

## WATERCARE SERVICES LIMITED

<b>AGENDA</b>	<b>BOARD MEETING</b>	<b>Thursday 28 March 2019</b>
<b>Venue</b>	Watercare Services Limited, Level 3, 73 Remuera Road, Newmarket	
<b>Time</b>	10am	

### *Open Public Meeting*

Item	Spokesperson	Action sought at governance meeting	Supporting Material
<b>1 Apologies</b>	Chair	Record apologies	
<b>2 Minutes of Meeting</b>	Chair	<a href="#">Approve Board Meeting Minutes 26 February 2019</a>	Board Minutes 26 February 2019
<b>3 Disclosure of Directors' Interests</b>	Chair	<a href="#">For noting</a>	Report
<b>4 For discussion</b>			
4.1 Safety Moment	All	For sharing	Nil
4.2 Chief Executive's Report	R Jaduram	<a href="#">For discussion</a>	Report
4.3 Board Committee Updates	Committee Chairs	For discussion	Nil
<b>5 For information</b>			
5.1 Our strategic business plan update	Chiefs	<a href="#">For information</a>	Presentation
5.2 Our 40:20:20 Vision	S Webster	<a href="#">For information</a>	Presentation
5.3 Policy update - Domestic Violence - Victim Protections Act 2018 Update	J Glennon	<a href="#">For information</a>	Report
<b>6 Directors' Corporate Governance Items</b>			
6.1 Board Planner	Chair	<a href="#">For noting</a>	Report
6.2 Disclosure of Senior Executives' Interests	Chair	<a href="#">For noting</a>	Report
6.3 Directors' Appointment Terms and Committee Memberships	Chair	<a href="#">For noting</a>	Report
<b>7 General Business</b>	Chair	For discussion	Nil
<b>Date of next meeting</b>	Tuesday 30 April 2019		
<b>Venue</b>	Watercare, Level 3, 73 Remuera Road, Newmarket		

## MINUTES

DRAFT

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	26 February 2019
TIME	9am
STATUS	Public Session

	<p><b>Present:</b> M Devlin (Chair) J Hoare N Crauford B Green C Harland D Thomas</p> <p><b>Board Intern</b> C Magee (except for the period 9.10-10.30).</p>	<p><b>In Attendance:</b> R Jaduram (CE) M Bridge J Glennon D Hawkins E McBride R Chenery A Singleton S Morgan S Webster B Struthers (from start until 9.20am) A Nama P Thurai Sundaram (from start until 10.42am) J Eggleton (from start until end of 5(b)) S Cunis (from item 5.2(b) to end of meeting) A Stuart (from item 5.2 (b) to end of meeting)</p>	<p><b>Members of the Public:</b> Nil</p>
1.	<p><b>Apologies</b></p> <p>Apologies were received from Company Secretary, Rob Fisher.</p>		
2.	<p><b>Minutes of Previous Meetings</b></p> <p>The Board <b>resolved</b> that the minutes of the public section of the Board meeting held on 29 January 2019 be confirmed as true and correct.</p>		
3.	<p><b>Review Disclosure of Directors' Interests</b></p> <p>The report was noted.</p> <ul style="list-style-type: none"> <li>C Harland has been appointed the Independent Chair of the Aircraft Noise Community Consultative Group.</li> </ul>		
4.	<p><b>For Discussion</b></p> <p><b>4.1 Safety Moment</b></p> <ul style="list-style-type: none"> <li>B Struthers, Head of Health, Safety and Wellness, referred to a recent news item where a speed boat accident had occurred in Otago. On the day of the accident, the boats were moved to a different river because of high winds. While the investigation is still underway, it appears that the change to the course at short notice may have been a contributing factor. B Struthers noted that when situations change, the Health and Safety requirements need to be carefully assessed against the changed working conditions.</li> </ul> <p><b>4.2 Chief Executive's Report</b></p> <p>There was a general discussion regarding the report.</p>		

**Health, Safety and Wellness (page 13-15 Boardbooks)**

- B Struthers summarised the injuries and near misses for the Board.
- The electrician who suffered from arc flash burns to the eye did not feel any pain at the time he was working. Similar to some sunburns, the pain was not felt until later. While the risk was originally mitigated with Personal Protective Equipment (PPE) (glasses), our learnings are that there needs to be strengthened controls around the standard operating procedure for this task.
- The worker whose fingertip was severed has had his fingertip reattached. The learnings from this injury are that PPE is not always the best form of control, as our worker was wearing three pairs of gloves. We have addressed this hazard by installing a hatch in this lid, so it will no longer drop to a shut position. Similar installations are being checked for similar corrective action.
- It was noted that contractor injuries statistics are much higher than that of Watercare workers. B Struthers noted that we are taking some of the learnings from the Christchurch earthquake and working on ways we can improve communication among contractors. We have also launched our 40/20/20 campaign, which aims to reduce injuries to workers by 20% year on year.
- The HS&W team is developing better lead indicators to measure the wellness of our people and these will be gradually rolled out in Board reports.
- S Morgan, Chief Operations Officer, advised that the Ardmore Safety Case is progressing well.

