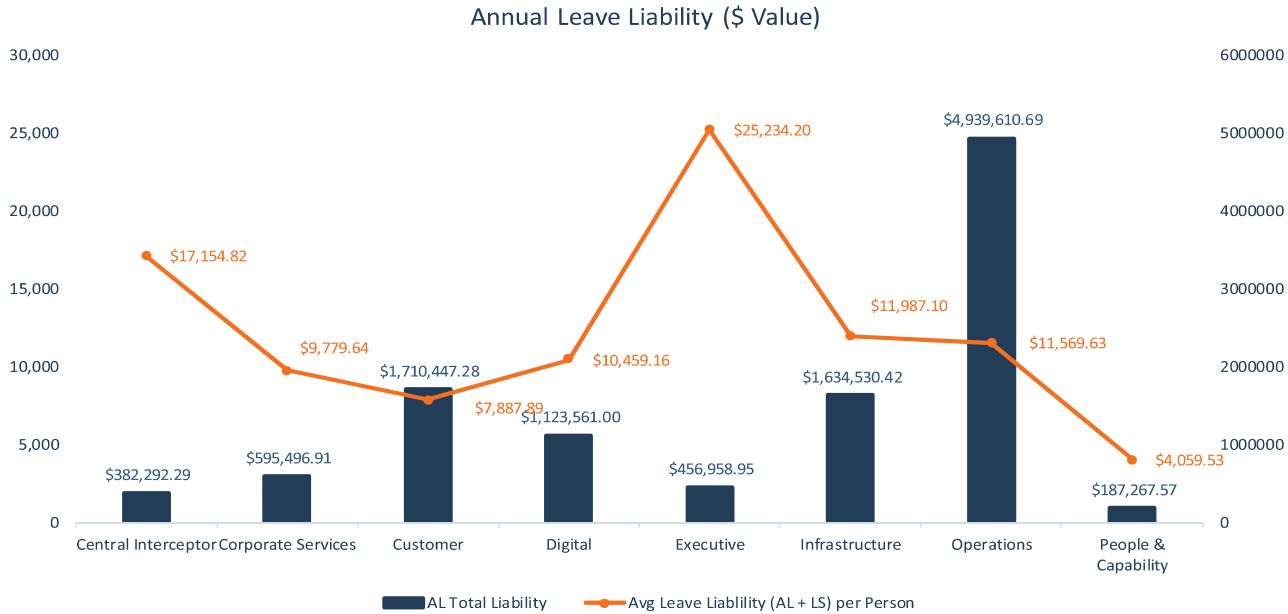
Workdays to hire (from job opening to hire date) averaged 37.93 days for the 27 hires in November (compared to 50.89 days for all hires over the last 12 months).

November hires by gender: M:12 (46.43%), F:14 (50%), Other:1 (3.57%).
In comparison to a 12-months view, there were M:52.79%, F:40.42.13% (0.25% Gender Diverse, 4.31% unknown/blank).

Average 12 mos Rolling: Headcount V Voluntary Turnover(%)



This does not include anyone that has left for reasons other than resignation.
Only Permanent employees (full time and part time) are included in the data.



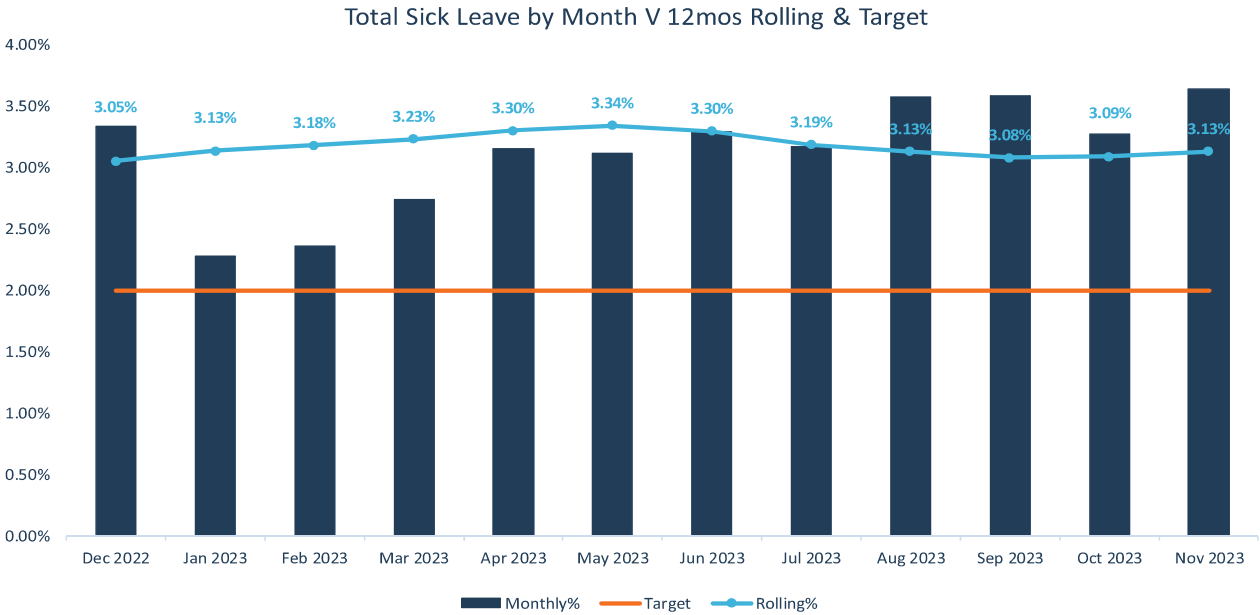
Permanent full-time, permanent part-time, and fixed-term employees are included in this snapshot.

As of November 30, 2023, total annual leave has increased from \$10.9m to \$11.03m and long service leave liability has continued to remain relatively stable at \$2.9m (compared to October).

The average leave liability units (hours) per individual dropped slightly to 155 on October, meeting interim objective of 160, but still in excess of target of 120.

In order to meet the intended baseline, HR Business Partners are working with the Business to manage leave and leave planning ongoing to reduce excessive aged entitlements.

7.2



PEOPLE DASHBOARD: December

Note: As of 1 July 2022, reporting has been changed to align with Finance mapping - people to cost centre, not group.

Workforce Snapshot



* Contractors and Directors only are excluded from the headcount figures above. Long term leave and parental leave employees are included.

Employees by Business Unit & Position Type



Active contractor information is based on data captured across both ServiceNow & PayGlobal.

New Hires by Month



Workdays to hire (from job opening to hire date) averaged 54.62 days for the 13 hires in December (compared to 49.81 days for all hires over the last 12 months).

December hires by gender: M: 8 (61.54%), F: 5 (38.46%).
In comparison to a 12-months view, there were M: 52.45%, F: 42.89% (0.26% Gender Diverse, 3.88% unknown/blank).

Average 12 mos Rolling: Headcount V Voluntary Turnover(%)



This does not include anyone that has left for reasons other than resignation.
Only Permanent employees (full time and part time) are included in the data.



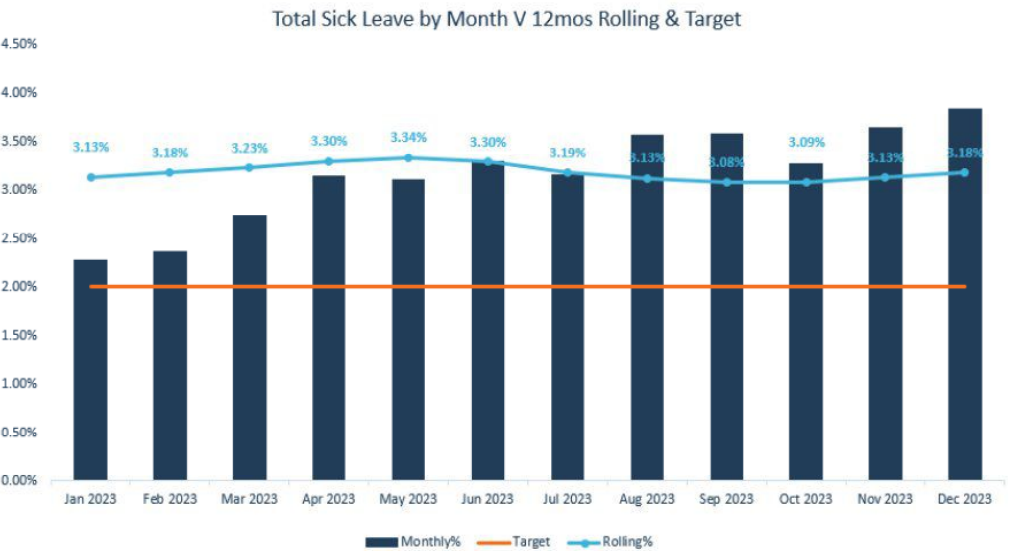
Permanent full-time, permanent part-time, and fixed-term employees are included in this snapshot.

As of December 31 2023, total annual leave has dropped slightly from \$11.03m to \$10.29m and long service leave liability has continued to remain relatively stable at \$2.9m (compared to November).

The average leave liability units (hours) per individual have continued to dropped slightly to 145 in December, meeting interim objective of 160, but still in excess of target of 120.

In order to meet the intended baseline, HR Business Partners are working with the Business to manage leave and leave planning ongoing to reduce excessive aged entitlements.

7.2

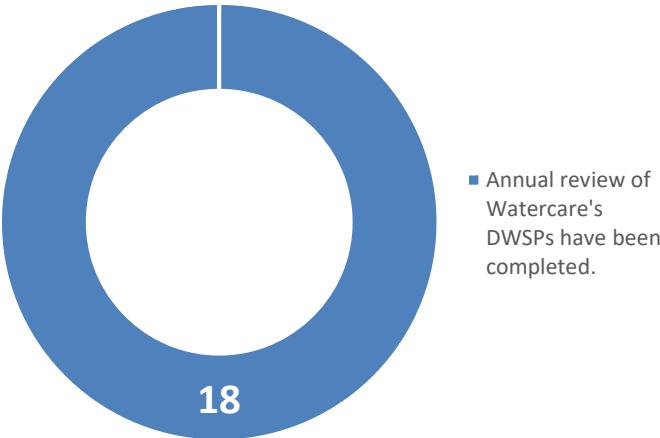


Attachment 3

Water Quality Report – December 2023

Scorecard

Status of Drinking Water Safety Plans



Compliance Summary

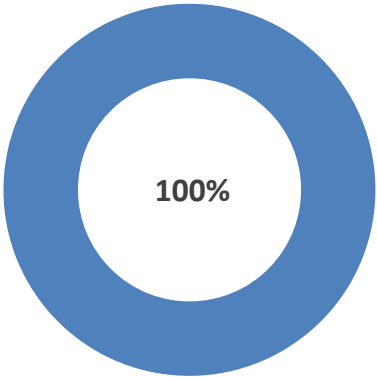
WTPs (17 total)

| | |
|-----------------|------|
| Microbiological | 100% |
| Protozoal | 100% |
| Chemical | 100% |
| Cyanobacterial | 100% |
| Radiological | 100% |