*B Struthers departed the meeting at this point.*

**Average consumption of drinking water per day per resident (page 17 Boardbooks)**

- S Morgan noted that the peak consumption over the last few weeks continues to break records.
  - Last year, our peak was just under 500MLD. This year, total water demand has resulted in daily production of up to 556MLD. This has meant we are running our water treatment plants beyond budgeted levels. For example, the Waikato Water Treatment Plant typically produces 40MLD, but recently has been producing between 80-120MLD.
  - High demand days correlated with hot days, industry returning to work, and schools filling up swimming pools before children returned to school. Commercial tanker operators are transporting water north and south of Auckland and out of the Auckland region to supply customers who are otherwise dependent on rainwater tanks.

**Illegal discharges to the wastewater network in Takapuna (page 20-31 Boardbooks)**

- A Nama, Networks Operations Manager, updated the Board on pollution events at Takapuna Beach. There are various issues in this area, including restaurants not correctly disposing of fat, oil and grease in wastewater pipes, window washers allowing soap to drain into stormwater drains, and poor private drainage at locations along the beach such as the camp site.
- We are working with Council and Healthy Waters to continue to educate the local community on what can be safely disposed of down sinks and toilets.

**Plunket Campaign (page 29 Boardbooks)**

- D Hawkins, Chief Corporate Affairs Officer, reported that our six month campaign with Plunket is doing very well. The cost of the campaign is modest, but has a wide reach, as each new parent is given a flyer by Plunket, that advises them know how to correctly dispose of wipes and nappies. The campaign has obtained good publicity on radio and TV.

	<p><b>Trade Waste Bylaw Review (Page 28 Boardbooks)</b></p> <ul style="list-style-type: none"> <li>• C Harland volunteered to sit on the Hearing Panel, which will meet in May/June/July 2019 to consider public consultations on the proposed amendments to the bylaw.</li> </ul> <p><b>Digital payments (page 26, Boardbooks)</b></p> <ul style="list-style-type: none"> <li>• Digital payments now include every payment that does not involve manual assistance.</li> <li>• The billing team is also exploring new automated ways for customers to pay, such as We Chat and Ali Pay.</li> </ul> <p><b>4.3 Board Committee Updates</b></p> <p><b>Audit and Risk Committee (ARC)</b></p> <ul style="list-style-type: none"> <li>• J Hoare, Chair of the ARC, noted the Committee has not met since the last Board meeting.</li> </ul> <p><b>People, Remuneration and Appointments Committee (PRAC)</b></p> <ul style="list-style-type: none"> <li>• C Harland, Chair of the PRAC, reported that the PRAC last met on 29 January 2019, after the Board meeting. Items discussed included talent management, building the capability of our people, identifying critical roles, and the professional development of directors.</li> </ul> <p><b>Strategic Transformation Programme Committee (STPC)</b></p> <ul style="list-style-type: none"> <li>• B Green, Chair of the STPC, reported that the next meeting will be on 28 March 2019 and will be in two parts. The first part of the meeting will involve an interactive/experience in the STP department.</li> </ul> <p><b>AMP and Major Capex Committee (AMCC)</b></p> <ul style="list-style-type: none"> <li>• N Crauford, Chair of the AMCC, reported that the AMCC met on 25 February 2019. Items discussed included the start-up risks facing the Central Interceptor and procurement generally. The Committee received routine project update reports on four major capital projects, as well as a Project Completion report on the construction of the BNR facility at Māngere. The Committee also discussed the purpose of the Committee and finding the correct balance between retrospective reporting and forward planning. In the future, the Committee will meet for 2.5 hours.</li> </ul>
5.	<p><b>For Information</b></p> <p><b>5.1 Customer Strategy Update</b></p> <p>P Thura Sundaram, Head of Customer Insights, spoke to the presentation.</p> <ul style="list-style-type: none"> <li>• The “Strategy on a Page” was summarised for the Board (page 43 of Boardbooks).</li> <li>• It was noted that our “Voice of the Customer” survey has now been brought in-house, going live on 1 February 2019. The survey now has double the reach and double the number of responses, providing more customer insights. Any responses that are 0-4 out of 10 are now assigned to a Case Manager to investigate what went wrong with the customer interaction. Text responses to the survey are reviewed, and this will soon be automated. Key themes will be considered, including the reasons why our customers are ‘promoters’ or ‘detractors’.</li> </ul>

- The Customer Strategy is working on a Trust measure. This aligns with Watercare's Vision to be *"Trusted by our Communities for exceptional performance every day"*. We are devising the best way to measure Trust, and will present this to the Board in due course.
  - In response to questioning from the Board, P Thura Sundaram noted that the general mood of the customers is that when we get it right, our customers have great, positive experiences.
- The Board thanked Priya for the Customer Strategy Update.

## 5.2 (a) Water Efficiency Strategy Implementation Update

J Eggleton, Commercial Accounts Manager, spoke to the presentation.