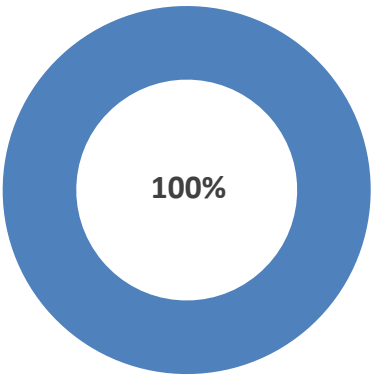
Distribution Zones (40 total)

| | |
|-----------------|------|
| Microbiological | 100% |
| Chemical | 100% |

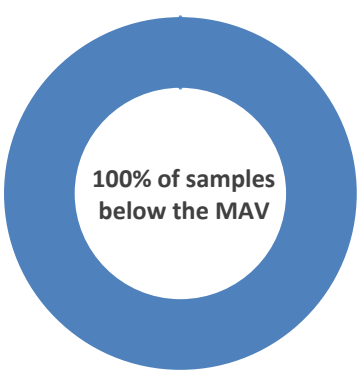
WTPs: Bacterial* Compliance

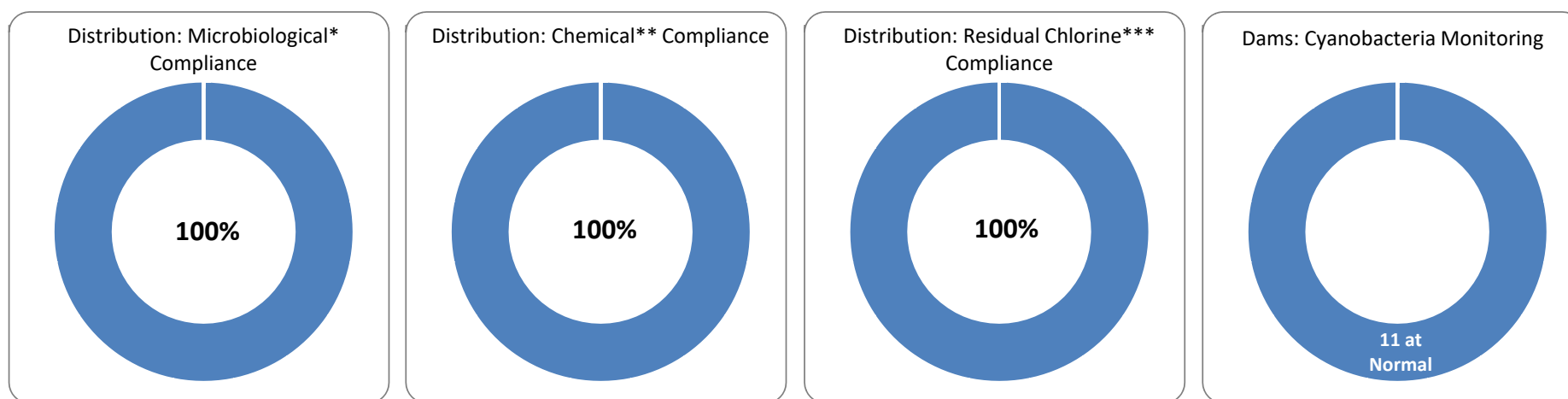


WTPs: Protozoal Compliance



WTPs: Chemical** Compliance





7.3

*At the WTPs bacterial compliance is assessed on continuous monitoring results. In the distribution network microbiological compliance is based on *E. coli* monitoring to indicate the probable presence of bacterial contamination of water supply.

** Chemical compliance: At the WTPs determinands associated with chemicals dosed during the treatment process are monitored. In the distribution network disinfection by-products (DBPs) are monitored in each zone, and chlorates monitored in four zones where chlorine booster stations are utilised as best practice monitoring.

*** Residual disinfection – 85% of free available chlorine samples in a month must be >0.20mg/L in each distribution network zone, with no results <0.1mg/L. Compliance was achieved in all zones in December.

Spotlight On: Legislation and Compliance

Formal compliance reporting to Taumata Arowai continues with reporting systems operational. First Annual Report for the period 1st January – 31st December 2023 is due in February 2024.

Microbiological and chemical compliance has been achieved for the month of December for all water treatment plants (WTPs) and distribution zones (DZs). Residual disinfection compliance has also been fully achieved for all distribution zones.

Spotlight On: Drinking Water Safety Plan (DWSPs)

Annual Review of Watercare's Drinking Water Safety Plans have been completed.

Spotlight On: Backflow Prevention

Backflow testing has been completed as per targets set for the end December 2023. Backflow Surveys will be further progressing in 2024.

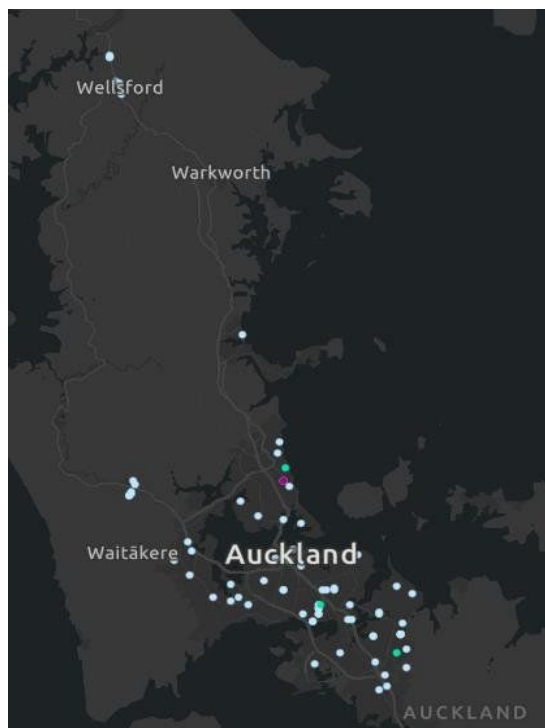
Spotlight On: Water Quality

Low Residual Chlorine (FAC) and elevated Disinfection By-products (Trihalomethanes (THMs)) Investigation – Region wide monitoring in-line with the new regulations confirms multiple zones with THMs results over 50% of the MAV, particularly over summer. Multiple zones also experience low FACs during the summer months. Water age modelling has commenced to assess water age contributions to THMs formation and low FACs. This will then determine next steps, with operational improvements and capital investment likely required. Modelling for the first three zones (Helensville, Oratia and Te Henga) is progressing. A summer FAC strategy has also been developed in the interim for best endeavours to reduce the frequency of low FAC occurring. In Pukekohe, the Hill Reservoir was isolated from the beginning of December and the Hilltop network rezoned to improve FAC levels in advance of the summer issues.

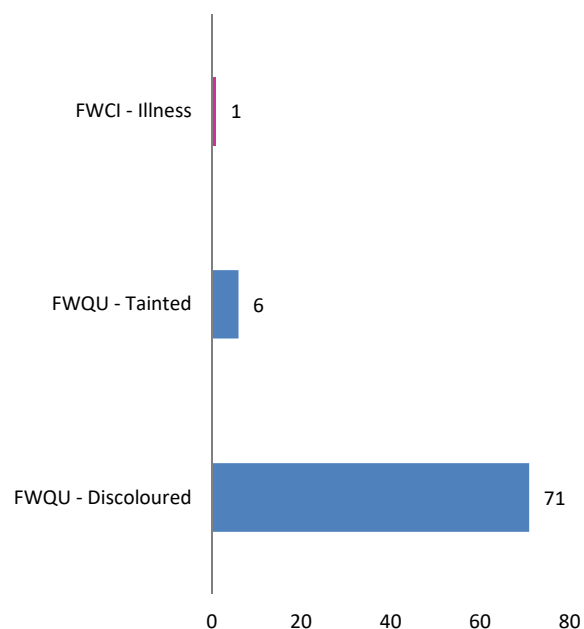
Investigations into Emerging Contaminants - The Water Quality Science team is looking into global trends and learnings that Watercare should be aware of.

7.3

Customer Complaints



Number of Water Quality Jobs



Actions Taken

Illness Complaints*: Pre-emptive network flush, provision of WQ compliance data to customer
Main cause: Unrelated health issue

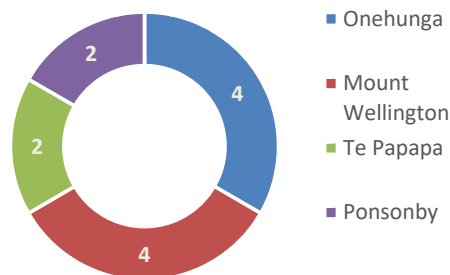
Tainted Water: Network flush and field FAC testing
Main cause: Taste issues (metallic, chlorine)

Discoloured Water: Network flush
Main cause: Mineral and sediment build-up coming off pipes.

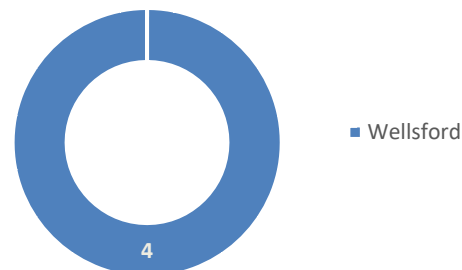
**Illness complaint – an illness complaint arises when a member of the public has an illness that they think is related to water quality. All such complaints are investigated and in all cases our drinking water has been found to be compliant. Persons with an illness complaint are always referred to their medical professional.*

Repeat Water Quality Complaints – July to December 2023

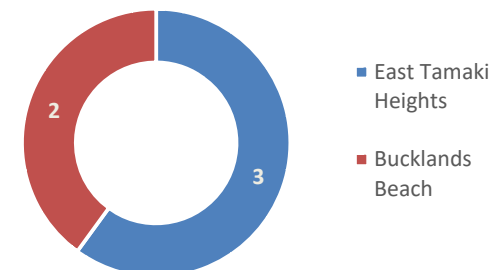
Central Networks
Number of New Repeat Complaints



Northern Networks
Number of New Repeat Complaints



Southern Networks
Number of New Repeat Complaints



7.3

Actions Taken for Repeat Complaints*

ONEHUNGA:

Alfred Street – Repeat complaints are part of the wider issue of discoloured water in the Onehunga Low Zone.

Following the unidirectional flushing programme which began on 4/12/2023, the number of WQ complaints received from Onehunga customers decreased to 6 in December 2023 compared to 17 in November 2023.

Wallath Road – Recurring discoloured water complaints due to construction activity in the area, not part of Onehunga Low Zone. Network flushing was done.

OTHERS:

Flushing from the nearest fire hydrant was done to address repeat complaints from customers in the following areas:

Hillside Road and Panama Road, Mt Wellington

Lincoln Street, Ponsonby

School Road and Armitage Road, Wellsford

Jandell Crescent, Bucklands Beach

Point View Drive, East Tamaki Heights

**Repeat complaints – Complaints from 1 customer for the same WQ issue within the last 6 months.*

Attachment 4



Watercare Services Limited

73 Remuera Road, Remuera,
Auckland 1050, New Zealand

Private Bag 92521, Victoria Street West,
Auckland 1142, New Zealand

Telephone +64 9 442 2222

www.watercare.co.nz

19 December 2023

[REDACTED]
PricewaterhouseCoopers Consulting (New Zealand) LP
15 Customs Street West,
Private Bag 92162,
Auckland 1142, New Zealand

Dear [REDACTED]

Whistleblower notification: Allegation of asbestos contamination in water supply being concealed from water users

Thank you for forwarding us the disclosure received on 23 November 2023 through the PWC whistleblower service. Watercare take all disclosures seriously and are committed to a thorough investigation of the matters raised.

You have told us that the disclosure concerns an *"allegation of asbestos contamination of the Auckland water supply, with management and governance of Watercare being actively involved, in conjunction with Watercare's insurer, in concealing the asbestos contamination from water users"*.

Watercare acknowledges the gravity of the above allegations.

Our internal audit department has now conducted an investigation into the allegations and we did not find any evidence that would support these allegations.

In this regard, we would like to highlight the following:

- 1) Please refer to the [Annual Drinking Water Quality report for 2021-2022](#) on Watercare's website. The annual report provides an overview of the drinking water compliance monitoring data collected from the Water Treatment Plants (WTPs) and Distribution Network Zones managed and operated by Watercare Services Limited (Watercare). This data is collected to ensure that Watercare remains compliant with the [Drinking-water Standards for New Zealand 2005 \(Revised 2018\) \(DWSNZ\)](#) and duties under the [Health Act 1956 Part, 2A Drinking water](#). To comply with these standards, sampling is carried out on a regular basis throughout the water reticulation network. These samples are collected and tested by a Ministry of Health approved laboratory being Watercare Laboratory Services.
- 2) Please refer to the [2023 Statement of Service Performance \(SSP\)](#) in the Annual Report. The SSP highlights the extent to which the local authority's drinking water supply complies with part 4 and 5 of the drinking water standards (bacteria and protozoal compliance criteria). For both measures, we achieved 100% compliance. Compliance against both requirements was independently assessed and verified by Wai Comply.