- The business has four key programmes to help achieve a 15% reduction in Auckland's water use by 2025 (compared with 2004). The four initiatives were chosen as, collectively, their impact should result in the optimal outcome.
- The first initiative is Smart Meters. These allow us detect leaks in days, rather than months. They also result in 85% more leaks being identified. Commercial trials of Smart Meters are about to commence.
- Smart Meter challenges include short battery life and weak network signal in some areas.
- R Chenery, Chief Digital Officer, noted that Smart Meters are only one part of a more connected network, where all data has to be returned to our "data lake". R Chenery also noted that the technology was only part of the review. What we do with the data is a critical component of success.
- The Board noted that the trials, including in Waiuku, had been underway for some time now (around 2 years). The Board requested that the May 2019 meeting include a detailed update on Smart Meters, showing significant progress in this area.
- The second initiative involves encouraging developers to deliver water efficient new builds. The focus will be on installing water efficient washing machines, as washing machines use 23% of a home's water consumption. We are targeting new builds because we have strong, existing relationships with developers.
- The third and fourth initiatives are working with schools and sports clubs to improve water efficiency, and developing an educational campaign to make water efficiency top of mind for Aucklanders.

*The meeting was adjourned at 10.42am for the Board to attend a special morning tea with staff members who had won awards over the last year.*

*The meeting restarted at 11.27am.*

## 5.2 (b) Non-Revenue Water Update

A Nama presented on Non-Revenue Water.

- Replacement of old (20-year plus) mechanical meters is accelerating. We will overcome the backlog in eight years' time.
- The non-revenue percentage measure requires further work. It should be around 10-12% and is currently around 13%.
- We are looking at additional reporting metrics this year, including reporting real losses (litres/connection/day) and an Infrastructure Leakage Index (ILI).

	<ul style="list-style-type: none"> <li>We are undertaking three “deep dives” into non-revenue water, namely, Bulk Supply Points (BSP), Rodney and Waitakere. <ul style="list-style-type: none"> <li>Some BSPs report more water being produced than is actually being supplied; so the calibration needs to be corrected.</li> <li>In Rodney, demand is much higher than it should be. We suspect this may be illegal use by some tanker operators. In addition there is also suspected illegal use on some sub-divisions.</li> <li>A contributing factor to non-revenue water loss is theft. S Morgan noted that last week we identified five cases of theft. We are considering prosecuting some of these operators, as this is not just a financial issue, but also a public health issue. Our usual approach to write the offenders letters of demand, and request face-to-face meetings with the operators stealing the water.</li> </ul> </li> <li>We are considering the way our hydrants are used, which would involve limiting the use to just the emergency services. This would allow us to better police the use of hydrants.</li> </ul> <p>The Board thanked Jane and Anin for the Water Efficiency Strategy Implementation Update.</p> <p><b>5.3 Our Strategic Business Plan Update</b></p> <p>S Morgan spoke to the presentation.</p> <ul style="list-style-type: none"> <li>Our work on Diversity continues. Our People and Capability team have undergone training to ensure that all new job advertisements are drafted in a gender neutral manner. Our Rainbow Network also hosted a successful “Rainbow Tick” event in Newmarket during Pride Week, raising funds for Rainbow Youth.</li> <li>Three of our properties now have, or will soon have, solar power. These include Pukekohe (300Kw solar array already installed), Redoubt Road Reservoir and Wellsford. We have identified 26 locations around Auckland where we could install solar arrays. Once the first three are installed and operating, we will be able to prioritise the other 23 locations. The Pukekohe solar array is the second largest in New Zealand. Once installed, the Redoubt Road solar array will overtake this and become the second largest. If we are able to install a floating solar array at Mangere, this could potentially supply 6MW of power.</li> <li>N Crauford noted that any commercial return that we hope to get from solar (i.e. selling back to the grid) cannot be guaranteed in the long term, as the energy industry is currently under review.</li> </ul>
6.	<p><b>Directors’ Corporate Governance Items</b></p> <p><b>6.1 Board Planner</b></p> <p>The report was noted.</p> <p><b>6.2 Review Executive Management Disclosure of Interests</b></p> <p>The report was noted.</p> <p><b>6.3 Director Appointment Terms and Committee Memberships</b></p> <p>The report was noted.</p> <ul style="list-style-type: none"> <li>The Chair reported that the director recruitment process is underway.</li> </ul>




7.	<b>General Business</b> <ul style="list-style-type: none"><li>• The Chair congratulated everyone on the successful opening of the Warkworth Water Treatment Plant.</li><li>• The Chair enquired as to whether we are doing anything to celebrate International Women's Day on 8 March 2019, and whether the company will be entering the Diversity Awards later in the year. R Chenery and A Singleton, Chief Customer Officer, confirmed that plans are underway.</li></ul>
	The meeting closed at 12 noon.

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin  
**Chair**



## Disclosure of Directors' interests

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

s140 Companies Act 1993 requires all companies to keep an Interests Register, which must be disclosed to the Board of the company.

### 2. The details

Watercare Services Limited's Directors' Interests Register is set out below.