- 3) Asbestos-cement has been commonly used around the world – including in New Zealand and Auckland – for the construction of water pipes in the past. Indeed, asbestos cement pipes were an integral part of infrastructure investment in New Zealand until 1986 when manufacture and installation of AC pipes ceased.

While asbestos is harmful when it is inhaled, studies have found there is no danger to your health from ingesting asbestos fibres, if they are present, in drinking water. When asbestos is inhaled, only airborne fibres longer than 10 microns (μm) are hazardous. Asbestos fibres of this size are usually not present in water contained in asbestos pipes.

A [World Health Organisation \(WHO\)](#) report from December 2021 states the following:

Although asbestos fibres are known human carcinogens by the inhalation route, the data on adverse effects following ingestion are less clear. The overall weight of evidence from epidemiological and animal studies, as described in section 6, does not support the hypothesis that oral exposure to asbestos in drinking-water is associated with an increased risk of developing cancer. Because there is no consistent, convincing evidence for adverse health effects from the ingestion of asbestos fibres in drinking-water, it is considered not appropriate or necessary to establish a guideline value for asbestos fibres in drinking-water at this time.

Water NZ is the country's largest water industry body and provides leadership in the water sector through collaboration, professional development and networking. In February 2017 they published a report titled "[National Asbestos Cement Pressure Pipe Manual](#)". This report notes on page 17 "there is no evidence to show that asbestos fibres will cause any harm when they are wet and swallowed. The effects of asbestos in the water supply have been studied extensively, and results have not shown an elevated risk of asbestos-related disease".

Literature from Australia also supports this position. For example, the Asbestos Safety and Eradication Agency in Australia released a paper titled "[Asbestos-Cement Water and Sewer Pipe Management Guidelines](#)" in December 2021. Page 11 of this report notes "There is no routine monitoring of Australian drinking water supplies for the presence of asbestos, but it is known that the deterioration of AC pipes can result in asbestos fibres being released into water supplies. The Australian Drinking Water Guidelines which provide guidance to water agencies on monitoring and managing drinking water quality, state that based on the weight of evidence of the available toxicological data, ingested asbestos is not hazardous to health."

The World Health Organisation and the Ministry of Health have not set guideline levels for asbestos in drinking water. For this reason, New Zealand drinking water supplies are not tested for asbestos.

Watercare is happy to meet the complainant (if they would like to) to understand their concerns and explain to them our process and compliance with the relevant standards.

If the complainant is dissatisfied with the answers we have provided they are free to:

- Obtain their own legal advice; and/or
- Contact the water regulator, Taumata Arowai; and/or
- Seek an independent investigation and review of your concerns by the Ombudsman (Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602).

Your sincerely,



Nigel Toms
GM Risk, Quality and Assurance
Watercare Services Limited

Attachment 5

The grading Watercare applies in the detailed breakdown of full non-compliance is consistent with Auckland Council's criteria. The grading is below:

| Rating | Detail |
|------------|---|
| Category 1 | Watercare has complied with the consent condition. |
| Category 2 | Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as technical or having no more than a minor adverse effect. |
| Category 3 | Watercare has not complied with the consent condition. Watercare has assessed that non-compliance has the potential to result in minor adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 2 non-compliance. |
| Category 4 | Watercare has not complied with the consent condition. Watercare has assessed the non-compliance as having the potential to cause significant adverse effects on the environment. Alternatively, since the last audit, there is evidence of repeat Category 3 non-compliance. |

7.5

Active resource consents in December 2023

369

Consents with non-compliances in December 2023

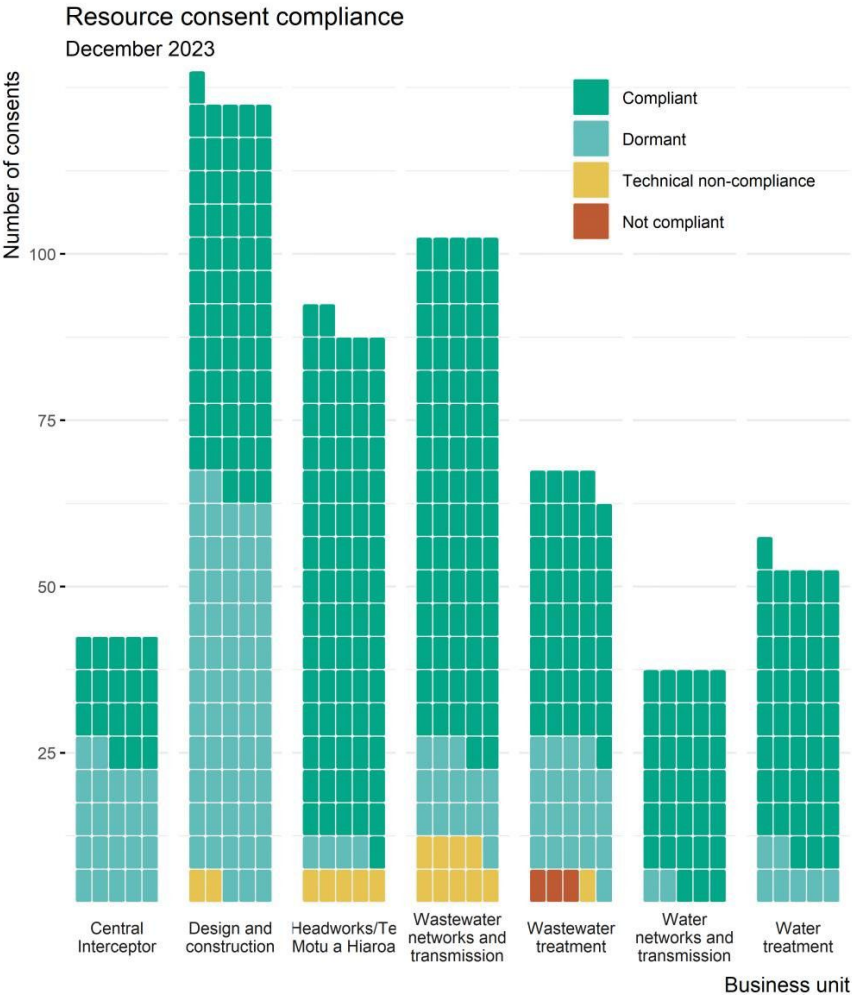
20 ↓

Rolling 6-month average (non-compliant consents)

24 -

Consents under enforcement in December 2023

0 -



Significant non-compliances for December 2023 (excludes technical non-compliances)

| Facility/Asset | Consent | Condition(s) | Issue(s) | Commentary | Resolution | Significance |
|----------------------|-----------------------------|--------------|----------------------------------|--|---|--|
| Māngere WWTP | CST80294146 | 12(2) | High nitrogen in discharge | Loss of blowers in warm temperatures due to delays in a ventilation upgrade project. The loss of the blowers disrupted nitrogen removal in the reactor clarifiers. | Resolved. Project now complete and plant is back to full compliance. | Minor (Grade 2): Potential environmental effects mitigated by buffering capacity in discharge channel. |
| Kingseat WWTP | DIS60401948; DIS60401927 | 18 | High <i>E. coli</i> in discharge | While suspended solids concentrations returned to compliant levels, there were still intermittently high levels of <i>E. coli</i> in the discharge in December. | Under investigation. No clear cause identified. Additional cleaning of the UV system has been carried out and most recent results for the plant were compliant. | Minor (Grade 2): No evidence of environmental effects. |

Attachment 6



20 December 2023

Via email margaret@margaretdevlin.co.nz

Margaret Devlin
Chair
Watercare Services Limited

Tēnā koe Margaret

Letter of Expectations for Statement of Intent 2024-2027

This letter of expectations sets out the council's priorities and expectations to inform the development of the draft Statement of Intent (SOI) 2024-2027 of Watercare Services Limited (Watercare).

It sets out common expectations across all council-controlled organisations (CCOs) and expectations specific to Watercare. These expectations build on the joint workshop of Transport and Infrastructure and CCO Direction and Oversight Committees, held on 12 December 2023.

The content of this letter was approved by the Governing Body on 14 December 2023, with delegation to Deputy Mayor, Chair of the CCO Direction and Oversight Committee, relevant Lead Councillor and me to finalise and issue this letter of expectations.

The Governing Body also approved extensions of the statutory deadlines for the SOI process, as is allowed in the Local Government Act 2002, Schedule 8, section 4. This means the due dates for the process are:

- submission of the draft SOIs on or before 1 April 2024
- final submission of SOIs on or before 31 July 2024.

Please liaise with CCO Governance staff to ensure these dates can be met. Council will likely consider its shareholder feedback on draft SOIs at the CCO Direction and Oversight Committee meeting of 7 May 2024.

Part 1. Expectations of all CCOs

i) Alignment to final 2024-2034 Long-term Plan

Council will commence public consultation on the draft 2024-2034 Long-term Plan in late February 2024. Following consultation and deliberations, a final Long-term Plan will be adopted in June 2024. Once this occurs, final SOIs (including financial information and performance measures) should be aligned with the final Long-term Plan and the strategic priorities contained.

ii) Financial strategy and budget levers

Group budget responsibility and transparency rules

- CCOs are expected to provide better advice to elected members, including:
 - use of cost/benefit analysis for spending decisions. CCOs are expected to work with the council to determine a consistent methodology / approach for estimating benefits, which must outweigh costs.
 - some contestable advice (i.e. we are seeking advice provided to elected members which is separate from the council department or CCO asking to spend the money). This need not require external advice in every instance but can leverage expertise within the council group.
 - a thorough assessment of options against Long-term Plan strategic priorities.

Capital expenditure

- Fix, finish, optimise – CCOs are expected to consolidate, finish what we have started, fix what is broken and get the best out of what we already have. CCOs should slow down growth in capital programmes, look after what we already have, before embarking on big new capital projects.
- Any new CCO capital projects to support growth should be in accordance with the direction of the Future Development Strategy.

Operating savings

- Council group will need to deliver additional cost savings that have not been identified, of at least \$20 million in year one, rising to \$50 million in year three of the Long-term Plan (based on the core scenario). While Watercare is not included in this savings package, you are expected to exert a strong focus on your operating costs, so you can keep water charges as low as possible.

iii) Better, faster, cheaper: cost savings and value for money

- Fit for purpose technology: CCOs should not set up any separate technology functions and share generic technology functions
- CCOs are expected to deliver group shared services and consolidation of service functions (council will set the mandate for this)
- CCOs should work with council to optimise the performance of our significant property portfolio and implement the findings of the Group Property model review
- CCOs are expected to support and actively engage in any S17A, value for money and other reviews the council may commission.

iv) Compliance with Statement of Expectations of substantive CCOs

- CCOs should adhere to the Statement of Expectations of substantive CCOs, which explains how CCOs should conduct their business and manage their relationships with council and other interested groups (including matters such as the 'no surprises' principle)
- Visible CCO chair and board leadership should be provided to elected members on CCO major activities and programmes, and at key project milestones
- Communication on significant public-facing issues should be led as a partnership between the CCO Chair and elected members.

v) Engagement with government

- Work with the new government, only where interests are aligned and messages are consistent with those of Auckland Council
- CCOs should inform council of any conversation with the government on any new proposal
- CCOs are expected to ensure any relevant data and work undertaken on the previous government's proposals are retained and utilised where relevant.

vi) Climate change (mitigation and resilience)

- CCOs should continue to be guided by *Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan* by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions
- CCOs are expected to continue reducing climate emissions and improving climate resilience, with a focus on cost-effective delivery of climate projects
- CCOs should demonstrate leadership and accountability through measurement and reporting on the climate performance of their decisions
- CCOs are expected to work towards reducing exposure and vulnerability to climate-related risks (Auckland Council Group and Regional risks)
- If there are risks to a CCO's achievement of their carbon emissions targets, these should be highlighted through the CCO's regular quarterly reporting to the relevant committee, and as appropriate, to the council's Audit and Risk Committee.

vii) Local Boards

- CCOs are expected to provide timely, delivery focused, quality, concise advice to local boards.

viii) Māori Outcomes

- CCOs should continue to be guided by *Kia Ora Tāmaki Makaurau* and deliver, monitor and report on each Achieving Māori Outcomes plan
- CCOs are expected to actively work as a partner with Māori, along with central government and external partners
- CCOs should actively seek to maximise opportunities for Māori businesses to participate in procurement processes.

Part 2. Key expectations of Watercare

In summary, the council's key expectations of Watercare are as follows:

- align with Long-term Plan financial parameters
- support council's positions on the Government's Local Water Done Well policy
- prepare for drought conditions
- fully recover the costs of growth
- align with the Future Development Strategy
- implement the Auckland Water Strategy
- demonstrate efficiency programme results
- engage with Group Shared Services
- comply with no surprises principle.

i) Long-term Plan financial parameters

Under the current water services reform legislation, that establishes the water entity for Auckland and Northland, Watercare is not allowed to be included in council's draft Long-term Plan. However, the new Government plans to repeal the reform legislation establishing new water entities which will mean that Watercare will be within the Long-term Plan.

In the context of preparing for Watercare's inclusion in the draft Long-term Plan, the direction for Watercare is that:

- debt to revenue should be maintained at 340%
- it is acknowledged that water charges and growth charges will need to increase
- you should provide advice to us on your capital expenditure programme, which should keep the water charges affordable but recover as much as possible from developers for the costs of growth infrastructure. I expect this to be a core focus for Watercare over coming years.
- you should clarify how much of the water charge increase is a result of failure to separate balance sheets
- you should maximise income from development growth charges (see further information iv. below)

ii) Government's Local Water Done Well policy

I am advocating to Government for a model for Auckland that enables balance sheet separation from council, so that Watercare can make necessary investment without big price increases to customers. Your support on this work will be needed so that we get the best outcome for Auckland. You should not be independently advocating to Government.

iii) Preparation for drought conditions

With the potential for drier than normal weather, Watercare should undertake proactive preparations for drought conditions.

I expect the council to receive early advice of when drought triggers may be reached, and any mitigation or responses that are required

iv) Fully recover the costs of growth

Our expectation is that you recover 100 per cent of growth costs from developers. We want to see your plan to achieve this. If you will not be able to fully recover costs, please provide an explanation to Council. In the first instance, provide this explanation to the Manager, CCO Governance and External Partnerships.

An essential component of this work is our expectation that you will progress local growth charges. We note that your work in this area had been put on hold as the Government's reform transition unit was developing new charging approaches and tools. You should now reactivate your work and at pace.

v) Group alignment with Future Development Strategy

We expect Watercare to demonstrate that your capital and growth programme is aligned with Auckland Transport and the wider council family in accordance with the Future Development Strategy. To be clear - do not invest where we are not planning for growth and supply.

Watercare and Auckland Transport should support Auckland Council in rejecting and/or submitting in opposition to Private Plan Changes that do not conform with the Future Development Strategy.

vi) Auckland Water Strategy

Watercare's collaboration with Auckland Council to achieve the outcomes in the Auckland Water Strategy should continue. We expect that your focus will be on:

- proactively planning for climate change e.g. managing peak demand
- updating current targets to more ambitious targets for per capita water consumption and a diversified water supply (recycled/reused water, rainwater collection), including developing a proactive plan to achieve these targets
- working in partnership with mana whenua in the protection, management, and enhancement of water.

vii) Efficiency programme

Your efficiency programme is of critical importance. We expect your targets and results to be reported to council in your quarterly performance reporting.

viii) Group shared services

While Watercare has not been part of the council group shared services work due to the previous government's water reforms you should now start to engage with this programme.

ix) Importance of no surprises

Watercare should ensure compliance with council's no surprises principle, particularly in the context of the current situation of water reform changes, financial constraints, and potential drought conditions.

Council looks forward to receiving a draft of the Watercare SOI no later than 1 April 2024.

Staff are available to expand aspects of this letter if required. Please contact Alastair Cameron, Manager CCO Governance and External Partnerships to discuss.

Ngā mihi



Wayne Brown
MAYOR OF AUCKLAND

cc:

Desley Simpson, Deputy Mayor

Cr Shane Henderson, Chair CCO Direction and Oversight Committee

Cr Ken Turner, Watercare Lead Councillor

Dave Chambers, Chief Executive, Watercare

Alastair Cameron, Manager CCO Governance and External Partnerships

7.6

Attachment 7



Watercare Services Limited
73 Remuera Road, Remuera,
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Auckland 1142, New Zealand
Telephone +64 9 442 2222
www.watercare.co.nz

22 December 2023

Gena Shimoda and Catharina van Hest
University of Auckland Law School
Equal Justice Project

Via email

Tena koe Gena and Catharina

Response to your video presentation made to Watercare's Board Meeting of 12 December 2023

Thank you for the video presentation that was presented to the Watercare Board at the public session of our Board meeting on 12 December 2023.

The Board enjoyed the presentation and are pleased to learn that you had the opportunity to conduct a deep dive into several Watercare projects to consider our approach in managing carbon emissions and sustainability practices.

You have said that Watercare should be more proactive about communicating our approach (including to youth) and we need to more explicit and fulsome in how we are tracking climate change. It was clear from your feedback that there were positive actions being taken by Watercare and we appreciate that feedback. Climate change is one of the greatest challenges of our time and whilst we know there is more work to do, we have been implementing actions to reduce emissions and be more resilient. We will take on board your recommendation to share this important mahi and ensure its more explicit in our optioneering and project documentation.

We have recently published an annual overview of greenhouse gas emissions as well as an introduction to our climate related risks that may be of interest - [Watercare - Sustainability](#).

You have also recommended that we consider intergenerational equity when we make decisions, as decisions we make today will have impacts for many generations to come. This point was raised by your colleagues last year, and since then, we have updated our Board report template to ensure this is a prompt for all authors of board papers, especially, capital expenditure requests.

We respect and appreciate the additional work that Equal Justice Project volunteers put in during your studies and would like to take this opportunity to reiterate our support for the programme. We wish you all the best in your future endeavours and hope that considerations of climate action and the value of water may be part of them.

Thank you again for your interest in Watercare. If you have any further questions or feedback for the Board, please do not hesitate to get in touch.

Ngā mihi nui,

Margaret Devlin
Chair of Watercare Services Limited

Attachment 8



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22 December 2023

Jane Dent
Peter Nicholas
Herne Bay
Auckland 1142

Dear Jane and Peter

Response to your presentation made to Watercare's Board Meeting of 12 December 2023

Thank you for taking the time to attend the Watercare Board meeting on 12 December 2023 and for your presentation on Watercare's resource consent application for the Herne Bay Trunk Sewer Upgrade.

As discussed, the Board has consulted with Management and, as at the date of this letter, we can provide the following information in response to your deputation.

Once you have had a chance to consider this additional information, please let us know if you have any further questions.

Background to the project

The Herne Bay Sewer Upgrade Project (Project) represents critical community infrastructure required to reduce persistent wet weather wastewater overflows into the receiving environment around local beaches while also providing capacity for future growth. In doing so, it utilises Watercare's significant investment in the Central Interceptor (CI) project by connecting to the CI wastewater tunnel (via the proposed extension to Point Erin Park) and diverting wastewater and combined water flows away from existing coastal discharge points to the Māngere Wastewater Treatment Plant.

Watercare has lodged a resource consent for the entire Herne Bay Sewer Upgrade project, and this includes a request to use approximately 40% of Salisbury Reserve as a Construction Support Area (CSA). We plan to use this Salisbury Reserve CSA together with a second CSA on Shelly Beach Road.

The use of public space for CSAs is not uncommon and Watercare has active works and support areas located on many parks and reserves across the city. While there is often a short-term inconvenience, they enable us to achieve broader community outcomes. In all cases the sites are only selected after an options assessment process and our contractors and stakeholder teams work closely with neighbours to keep people informed during construction. Our proactive approach means we encounter very few issues.

The two CSAs for this project will act as hubs for the eight satellite construction sites at each shaft and will enable short term storage of materials and plant. This will enable a reduction of materials and equipment stored at each shaft location and will reduce the size of vehicles and number of truck movements on the local road network. If materials and plant were stored at each satellite construction site, Watercare would need to occupy a greater footprint in the road corridor which would cause significantly more adverse environmental effects and associated disruption to the local community.

Watercare wishes to start work on this project in late 2024 or early 2025 and to utilise Salisbury Reserve for construction support for a period of up to 2 years.

Once the CSAs are no longer required, they will be remediated back to at least their original condition. This will be a requirement of the conditions of consent (if granted).

Watercare lodged the resource consent application for the Project with Auckland Council on 30 June 2023. Watercare requested that Auckland Council publicly notify the application to do so in the interests of full public disclosure and transparency. The application was notified on 5 September 2023 and was open for submissions until 3 October 2023. Several submissions were received from residents in the Herne Bay area before the 3 October deadline, including from the Herne Bay Residents Association. Several of those submissions received before the deadline raised concerns with the required use of Salisbury Reserve as a CSA.

CSA selection criteria

The Project team considered a range of sites to be used as CSAs to facilitate the construction of the Project (these are set out below) and initially looked for a single CSA that could provide all the functions required.

The project team considered the following criteria when selecting our CSAs:

1. Distance from the work – a reasonable distance from all the individual worksites in the Project from Bella Vista Road to Point Erin.
2. Workable area – gives a minimum area suitable for use as a CSA (2,000-2,500m² based on similar projects in an urban setting).
3. Transport links – access to roads for logistics of deliveries to maintain supply to worksites while maintaining traffic management requirements.
4. Traffic impacts – impacts to traffic in the overall Project area as well as local to the CSA considering truck travel routes and number of movements. Also includes minimising disruption due to satellite construction area size, diversions, and road closures.
5. Impacts on neighbours – Noise, dust, vibration, loss of amenity impacts to those immediately surrounding the CSA. Particularly for the road corridor, maintenance of vehicle access was considered.
6. Reinstatement – works needed to return site to condition and amenity at least as good as prior to use as a CSA.
7. Amenity – disruption to site users during construction and post construction benefits from the Project.
8. Availability – after discussions with owners, where held, availability of the CSA.

The Salisbury reserve was considered to be the best CSA option, based on these criteria and Watercare's goals; to water quality improvement in the Herne Bay area and providing value to our customers. We do acknowledge that there are constraints/restrictions associated with the use of Salisbury Reserve, but recognise that this option provides us with the best opportunity to ensure successful outcomes delivery.

A part of our approach consideration was given to other areas and options for CSAs including the following locations.

- **Road Corridor (i.e. using residential roads and having the materials / offices immediately next to the shaft locations):** This option was discounted due to the large amount of space required in the road corridor, the number of driveways likely to be blocked, the amount of on-street parking that would need to be removed, the need to move the CSA several times (i.e. from shaft to shaft), and the overall level of significant adverse environmental effects and associated disruption this would cause to the entire Herne Bay community.
- **Cox's Bay Reserve:** This option was discounted due to the high use of the sports ground and the extra distance from the construction area. This would result in more adverse effects associated with construction traffic and disruption to the surrounding roads.