Director	Interest
Margaret Devlin	<ul style="list-style-type: none"> <li>• Chair, Harrison Grierson Limited</li> <li>• Director, Meteorological Services of NZ Limited</li> <li>• Director, Waikato Regional Airport</li> <li>• Chair, Titanium Park (wholly owned subsidiary of Waikato Regional Airport)</li> <li>• Director, IT Partners Group</li> <li>• Director, Aurora Energy</li> <li>• Independent Chair of Audit and Risk Committee, Waikato District Council</li> <li>• Chair, Women in Infrastructure Network</li> <li>• Councillor, WINTEC</li> <li>• Councillor, The University of Waikato Council</li> <li>• Member, Audit and Risk Committee of The University of Waikato</li> <li>• Director and Chair, Lyttleton Port Company Limited</li> <li>• Director, Infrastructure New Zealand</li> <li>• Chartered Fellow, Institute of Directors</li> <li>• Member, Institute of Directors, Waikato Branch Committee</li> <li>• Member, National Infrastructure Advisory Board</li> </ul>
• Catherine Harland	<ul style="list-style-type: none"> <li>• Director, McHar Investments Limited</li> <li>• Director, Interface Partners Limited</li> <li>• Trustee, One Tree Hill Jubilee Educational Trust</li> <li>• Member, Auckland Regional Amenities Funding Board</li> <li>• Member, Urban Planning Pillar Critical Friends</li> <li>• Member of the Committee of Broadway Park Owners' Society Incorporated.</li> <li>• Independent Chair of the Aircraft Noise Community Consultative Group.</li> </ul>



Director	Interest
Julia Hoare	<ul style="list-style-type: none"> <li>• Director, AWF Madison Group Limited</li> <li>• Director, New Zealand Post Limited</li> <li>• Deputy Chair, The a2 Milk Company Limited</li> <li>• Director, The a2 Milk Company (New Zealand) Limited</li> <li>• Director, Port of Tauranga Limited</li> <li>• Director, Auckland International Airport Limited</li> <li>• Chair, Auckland Committee, Institute of Directors</li> <li>• Member, Advisory Panel to External Reporting Board</li> <li>• Member, Institute of Directors National Council</li> </ul>
Nicola Crauford	<ul style="list-style-type: none"> <li>• Director, Environmental Protection Authority (EPA)</li> <li>• Member of Electoral Authority, Cooperative Bank Limited</li> <li>• Specialist Advisor, WorleyParsons New Zealand Limited</li> <li>• Director and Shareholder - Riposte Consulting Limited</li> <li>• Director, Orion New Zealand Limited</li> <li>• Chair, GNS Science Limited</li> <li>• Deputy Chair, Fire and Emergency New Zealand</li> </ul>
David Thomas	<ul style="list-style-type: none"> <li>• Chair, Ngāti Whakaue Tribal Lands Inc.</li> <li>• Chair, Gypsum Board Manufacturers of Australasia</li> <li>• Shareholder / Employee, Fletcher Building Limited</li> <li>• Director, New Zealand Ceiling &amp; Drywall Supplies Limited</li> <li>• Chair, Altus NZ Limited</li> <li>• Director, Winstone Wallboards Limited</li> </ul>
Brendon Green	<ul style="list-style-type: none"> <li>• Director, Kaitiaki Advisory Limited</li> <li>• Director, Tainui Kawhia Incorporation</li> <li>• Director, Peak2Peak</li> <li>• Executive Director, Advanced Biotech NZ</li> <li>• Executive, Te Rūnanganui o Ngāti Hikairo</li> <li>• Management contract, Tainui Kawhia Minerals</li> <li>• Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui.</li> <li>• Consultant to Trility (Australian water infrastructure company)</li> <li>• Runanga Manukau Institute of Technology - Te Whakakitenga o Waikato representative</li> </ul>
Colin Magee (Board intern)	<ul style="list-style-type: none"> <li>• Chair, Ākau Ltd and Ākau Foundation</li> <li>• Member, Advertising Standards Complaints Board</li> <li>• Contractor, College of Law</li> <li>• Director, C Magee Limited</li> <li>• Director, MyCap Limited</li> <li>• Director, MyCap Markets Limited</li> </ul>



**Report to the Board of Watercare Services Limited**  
Prepared for the 28 March 2019 Board meeting

## Chief Executive's report for February 2019

### HIGHLIGHTS AND LOWLIGHTS

#### 1. Health, Safety & Wellness

- There were two Lost Time Injuries (LTI) and one Medical Treatment Injury (MTI) involving Watercare employees, and two Lost Time Injuries (LTI) involving contractors in February 2019. There was one significant near miss involving a contractor.
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees has risen to 5.98 per million hours exceeding our target of  $\leq 5$ .
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) has risen to 10.17 per million hours. However, the TRIFR remains significantly below our target of  $\leq 20$ .
- To ensure we are complying with best practice, we are reviewing the way we work with air-borne chemicals at Māngere Wastewater Treatment Plant.
- Our Procurement and HS&W team are working with Construction Health and Safety New Zealand to support the development of a Pre-Qualification Framework for the construction industry.
- We are providing our people with additional training to prevent striking services of other utilities.
- The Ardmore Safety Case was submitted to WorkSafe. We are now waiting for Worksafe's feedback.

#### 2. SOI measures

- Two SOI measures are not being met. The average consumption of drinking water per day per resident remains slightly above our limit but is trending downward. The number of wet-weather overflows per discharge location remains slightly above our target.

#### 3. People, Capability and Learning:

- The percentage of voluntary leavers and absences due to illness all remain below our limits.
- The number of FTEs remains below our budget.

**4. Customer service:**

- **Broadway Park:** We have 370 new Watercare customers, now that we are responsible for Broadway Park, Newmarket.
- **e-billing:** In February 2019, we held a staff competition to drive e-billing figures higher, with e-billing figures rising 0.5% to 48.5%.
- **Digital interactions:** Report a fault online rose to 37%.
- **Customer Satisfaction:** Our Customer satisfaction score has slightly decreased to 81.4%, which was driven by higher volume of calls.
- **Digital payments:** Digital payments continue to trend upwards.