- **Pt Erin pool carpark:** This option was discounted as there would be too much interference between the different contractors working on the Pt Erin extension/Central Interceptor project, and this Project. Both projects will be underway at the same time. The cumulative effects of increased construction traffic in this area, in addition to effects on the use of the Pt Erin pool, were also considered too significant for this option to be viable. For the assessment of this option, we were also informed by the assessment undertaken within our Central Interceptor project, which resulted in the decision not to use the Pt Erin pool carpark. Instead, the CSA was proposed and consented in the grassed area within Pt Erin Park itself. The Point Erin Pool carpark is also a considerable distance from the western end of the Herne Bay construction area.
- **Little Shoal Bay and Stafford Park:** These were both not viable options due to natural hazards, logistical challenges on narrow streets, and the considerable distance from the Herne Bay construction area. Also, these sites were primarily considered as an alternative to 94 Shelley Beach Road, rather than an alternative to Salisbury Reserve as the primary CSA.
- **Onepoto Domain:** This option was discounted following feedback from the Kaipatiki Local Board. In any case it was too far away from the Herne Bay construction area and would require vehicles to travel over the Auckland Harbour Bridge when moving between the Domain and the construction area. Furthermore, it was primarily considered as an alternative to 94 Shelley Beach Road, rather than as an alternative to Salisbury Reserve as the primary CSA.
- **105-125 Curran Street:** Initial feedback from Eke Panuku was that it needed the whole of this site for their own project which was on a similar trajectory to this Project. However, more recently Watercare has been advised that Eke Panuku's project is on hold as it has not received the necessary funding to enable it to continue. Despite this, Eke Panuku is still indicating that they will need the site from the end of 2025 which does not align with the timeframes for the Herne Bay Sewer Project. In any event, Curran Street was primarily considered as an alternative to 94 Shelley Beach Road, not an alternative to Salisbury Reserve as the primary CSA, and even if Eke Panuku were to make it available to Watercare now (despite its current advice to the contrary) we would still require Salisbury Reserve.
- **Victoria Park:** This was not considered a viable option due to the distance from the construction area and the high traffic volume during peak hours.

Background as to why Salisbury Reserve is one of our preferred CSAs

Watercare is proposing to use a section of land at 94 Shelly Beach Road and the northern section of Salisbury Reserve as CSAs for the Project. The map below outlines the area of Salisbury Reserve requested as the primary CSA (in blue) which represents just under 40% of the Reserve.



This CSA is to be used for:

- Storage of materials for constructing the new pipes, some of which are very large like the new 2.1m diameter pipes.
- Storage of materials to support the tunnel boring machine and other works. This includes storage of fuel lubricants and spare parts.
- Assembly of equipment to support the tunnel boring machine operation.
- Site office and worker welfare facilities.
- Space for trucks and a crane to unload materials.

Key points about the use of Salisbury Reserve are:

- Watercare is only planning to use just under 40% of the Reserve. The pétanque court, club room, playground and two smaller open grassed areas will remain unaffected.
- Pedestrian access to both Salisbury Street and Argyle Street will be maintained.

- Noise levels will be mitigated with a 2m high solid hoarding around the site boundary.
- The CSA is planned to be operating during construction times, between 7am and 6pm, Monday to Friday and 8am – 6pm on Saturdays.
- When construction is complete, Watercare is committed to completely restoring the Reserve to its original condition.

Since the resource consent submission Watercare has further refined the area required at Salisbury Reserve, bringing in the boundaries of the site away from plantings and giving more of a buffer to users of the remaining areas of the park. The proposal is shown below.



Background to the Curran Street site

105-125 Curran Street is owned by Auckland Council and managed by Eke Panuku.

94C Shelley Beach Road is owned by the New Zealand Transport Agency and a portion of this is currently leased to Eke Panuku.

The Project team did consider using Curran Street as an alternative to the Shelley Beach Road CSA that we have proposed in our consent application. However, we did not consider Curran Street to be the only CSA area for the Project. This is because Curran Street is too far away from the western end of the Herne Bay Sewer Upgrade Project construction areas to be of practical use, when compared to Salisbury Reserve. In other words, even if Curran Street were available to us, we always also needed Salisbury Reserve.

We have had various discussions with the Eke Panuku's project manager for various projects we are doing in the area (i.e., Herne Bay Sewer Upgrade, and the Westhaven Booster Pumping Station project).

Prior to lodgement of the consent application, the last time we had discussions with Eke Panuku was whilst we were developing the construction methodology for the Herne Bay Sewer Upgrade, back in February 2023. At that time, we were told that Eke Panuku was proceeding with its project (the Harbour Bridge Park Project) and the site was not available to us. However, since those discussions in early 2023, we have become aware that Eke Panuku's project is on hold due to funding not being available.

We met with the Eke Panuku Harbour Bridge Park project manager on Monday, 4 December 2023, ahead of meeting the Herne Bay residents opposed to the use of Salisbury Reserve. The purpose of this meeting was to further understand Eke Panuku's current plans for the site. At that meeting, Eke Panuku confirmed that while the Harbour Bridge Park Project was on hold, they hoped to obtain the necessary funding and commence the project in late 2025.

Watercare aims to start the Herne Bay Sewer Upgrade in early 2025 and it will take up to 2 years to complete. Therefore, it became evident at that recent meeting there would be a clash over the project duration.

The Watercare Project team has since spoken to Gareth Wilson, the Westhaven Marina Manager. From our conversation with him, we understand that the Marina Manager does not have operational control over the Curran Street site. However, he would be willing to raise it within Eke Panuku Management as to whether we could use the site.

Watercare has asked for clarification from Eke Panuku as to who has the authority to give permission to use the Curran St site and, when we could have it, along with any restrictions. Further to this, Watercare has directly written to Eke Panuku asking for use of the site as a CSA from a specific date, for a period of two years. A copy of this letter is attached (Attachment 1). As at the date of this letter, we are still waiting to hear back. Watercare has also indicated to Eke Panuku the preferred area of land and the proposed site layout as below. Even if Eke Panuku is able to allow Watercare to use the Curran Street site, this will be used as a CSA in addition to the CSA at Salisbury reserve.



Management, however, has advised me that even if Eke Panuku confirms that Curran Street is available for Watercare to use as the only CSA for the project, then it is relevant to note that this would have other impacts. In particular, the change in approach (i.e., using one CSA at Curran Street, rather than the current proposed two CSAs in Shelly Beach Road and Salisbury Reserve) would result in the following:

- Watercare incurring an additional \$2m cost, at a minimum. This extra cost is related to the cost of time and transport for the contractor because the site is so far away from the western end of the Project, and their trucks would be travelling along residential routes that would likely upset other St Mary's Bay and Herne Bay residents.
- We would need to lodge an amendment to our Resource Consent application, and we may end up in litigation with other St Mary's Bay and Herne Bay Residents opposed to our planned use of Curran Street – resulting additional delay and expense.
- Any additional consent costs, and litigation costs, would be passed on to Auckland Watercare customers, and/or result in the deferral of other important capital projects.
- The eight Satellite Construction Sites will still be required. These are set out in Appendix J of the Resource Consent application. All these Satellite Construction Sites are in residential roadways, including Hamilton Road, Marine Parade, Sarsfield Street, Cremorne Street, Stack Street, Waitangi Street, Argyle Street and Bella Vista Road. Using two CSAs, including Salisbury Reserve, minimised the footprint at these roadside Satellite Construction Sites. However, if we only had one CSA at Curran Street, these eight Satellite Construction Sites would need to expand in area to accommodate plant and machinery that needs to stay on, or near, sites during certain stages of the project. This would necessarily involve our contractors taking up longer sections of residential roadway and blocking more driveways. The roadway work areas would then have a greater impact on more residents at each site in

Herne Bay. These impacts would primarily change the effects on noise, vibration, traffic and potentially tree cover.

Next steps

From the information provided, I trust we have provided assurance that Watercare has considered a range of options in respect of the CSA requirements for the Herne Bay Sewer Upgrade Project, including Curran Street. As set out earlier in the letter, a response from Eke Panuku is awaited in respect of Curran Street.

Once received, Management will consider whether to continue with the current plan or amend the resource consent application, noting that the use of Curran Street is not without challenges and complications.

We will revert once a response has been received from Eke Panuku. In the meantime, should you have any questions in respect of the information provided, please do not hesitate to contact me.

Yours faithfully,



Margaret Devlin
Chair – Watercare Board
Watercare Services Limited

Board meeting | 8 February 2024

Public session



Health, safety, and wellbeing update

For discussion

Te pou whenua tuhinga / Document ownership

Prepared and reviewed by

Paula Luijken

Acting Head of Health, Safety and Wellbeing

Submitted by

Dave Chambers

Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

2. Whāinga / Purpose

This report provides a comprehensive overview of health, safety, and wellbeing at Watercare.

3. Kōrero pitopito / The details

Summary

Our leading KPIs were all improving with a slight dip in December, potentially due to the holidays. Our Peakon climate survey results on how our kaimahi feel about safety, increased from 7.9 to 8.1, which is very reassuring and means we are now meeting our target. Both the TRIFR review and HSE Global review have highlighted concerns around our focus on TRIFR and the need for a more cohesive strategy and better way to tell the story. We are continuing to work on improvement projects to enable our kaimahi to do the right thing and be safe and successful at work. The HSW team has some staff vacancies.

3.1 HSW metrics – November/December 2023

Lead Indicators – Executive HSW KPIs

| KPI | Description | Target | October | November | December | Commentary |
|------------------------------------|--|------------------|----------------|----------------|-----------------|--|
| HSW Climate | The team targets a HSW climate rating of $\geq 8/10$ in each six-monthly Watercare climate survey | > 8 | 7.9 | 8.1 | 8.1 | This survey was done in November, it is reassuring to see an increase and the score now beating the target. |
| Open iCare cases | 95% of iCare cases are closed with appropriate and effective actions within 30 days of having been raised | < 5% | 305 (7.05%) | 264 (6.00%) | 360 (8.0%) | This number is the % of open cases raised in the last 12 months, that are currently open, and have been open over 30 days. |
| Leadership walks | All leaders in the business are to complete leadership engagement walks as per schedule determined by their business unit leadership team | By business unit | 93/127 73% | 90/127 71% | 156/127 123% | Business units each have their own targets. There has been a big increase in leadership walks since October. All units have now set targets and are working towards them. |
| Reward & Recognition | Each business unit has a Reward and Recognition programme which is reported on at the monthly performance hui as part of monthly HSW performance for peer review | By business unit | 170 | 156 | 108 | This is done via the reward and recognition app and business unit/site internal programs. The numbers reported here are for recognition made via the Teams app. |
| Training - Induction | All kaimahi complete and maintain a current online Watercare HSW Induction within two months of starting with Watercare | 100% of kaimahi | 75.51% | 82.79% | 84.57% | Push notifications will be sent in February to those who have not completed this training. |
| Training – Safety L-ship in Action | All people leaders complete training in leadership engagement interactions | 100% of leaders | 22.76% | 27.69% | 34.17% | This training is held monthly – aim is for 10% increase each month Nov – June. This training is half a day in person training, and all courses are currently booked until April. We are looking to put on some extra sessions to help ensure everyone can complete the training. |

| KPI | Description | Target | October | November | December | Commentary |
|------------------------|--|--------------|---------|----------|----------|---|
| Permit audits per site | Every month, a minimum of one permit audit is conducted per project/plant. | One per site | 20/36 | 31/36 | 15/36 | Sites that require a permit audit have been confirmed and will be reported on from January. There were less permit audits over December as many infrastructure sites stopped work over Christmas. |

Watercare results for November 2023

| Metric | November 2023 | November 2022 | YTD 2023 | YTD 2022 |
|---|---------------|---------------|-----------------------------------|------------------------------------|
| Total recordable frequency rate | 25.07 | 16.79 | - | - |
| Total recordable injuries | 0 | 5 | 57 | 56 |
| Lost Time Injuries | 0 | 1 | 17 | 11 |
| Restricted Duties Injury | 0 | 0 | 7 | 7 |
| Medical treatment | 0 | 4 | 33 | 32 |
| Total Days lost | 0 | 3 | 373 Total (278 LTI and 95 RDI) | 768 Total (161 LTI and 607 RDI) |
| Average Days of incapacity per injury (RDI and LTI) | 0 | 3 | 15.5 | 13.71 |
| Notifiable incidents | 0 | 0 | 1 | 0 |
| Critical risk/All incidents for month | 8/30 | 16/58 | 69/408 | 139/662 |
| High potential critical events | 0 | 0 | 1 | 0 |

There were ZERO recordable injuries in November 2023.

Watercare results for December 2023

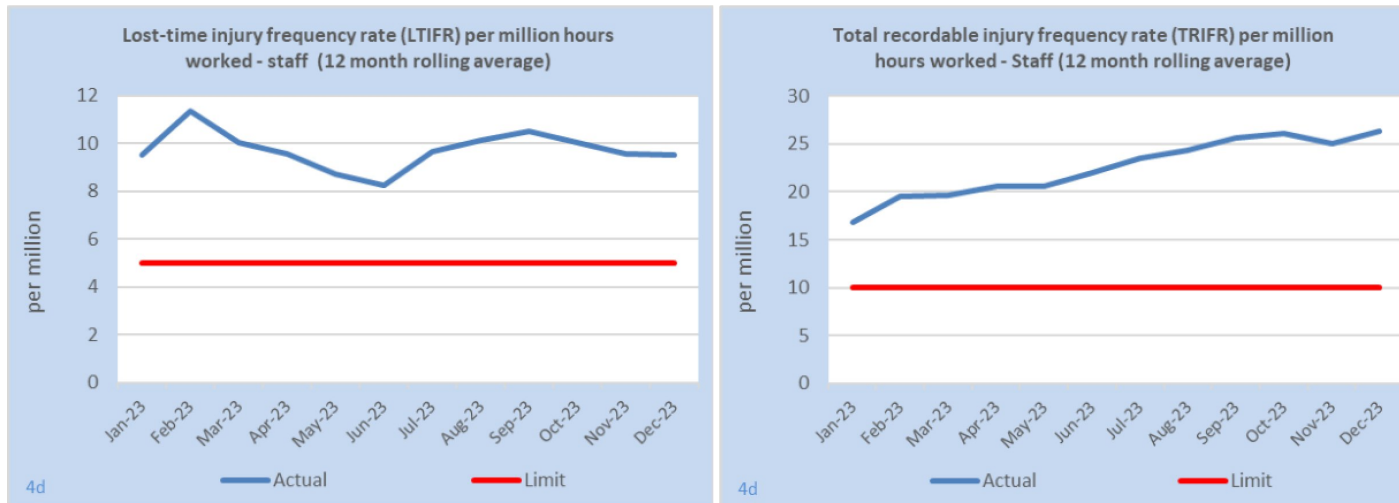
| Metric | December 2023 | December 2022 | YTD 2023 | YTD 2022 |
|---|----------------------|----------------------|-----------------------------------|-----------------------------------|
| Total recordable frequency rate | 26.32 | 15.80 | - | - |
| Total recordable injuries | 2 | 1 | 60 | 59 |
| Lost Time Injuries | 0 | 1 | 17 | 13 |
| Restricted Duties Injury | 2 | 0 | 9 | 7 |
| Medical treatment | 0 | 0 | 33 | 31 |
| Total Days lost | 7 | 4 | 380Total (278 LTI and 102 RDI) | 884Total (277 LTI and 607 RDI) |
| Average Days of incapacity per injury (RDI and LTI) | 3.5 | 4 | 13.57 | 14.98 |
| Notifiable incidents | 0 | 0 | 1 | 0 |
| Critical risk/All incidents for month | 5/26 | 4/29 | 74/434 | 143/691 |
| High potential critical events | 0 | 1 | 1 | 1 |

The number of incidents is similar to 2022. However, the number of days off relating to incapacity per injury has reduced significantly. This could be due to the injuries being less severe or improved injury management and return to work processes. We have also been encouraging early reporting, which could have caused the increase in physiotherapy related injuries, which are medical treatment.

2 x restricted duties injury

- Five days restricted – Kaimahi was hand digging to expose meter and injured back.
- Two days restricted – Kaimahi was opening a tap, the pressure in the hose cause it to flick up and hit the kaimahi in the face. Safety glasses were worn at the time. Actions in place to look at pressure valves on nozzles to prevent recurrence.

3.1.1 LTIFR / TRIFR measures



Health and Safety Performance/TRIFR review

The internal review of TRIFR has summarised how we collect injury data in iCare, our injury classifications, and confirmation of our hours from payroll. This has revealed problems with injuries that change classification over time, (for example an injury may start as a medical treatment injury and later require time off work). This causes problems in our iCare system that are making it a challenge to have an accurate picture of injury severity. Work is ongoing to cleanse all the data, and look at all our recordable injuries to see if there are any trends or areas to focus on. An improved Health and Safety reporting system will help with some of these issues. We are hoping to obtain the reporting system that was being developed by the DIA/NTU.

Our ACC claims per liable earnings have been decreasing since 2019, and we are below our levy risk group. However, our TRIFR remains higher than other organisations. There are many issues with comparing TRIFR to other organisations, and the Business Leaders' Forum has stopped its benchmarking report in recognition of it being an invalid statistic to compare companies.

HSE Global Review

The HSW culture review was conducted by HSE Global in December 2023 with multiple people interviewed throughout the organisation and a selection of sites visited. A draft report is currently being reviewed. Once this is finalised an action plan will be developed. One highlight from the report was praise for a “high level of intrinsic motivation within the workforce”. The key priorities are the need to agree on HSW strategy, have a suite of HSW metrics, and improve psychological safety throughout the organisation.

Hazardous Energy Isolation

A review is underway to ensure we have clear and consistent Lock out tag procedures at all of our sites, and that our documentation and training reflect best practice. This is due to be completed in the first quarter of 2024. This is one of the improvements we are working on to help make it easier for our kaimahi to do the right thing.

45001

The two major non-conformances have been resolved and corrective actions implemented. These were around removing any personal floatation devices over 10 years old, and improvements to the control of work process. The remaining minor non-conformances are in progress or complete and required to be completed in time for next audit.

Current challenges for the HSW team

The permanent Head of HSW role has not been recruited, so is still an acting role. This has meant that there are now three people in the team in temporary/acting roles. Combined with two recent resignations, this has created some pressure on the team as they cover the areas where there are vacancies. A temporary contractor has joined the team to cover the coordinator role, and advertisements have gone out to replace the two kaimahi who recently resigned.

3.1.2 Contractor incidents for November and December 2023

| Metric | November 2023 | December 2023 |
|---------------------------------------|---------------|---------------|
| Total recordable frequency rate | 12.29 | 12.10 |
| Total recordable injuries | 4 | 2 |
| Lost time injuries | 1 | 1 |
| Restricted work injury | 0 | 1 |
| Medical treatment | 4 | 0 |
| Notifiable incidents | 1 | 0 |
| Critical risk/All incidents for month | 15/36 | 5/13 |
| High potential critical events | 0 | 0 |

Notifiable to Worksafe:

- While unloading part of a tunnel boring machine with a crane, the front part of the TBM fell 1.2m to the ground. Nobody was close when this happened, showing the importance of exclusion zones. This is considered notifiable as an “unplanned or uncontrolled incident due to release from height of any plant, substance, or thing”. Worksafe attended site, and no further action is being taken.

1 x lost time injury:

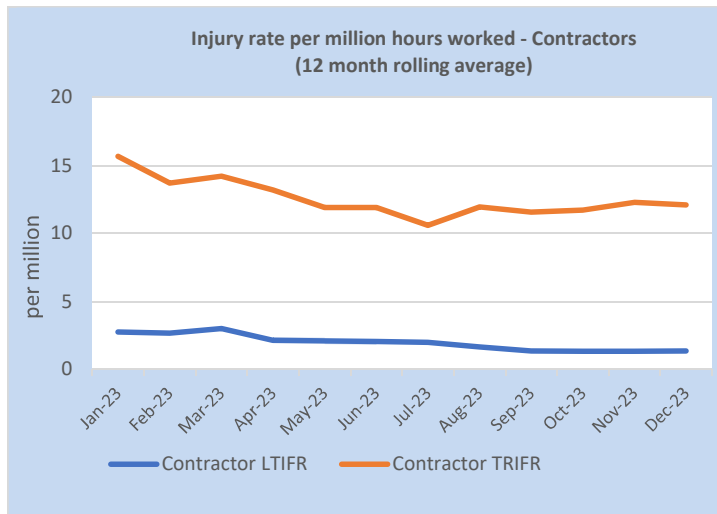
- 5 days lost. A cleaner slipped while mopping and sprained their forearm and elbow.
- 2 days lost/12 days light duties. The injured person was walking along the berm outside their project yard. They tripped and twisted their ankle.

4 x restricted duties injuries:

- 7 Days light duties: While breaking concrete the worker received a cut on their right-hand thumb. They were wearing gloves at the time.
- 7 Days light duties: Sub-contractor worker's right ankle twisted while slipping from the concrete slab and landed on uneven ground.
- 30 or more days light duties: A PE pipe stored on the vehicle by another employee had been bent to fit. Therefore it had been stored under kinetic load. When the worker went to remove the pipe, the energy was released which knocked them to the ground, injuring their right wrist and upper bicep.
- 7 days light duties: While unloading a digger bucket, the bucket unexpectedly fell to the ground, striking the ground initially before hitting the foreman's foot. The foreman was wearing safety boots, which meant the injury was not as bad as it could have been. PPE is important as the last line of defence.

Incidents involving critical risks

There were 19 events involving critical risks in November and December. None of these resulted in injury and show the importance of prevention controls. We know that things will not always go to plan, and being prepared for that is important.



Board meeting | 8 February 2024
Public session



Updated Summer Water Production Plan

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Peter Rogers
Head of Production

Recommended by

Mark Bourne
Chief Operations Officer

Submitted by

Dave Chambers
Chief Executive Officer

1. Te tūtohunga / Recommendation

We recommend that the Board notes the summer 2024 production plan which aims to maintain total system storage above the updated drought management plan trigger levels.

2. Whāinga / Purpose

The September 2023 long range meteorological forecasts advised that a drier windier El Nino weather pattern will prevail over the spring and summer period for the Auckland area. In addition, we were advised there is an increased likelihood of lower-than-normal rainfall over the next autumn and winter period when the dams typically recharge.

Although current storage lakes were at near full capacity at that time, an updated summer production plan was prepared to ensure continuity of supply and prevent restrictions during late summer and autumn 2024.