**5. Community and stakeholder relationships:**

- **Māori engagement:** We continued to work on Mana Whenua Outcomes by working with Council and mana whenua.
- **Local Board engagement:** We continue to keep Local Boards up to date with local water and wastewater issues in their areas. Local Boards were kept up to date with the Central Interceptor signing and our new 40:20:20 Vision to reduce carbon, costs and incidents associated with the delivery of our infrastructure programme.
- **Communications update:** We distributed the Autumn Tapped In Newsletter to our customers, focussing on what we are doing to clean up beaches, waterways and backyards.
- **Health (Drinking Water) Amendment Bill:** Watercare made a submission to the Select Committee in support of proposed changes to New Zealand's drinking water legislation.

**6. Resource Management Act compliance:** There were no Category 3 or 4 non-compliances with consents in February 2019.**7. Digital updates:** Our Strategic Transformation Programme (STP) continues to progress. The STP Change Management Approach has been independently reviewed by EY.**8. Assets and infrastructure:**

- **Central Interceptor:** The contract for the construction of the Central Interceptor has been signed with Ghella–Abergeldie Joint Venture. Construction will commence in May 2019, with tunnelling starting in 2020.
- **Increased odour at Māngere:** Our digesters have suffered a biological upset, which has increased odour at Māngere. The situation is now improving and an international anaerobic digestion expert is conducting an examination so we can develop a mitigation strategy for the future.
- **Warkworth Water Treatment Plant:** On 22 February 2019, Mayor Goff officially opened our Warkworth Water Treatment Plant.

- **40:20:20 Vision:** In late February, we officially launched this vision, which sets ambitious targets around sustainability, cost savings and health and safety outcomes.

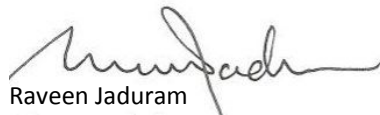
#### **Financial Summary**

- Watercare's half-year financial performance results were included as part of Auckland Council's Group Interim Report for the period to 31 December 2018. This report was released to the market on 28 February 2019 and also published on the Auckland Council website.

### **FUTURE OUTLOOK**

#### **Upcoming Board activity**

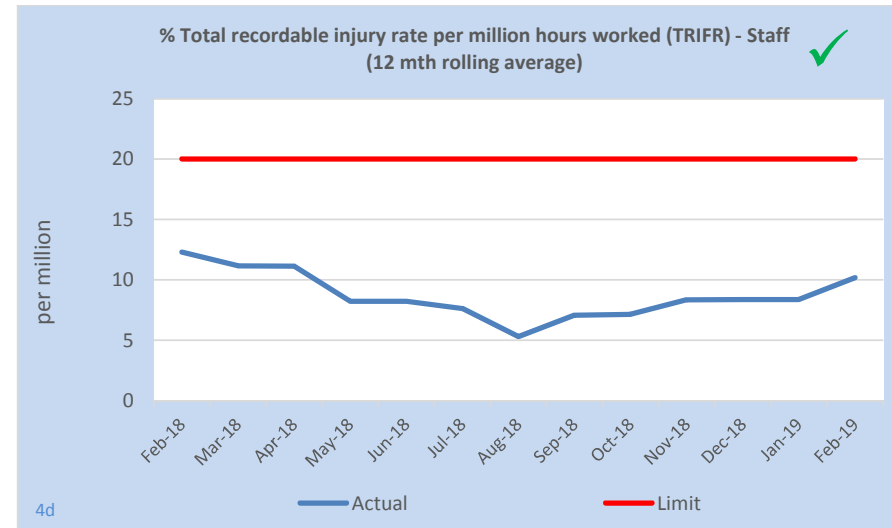
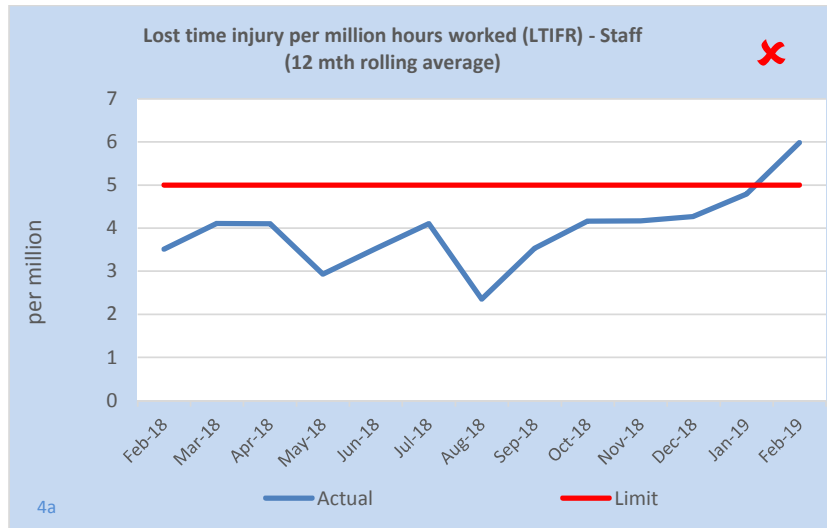
- The April Board meeting is on Tuesday, 30 April 2019.
- The May Board meeting is on Tuesday, 28 May 2019.
- The June Board meeting is on Tuesday, 25 June 2019.