3. Ngā whakaaweawe ki a Watercare / Impact on Watercare

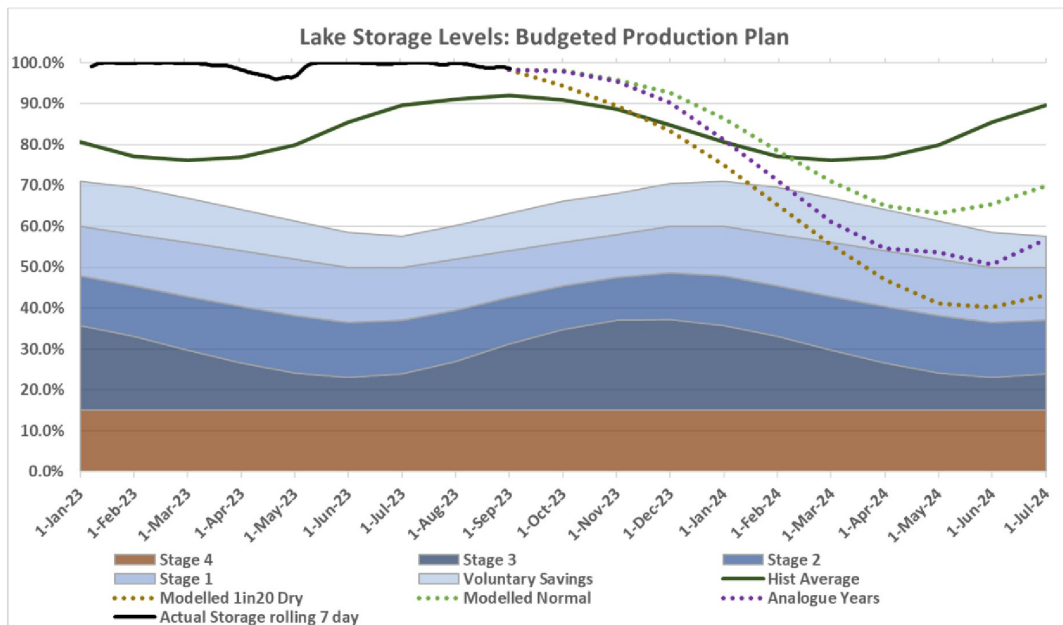
Forecast weather conditions and total system storage

As total system storage had remained high and the long-range forecast was for normal rainfall at budget time (March 2023), the budgeted production maximises Ardmore and Huia water treatment plants and minimises Waikato water treatment plants. This production balance reduces operational costs. Based on this production balance, Graph 1 shows modelled water storage levels under different seasonal weather(rainfall) scenarios from 1 September 2023. The Voluntary and the Stage 1 to Stage 4 savings band levels on the graph reflect the updated Drought Management Plan approved last year.

The solid dark green line shows the historical average storage, the dotted green line shows a normal year scenario (on which the budget is based).

The dotted purple line shows the predicted storage levels based on the average of analogue years (historic years that follow the current predicted seasonal weather forecast) assuming the budgeted production plan (ie. minimised production from Waikato River). This dotted purple line shows that if the predicted seasonal weather forecast is realised we would expect to enter and remain in voluntary savings for the first half of 2024 with the possibility of entering stage one restrictions for a period.

The orange dotted line shows the predicted storage levels based on a 1 in 20 dry year (a rainfall pattern we would expect once in 20 years) assuming the budgeted production plan (ie. minimised production from Waikato River). This orange dotted line shows that if that rainfall pattern occurred, we would expect to enter stage 1 restrictions over summer and remain there into winter.

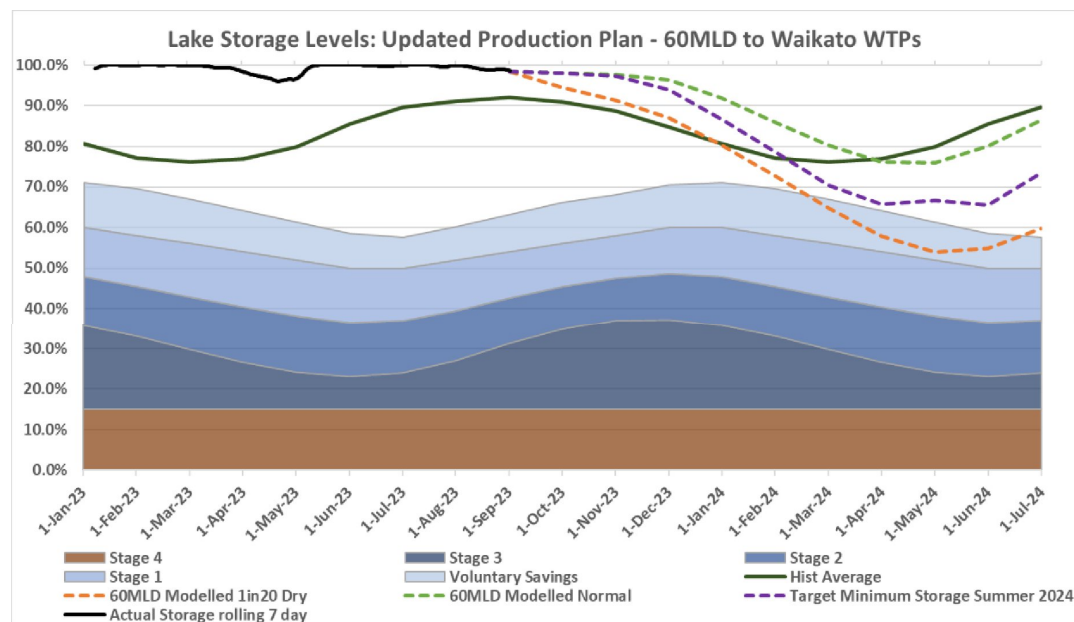


Graph 1: Lake storage levels: Budgeted Production Plan

Updated summer production plan

The abstraction of water from our water supply lakes versus the Waikato River is a balance of cost versus security as the lake supplies are more cost effective than water from the Waikato River. Based on the information available in September 2023 it was estimated that 60MLD would need to be moved from the lake sourced treatment plants to the Waikato treatment plants to ensure that we do not enter voluntary water restrictions in first half of 2024 if the forecast weather conditions eventuated.

The scenario considered most likely to occur was the Analogue Years, represented by the purple line on Graph 2. This became the target storage levels to remain above for the updated summer production plan.



Graph 2: Lake storage levels: Moving 60MLD to Waikato WTPs

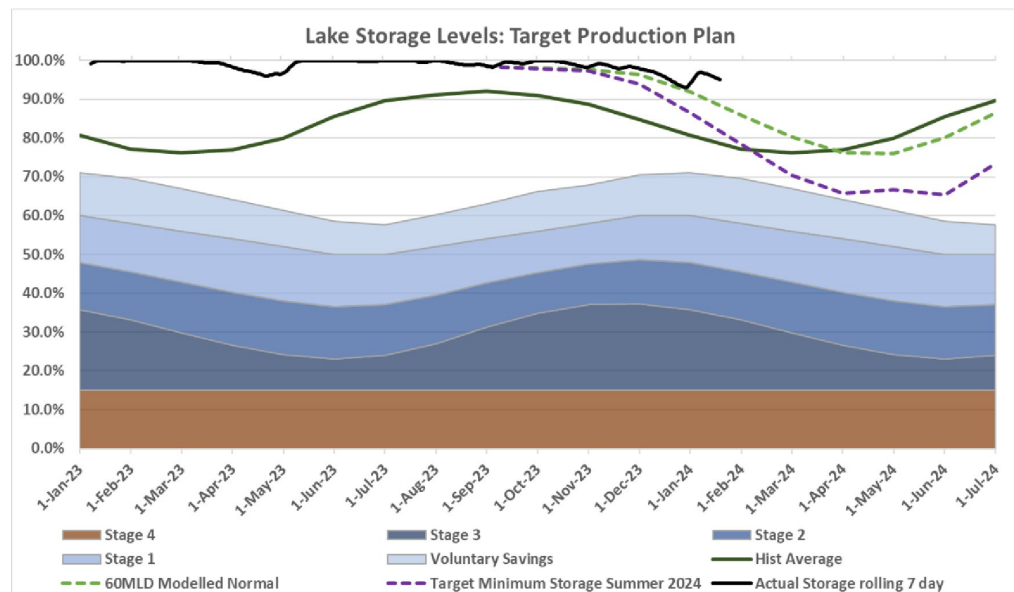
With the forecast dry summer, actual demand was expected to be greater than budgeted demand. Accordingly, with increased production, costs would be adverse to budget. Shifting production from Ardmore and Huia water treatment plants to Waikato Water Treatment Plant also increases production costs

over budget. The cumulative impact would have been an additional cost of \$3.5m for the year if an extra 60MLD was produced at the Waikato WTP from 1 October 2023.

Current position

Total system storage remains above target level (the dashed purple line). The Waikato Water Treatment Plant production remains at minimum flow and in line with budget and the “additional 60MLD” proposed in the updated summer production has not been required at this stage. The Waikato 50 Water Treatment Plant remains out of service but has been tested and can be brought back into production with minimal delay if required.

The summer and autumn weather forecast remains hot and dry. This is reflected in demand being higher than last year and cumulative rainfall being (marginally) less than normal. Auckland water resources remain in a strong position and restrictions are unlikely this summer.



Graph 3: Lake storage levels: Actual vs Target

Restrictions elsewhere

A number of communities have introduced water use restrictions to reduce peak demand over summer. Notably:

- Wellington City, Porirua City, Hutt City, and Upper Hutt City moved to Level 2 Water Restrictions 17 January 2024, meaning a ban on sprinklers and irrigation systems for residential households; and
- Tauranga has banned domestic sprinklers and irrigation systems between 1 December 2023 and 29 February 2024.

4. Ā muri ake nei / Next steps

Management will continue to monitor actual system storage against the updated summer production plan target total system storage level. If required, production will shift from Ardmore and Huia water treatment plants to the Waikato water treatment plants in line with the plan.



Board - Public Session - Board planner

| | | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 |
|---|---|---|--|--|--|---|---|--|---|--|--|---|--|
| Meetings | Board | 25-Jan | 8-Feb | 5-Mar | 9-Apr | 7-May | 12-Jun (Statutory Public Meeting) 25-Jun | 10-Jul | 6-Aug | 3-Sep | 8-Oct | 5-Nov (Statutory Public Meeting) | 12-Dec |
| | Audit and Risk Committee | | 7-Feb | | 3-Apr | 21-May | 21-Jun | | Dates TBC | | | 19-Nov | |
| | Asset Management Committee | | 21-Feb | | 23-Apr | | 26-Jun | | Date TBC | | | Date TBC | |
| Running the business | Financial | Approve long term plan inputs/financials for submission to Auckland Council | Approve half year accounts Approve long term financials for Auckland Council modelling | Approve financials for Draft SOI including projected 24/25 price increases | | | Board approval of insurance proposal Board approval of 2024/2025 Budget and updated SOI financials | Auckland Council and Watercare to review 30 June Treasury Interest rates | Approve Auckland Council Reporting Pack (via an out-of cycle resolution) | Approve 2023/24 accounts Delegate final sign off of Annual Report 2024 | | Auckland Council Draft Annual Plan - approve Watercare input | |
| | Statement of intent | | Q2 Performance Report - due to Council by 23 February 2024 | Draft 2024-2027 SOI for Board's approval - to be sent to Council on or before 1 April 2024 | Q3 Performance Report - due to Council by 26 April 2024 (approval via an out-of cycle resolution) | | Present shareholder SOI feedback at public meeting. Public deputations to be received. | Final submission of 2024-2027 SOI to Council on or before 31 July 2024 | Final 2024-2027 SOI adopted by Auckland Council Q4 Performance Report - due to Council by 30 August 2023 | | Q1 (FY25) Performance Report due to Council by 25 October 2024 | 2023/2024 SOI Results to be presented to Board at Public Meeting. Public deputations to be received | 2025/26 Letter of Expectations to be received |
| | Community and Stakeholder Relationships | | Stakeholder Watercare deep dive performance discussion at the CCO Direction and Oversight Committee meeting of 22 February 2024 | Stakeholder Board visit to Huia WTP scheduled for 4 March 2024. Councillors invited. | Stakeholder Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly | Stakeholder iwi | Stakeholder iwi | Stakeholder Watercare deep dive performance discussion at the CCO Direction and Oversight Committee meeting of 23 July 2024 | Stakeholder iwi | Stakeholder iwi | Stakeholder iwi | Stakeholder iwi | Stakeholder Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly |
| | Governance | | Enterprise Risk Report Climate change governance update Q2 Statutory compliance | Update on Auckland flood recovery Risk Management Policy update | Enterprise Risk Report Q3 Statutory compliance | Q3 Statutory compliance Corporate Governance charter Update on Auckland flood recovery | Corporate Governance charter Update on Auckland flood recovery | | Enterprise Risk Report Q4 Statutory compliance | Update on Auckland flood recovery | | Enterprise Risk Report Q1 Statutory compliance | Update on Auckland flood recovery Delegations to the CE Policy |
| Karakia | | Margaret Devlin | Nicola Crauford | Graham Darlow | Julian Smith | Frances Valentine | Margaret Devlin | Nicola Crauford | Graham Darlow | Julian Smith | Frances Valentine | Margaret Devlin | Nicola Crauford |
| Deep Dives - aligned to the five priorities | | | | | | | | | | | | | |
| Confidential | | AMP update | CE's KPIs Smart sewer network update Long term cost reduction plan | Huia WTP replacement procurement approach Southwest WWTP servicing scheme progress summary North Harbour number 2 Waikuku WTP | | CE's KPIs | | | A year end progress update for CE's KPIs | | | CE's KPIs | |
| Audit & Risk Committee | | | Presentation of Watercare's draft half-year accounts Internal Audit Report Directors' expenses for the quarter ended 31 December 2023 Risk Management Policy - update | | | Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2024/25 Budget & updated SOI Financials Review tax ahead of year end Internal Audit Report Directors' expenses for the quarter ended 31 March 2024 | | | Auckland Council FY24 Reporting Pack (14 August meeting) Approval of Financial Statements FY24 (28 August meeting) | | | Delegations to the CE Policy | |
| Asset Management Committee | | | Huia WTP replacement procurement approach Southwest WWTP servicing scheme progress summary North Harbour number 2 Waikuku WTP | | | Deep dive on Digital programme | | | | | | | |

Board meeting | 8 February 2024
Public session



Directors' committee membership and meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Emma McBride
Head of Legal and Governance

Recommended and submitted by

Dave Chambers
Chief Executive Officer

1. Te tūtohunga / Recommendation

We recommend that the Board notes this report outlining directors' appointment terms, committee membership and meeting attendances.

2. Take matua / Key points

The key points are:

- the tenure of the current directors of Watercare Services Limited
- details of the committees each director is a member of
- details of directors' attendance at Board and committee meetings over the calendar year.

3. Kōrero pitopito / The details

We currently have six directors appointed by Auckland Council. Dave Chambers is on sabbatical from the Board (effective from 7 February 2023) whilst acting chief executive.

3.1 The tenure of the current directors

| Director | Original appointment date | End of term |
|-------------------------------|---------------------------|--|
| Margaret Devlin (Board Chair) | 1 November 2016 | 3 rd term ends on 30 June 2024 |
| Nicola Crauford | 1 April 2014 | 4 th term ends on 30 June 2024 |
| Graham Darlow | 3 February 2021 | 1 st term ends on 31 October 2024 |
| Frances Valintine | 1 November 2019 | 2 nd term ends on 30 June 2024 |

| Director | Original appointment date | End of term |
|---------------|---------------------------|---|
| Julian Smith | 1 January 2022 | 1 st term ends on 30 June 2024 |
| Dave Chambers | 1 November 2019 | 2 nd term ends on 30 June 2024 |

3.2 Details of the committees

We have two committees to assist the Board in its corporate governance. Committee Chairs and members are appointed by the Chair. Attendance at Committee meetings by non-members is optional.

| Director | Audit and Risk Committee | Asset Management Committee ⁺ |
|-------------------------------|--------------------------|---|
| Margaret Devlin (Board Chair) | ✓ | ✓ |
| Nicola Crauford | Committee Chair | ✓ |
| Graham Darlow | ✓ | Committee Chair |
| Frances Valintine | | |
| Julian Smith | | |
| Dave Chambers | | |
| Brendon Green* | ✓ | |
| Hinerangi Raumati-Tu'ua* | Committee Chair | |

* Resigned on 31 July 2023.

+ This committee was established at the 8 August 2023 Board meeting.

3.3 Directors' attendance at Board and committee meetings

Table 1: Attendance at Board and committee meetings in 2023 is detailed in the table below:

| Attended ✓ Did not attend ✕ Not on the committee ■ | Attendance at Board meetings | | | | | | | | | | | Attendance at Audit and Risk Committee meetings | | | | | Attendance at Asset Management Committee meetings ⁺ | | | |
|--|------------------------------|--------------|--------------|------------|--------------|-------------|---------------|------------------|-----------------|-----------------|------------------|---|-------------|----------------|----------------|------------------|--|-------------------|-----------------|------------------|
| | 8 February 2023 | 7 March 2023 | 4 April 2023 | 9 May 2023 | 13 June 2023 | 4 July 2023 | 8 August 2023 | 6 September 2023 | 10 October 2023 | 7 November 2023 | 12 December 2023 | 3 February 2023 | 23 May 2023 | 15 August 2023 | 31 August 2023 | 21 November 2023 | 23 August 2023 | 20 September 2023 | 20 October 2023 | 29 November 2023 |
| Margaret Devlin | ✓ | ✓ | ✓ | ✓ | ✓ | ✕ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✕ | ✓ |
| Nicki Crauford | ✓ | ✓ | ✓ | ✓ | ✓ | ✕ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✕ | ✓ | ✓ | ✓ |
| Frances Valintine | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | | | |
| Graham Darlow | ✕ | ✓ | ✓ | ✓ | ✓ | ✓ | ✕ | ✓ | ✓ | ✓ | ✓ | ✓ | ✕ | ✓ | ✓ | ✕ | ✓ | ✓ | ✓ | ✓ |
| Julian Smith | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| Dave Chambers | | | | | | | | | | | | | | | | | | | | |
| Brendon Green* | ✕ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | ✓ | ✓ | | | | | | | |
| Hinerangi Raumati-Tu'ua* | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | ✓ | ✓ | | | | | | | |

*Resigned on 31 July 2023

+The committee was established at the 8 August 2023 Board meeting.

Table 2: Attendance at Board and committee meetings in 2024 will be detailed in the table below:

| Attended ✓ Did not attend ✕ Not on the committee ■ | Attendance at Board meetings | | | | | | | | | | | | Attendance at Audit and Risk Committee meetings ^x | | | | | | Attendance at Asset Management Committee meetings ⁺ | | | | | | |
|--|------------------------------|-----------------|--------------|--------------|------------|--------------|--------------|--------------|---------------|------------------|----------------|-----------------|--|-----------------|--------------|-------------|--------------|-------------|--|------------------|------------------|---------------|--------------|-------------|---------------|
| | 25 January 2024 | 8 February 2024 | 5 March 2024 | 9 April 2024 | 7 May 2024 | 12 June 2024 | 25 June 2024 | 10 July 2024 | 6 August 2024 | 3 September 2024 | 8 October 2024 | 5 November 2024 | 12 December 2024 | 7 February 2024 | 3 April 2024 | 21 May 2024 | 21 June 2024 | August 2024 | August 2024 | 19 November 2024 | 21 February 2024 | 23 April 2024 | 26 June 2024 | August 2024 | November 2024 |
| Margaret Devlin | ✓ | | | | | | | | | | | | | | | | | | | | | | | | |
| Nicki Crauford | ✓ | | | | | | | | | | | | | | | | | | | | | | | | |
| Frances Valintine | ✓ | | | | | | | | | | | | | | | | | | | | | | | | |
| Graham Darlow | ✓ | | | | | | | | | | | | | | | | | | | | | | | | |
| Julian Smith | ✓ | | | | | | | | | | | | | | | | | | | | | | | | |
| Dave Chambers | | | | | | | | | | | | | | | | | | | | | | | | | |

^x Meeting dates for August 2024 TBC⁺ Meeting dates for August and November 2024 TBC

Board meeting | 8 February 2024
Public session



Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Emma McBride
Head of Legal and Governance

Recommended and submitted by

Dave Chambers
Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes the directors' and executives' interests.

2. Take matua / Key points

Section 140 of the Companies Act 1993 requires all directors to keep an Interests Register, which must be disclosed to the Board of the company.

One of key principles of good governance is transparency and having an open and honest approach to working with the wider community. Watercare not only maintains an Interests Register for its directors, but also voluntarily maintains an Interests Register for our executives.

3. Kōrero pitopito / The details

3.1 Watercare Services Limited's Directors' Interests Register

- Dave Chambers is on sabbatical from the Board (effective from 7 February 2023) whilst chief executive.
- All new additions in 2024 are in [Blue](#).

| DIRECTOR | INTEREST |
|--------------------------|--|
| Margaret Devlin | <ul style="list-style-type: none"> • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, Waimea Water Limited • Director, IT Partners Group • Chair, Advisory Board Women in Infrastructure Network • Chair, Hospice Waikato • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee • Director, Dairy NZ Limited |
| Nicola Crauford | <ul style="list-style-type: none"> • Director and Shareholder, Riposte Consulting Limited • Trustee, Wellington Regional Stadium Trust • Director and Chair, Burgundy Holdco Limited (owner of StraitNZ Limited) • Director, Lyttleton Port Company Limited |
| Frances Valintine | <ul style="list-style-type: none"> • Director, The Mind Lab Limited • Director, Tech Futures Lab • Director and Shareholder, Harcourt Jasper Limited • Director and Shareholder, Pointed Tangram Limited • Director and Shareholder, Harper Lilley Limited • Director and Shareholder, On Being Bold Limited • Director and Shareholder, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Board of Trustee, University of Silicon Valley • Shareholder, Thought-Wired Limited • Director, Academy EX Limited • Director, Earth Futures Lab • Director, Edlab Limited |
| Graham Darlow | <ul style="list-style-type: none"> • Director, Holmes GP ANZ Ltd • Director, Hick Group Ltd • Business Executive, Acciona Infrastructure NZ Limited |

| DIRECTOR | INTEREST |
|---------------------|---|
| | <ul style="list-style-type: none"> • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction Limited • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited • Director, Holmes Group Limited • Chair, The LEAD Alliance Board |
| Julian Smith | <ul style="list-style-type: none"> • Advisory Board Member Vadacom Limited • Board Trustee, Look Good Feel Better Trust • Director and Shareholder of JTB Enterprises Limited • Committee member of Institute of Directors, Auckland Committee • Chair, Institute of Directors Te Tai Tokerau, Northland Sub-Committee • Committee member of Body Corporate Chairs Group NZ, Auckland Committee • Body Corporate Chair, The Residences, Auckland • Body Corporate Committee member, The Connaught Residential Apartments, Auckland • MyCareerBrand |

3.2 Watercare's Executives' Interests Register

- All new additions in 2024 are in [Blue](#).

| EXECUTIVES | INTEREST |
|------------------|--|
| Dave Chambers | <ul style="list-style-type: none"> • Director, Paper Plus New Zealand Limited • Director, GB & DD's Outfit Limited • Director, Watercare Services Limited (on sabbatical since 7 February 2023) |
| Jamie Sinclair | <ul style="list-style-type: none"> • Director and Shareholder, Sinclair Consulting Group Ltd |
| Shayne Cunis | Nil |
| Amanda Singleton | <ul style="list-style-type: none"> • Director, Die Weskusplek Pty Limited (South Africa) • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust |
| Nigel Toms | <ul style="list-style-type: none"> • Director, TRN Risk & Resilience Consulting |
| Steve Webster | <ul style="list-style-type: none"> • Director, Howick Swimgym Limited |
| Mark Bourne | <ul style="list-style-type: none"> • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust |
| Andrew Chin | Nil |
| Sarah Phillips | Nil |
| Richard Waiwai | <ul style="list-style-type: none"> • Director, and owner of Te Hautapu Consultants Limited • Trustee of Te Rana Te Araroa Waiwai Whanau Trust • Relatives work for Waikato Tainui |
| Angela Neeson | <ul style="list-style-type: none"> • Director, Tranquillo Properties Limited |