Raveen Jaduram

**Chief Executive**

## 1. HEALTH, SAFETY &amp; WELLNESS UPDATE



Worker	Description of injury/incident	Our learnings	The actions we have taken
Watercare	A service person had been kneeling on sloping ground. As he stood up, his knee “clicked out”. It then “clicked back” into place as he was getting into his truck. An x-ray confirmed that his knee had dislocated and then reset itself. He was given 7 days off work to rest followed by 5 days restricted duties.	<ul style="list-style-type: none"> <li>Injuries occur when we are doing seemingly innocuous things. Although we must attend to critical risks, we cannot lose sight of day-to-day exposure to harm.</li> <li>Human factors such as body build, age and mobility can influence the likelihood of injury occurring. It is</li> </ul>	<ul style="list-style-type: none"> <li>The service person has been receiving physiotherapy treatment to increase muscle bulk around his knee, which will assist with ensuring that the injury does not reoccur.</li> <li>Four HS&amp;W Business Partners have commenced a Train-the-Trainer program so we have in-house capability to train and coach our team in their ability to safely manage their bodies when completing physical and manual tasks.</li> </ul>

Worker	Description of injury/incident	Our learnings	The actions we have taken
		important that we support our team to be as physically ready for work as possible.	
Watercare	<p>A Laboratory Technician had been working on a physically demanding task for a several weeks. She started to experience pain in her right shoulder and arm.</p> <p>This was reported and she saw a doctor who recommended a physiotherapy program. The Technician had one day off work for pain/discomfort.</p>	There are known busy periods in the Laboratory. Work activity during these periods must be planned to ensure fatigue and strain are managed.	<ul style="list-style-type: none"> <li>The Technician's work process and work station were both reviewed and adjusted by the technician's physiotherapist. Education programs regarding ergonomic set-up will be scheduled for Laboratory staff in advance of known busy periods. The HS&amp;W team will also be providing the Laboratory teams with training in how to manage their bodies when completing physical, repetitive or manual tasks.</li> <li>HS&amp;W oversight of the Laboratory has been increased.</li> </ul>
Watercare	<p>A worker was clearing trees on site (removing shrubs and clearing away leaves). The following day they noticed what appeared to be a spider bite on their arm. The team member was wearing long-sleeved overalls and gloves during work.</p> <p>The team member sought medical treatment from his GP but did not require any time off work.</p>	<p>Most spiders in NZ are harmless, however white-tailed and red back spiders can be harmful.</p> <p>There is a lack of guidance for staff working in areas exposed to insect/spider bites and managing these types of injuries when they occur.</p>	<ul style="list-style-type: none"> <li>HS&amp;W team followed up with the team leader to check on the team member's health and wellbeing.</li> <li>Our First Aid procedure is being updated to include guidance around insect bites.</li> <li>The HS&amp;W team will update their systems to provide guidance around safe working in areas exposed to insect and spider bites.</li> </ul>
Contractor	A meter reader entered a property but did not see a dog kennel located behind the fence. A chained dog lunged at the reader as they approached. As the meter reader jumped backwards, he slipped and fell. This resulted in a torn hamstring injury requiring six weeks rehabilitation and recovery.	This injury acted as a reminder of the changing and volatile nature when working out in the community, and the need to remain aware of your surroundings.	<ul style="list-style-type: none"> <li>The property manager has been asked to supply the tenant's details to confirm whose dog is on site.</li> <li>In the future, a text message will be sent to the owner to notify them when a meter reader will be on site, so we can ensure the dog is appropriately restrained or removed from the property when the meter reader visits the property.</li> </ul>

Worker	Description of injury/incident	Our learnings	The actions we have taken
			<ul style="list-style-type: none"> <li>The meter reader will receive dog awareness refresher training when he returns to work.</li> </ul>
Contractor	<ul style="list-style-type: none"> <li>A worker was operating a handheld concrete saw to make cuts in a concrete footpath. Upon completing the cuts, they turned off the saw, stood up, moved and tripped on uneven ground. Although the concrete saw had been turned off, it was still spinning and made contact with the worker's leg.</li> <li>This resulted in a deep laceration and nerve damage to their upper calf. The worker was admitted to hospital and underwent corrective surgery which was successful. He is making good progress towards returning to work with a timeline yet to be determined by the specialist.</li> </ul>	<p>Equipment that has been turned off can still cause harm.</p> <p>People can normalise risk associated with commonly used hazardous machinery.</p>	<ul style="list-style-type: none"> <li>First aid was provided and emergency services were called to the work site.</li> <li>Worksafe New Zealand was notified of the incident.</li> <li>Watercare is working closely with City Care and the sub-contractor to determine learnings and preventative activity, particularly engineering controls. Learnings will be shared within all organisations and across all contractors.</li> </ul>

**HEALTH, SAFETY & WELLNESS continued****SIGNIFICANT INCIDENTS/HAZARDS/NEAR MISSES**

There was one significant incident in February 2019.

Worker	Description of injury/incident	Our learnings	The actions we have taken
Contractor	<p>Two people working in a confined space (a wet well) thought they were protected under an isolation. The isolation comprised an electrical lock-outs as well as closing off pipes feeding water directly into the wet well.</p> <p>The isolation process was incomplete and wastewater entered the wet well via a pipe that had not been closed.</p> <p>The workers were able to get out of the confined space without incident but were exposed to an inrush of contaminated water.</p>	<p>Isolations protect us from being exposed to hazards. To be effective; they need rigour, vigilance and careful planning that requires review and authorisation.</p> <p>Site ownership must be clear to ensure safety systems and processes have appropriate integrity.</p>	<ul style="list-style-type: none"> <li>• Access to the point of entry has been locked out (physically isolated) to ensure it cannot be accessed by unauthorised people.</li> <li>• A Safety Alert regarding this “Isolation Failure” has been prepared and communicated to the business.</li> <li>• A shared learning workshop was held with all stakeholders including Operations, Infrastructure and contractors, with lessons learnt regarding the control of works on site guiding the development of revised site protocols.</li> <li>• Strengthened communication and control practices have been agreed and implemented on site.</li> </ul>



## HEALTH, SAFETY & WELLNESS continued

### HEALTH AND SAFETY WHEN DEALING WITH CHEMICALS

- Our work necessarily involves working with chemicals.
- The risk of long-term chemical exposure (e.g. to Ammonia and Hydrogen Sulphide (H<sub>2</sub>S), has been raised by contractors and Watercare teams at Māngere, where these chemicals are produced as a by-product of the wastewater treatment process
- Air-quality testing of these chemicals at Māngere is currently underway.
- Research indicates Ammonia exposure has no long-term effects. However, long-term H<sub>2</sub>S exposure, while having no carcinogenic effects, could affect respiratory function.
- Review of respiratory protective equipment (RPE) is underway with our RPE supplier, with work crew input.
- In the meantime, we are also seeking expert advice to ensure we have the correct systems in place to manage any exposure to these chemicals on our sites.
- Operational leaders and the HS&W team are also meeting with our teams, on our Māngere site, to keep them up to date with the work being done.

### PROCUREMENT PRE-QUALIFICATION FRAMEWORK

- Current contractor pre-qualification processes in New Zealand are inconsistent and create a large administrative and cost burden for Small and Medium Enterprises without providing commensurate improvements in HS&W.
- Watercare's Procurement and HS&W functions working with Construction Health and Safety New Zealand to support the development of a contractor Pre-Qualification Framework for the construction industry (i.e. a framework to ensure construction contractors have the necessary Health and Safety systems, insurances and other processes in place).
- This new Pre-Qualification Framework will be rolled out to the New Zealand construction industry later this year and if successful, MBIE plans to extend a similar model to other industries, such as transport and forestry etc.

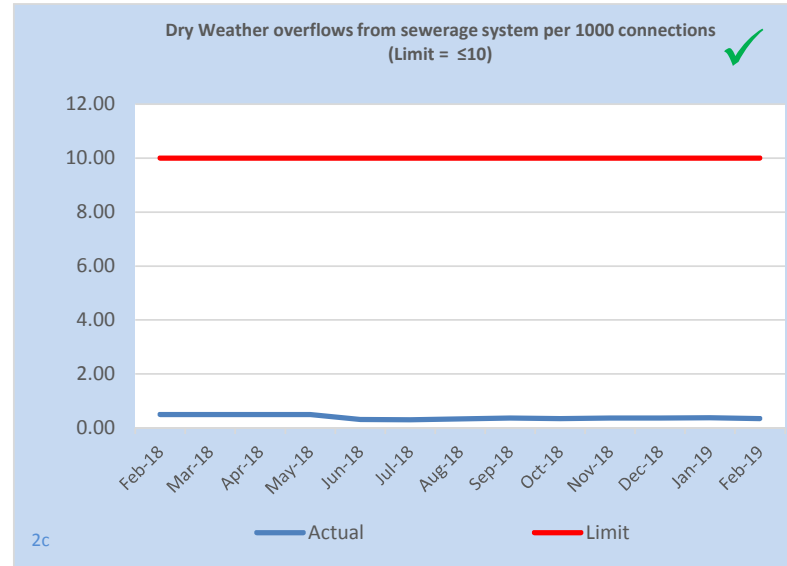
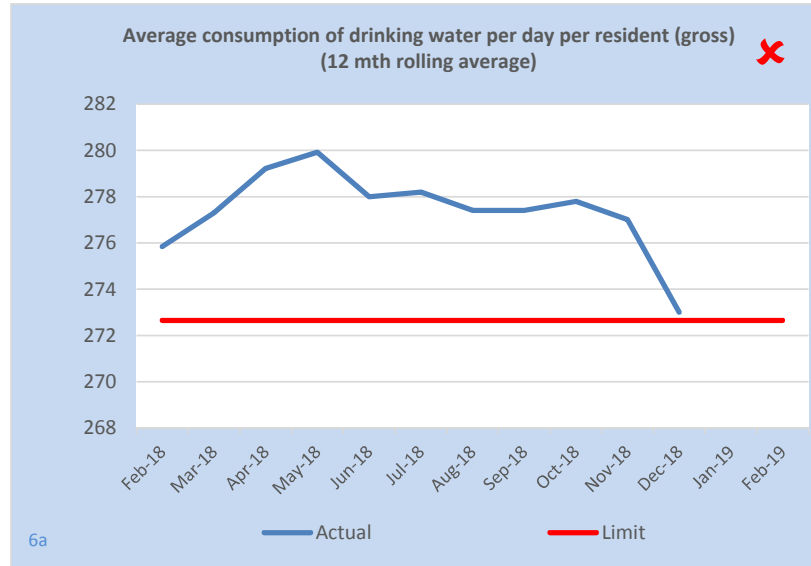
### PREVENTING SERVICE STRIKES

- The HS&W team has identified that striking other utilities services (e.g. gas, electricity) is an area where our teams could benefit from additional training.
- Our Infrastructure Project Managers are attending in-house underground services training at our MSN training facility in Māngere.
- Following the training, the Project Managers will feedback their findings to the HS&W teams. The HS&W Lead for Infrastructure will then convene a learning team, comprising staff and contractors, to agree on procedures, training and communication of the agreed plan around identification of services prior to work being undertaken.

### ARDMORE SAFETY CASE

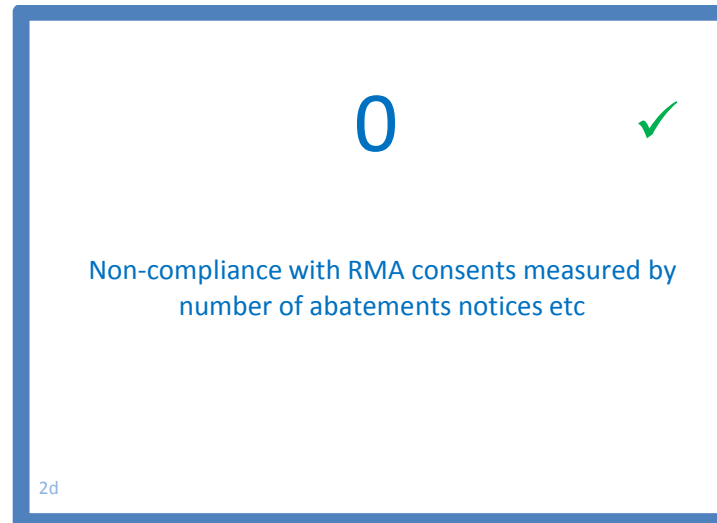
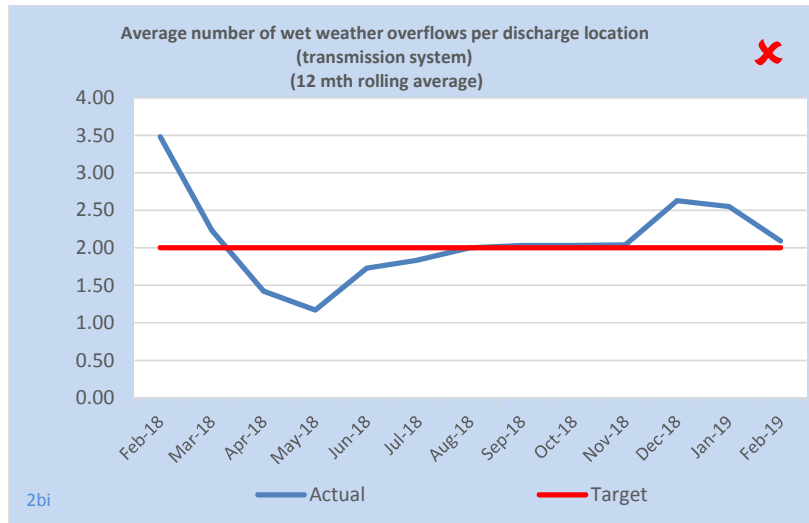
- The Ardmore Safety Case was submitted to WorkSafe on 1 March 2019. We expect to receive feedback around May 2019/June 2019.
- In the meantime, the purchase of a new scrubber for this site is progressing.

## 2. SOI MEASURES – 2017-2018 - Natural environment



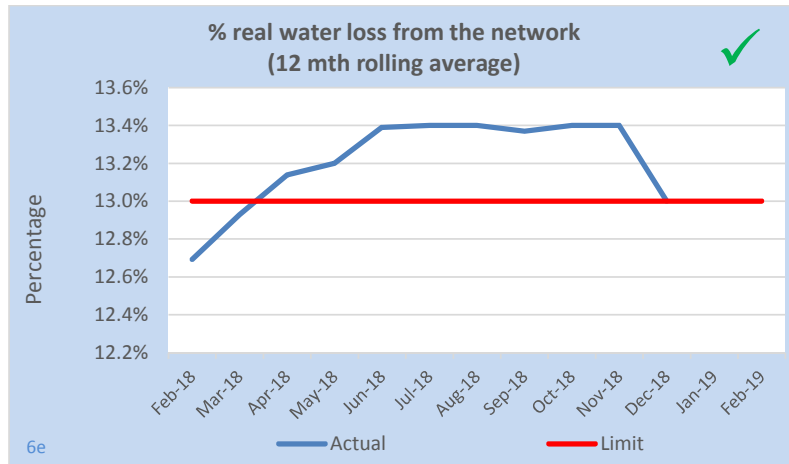
- The extremely hot and dry weather in January and February 2019 has resulted in record water consumption by Watercare customers and also consumers outside Watercare's jurisdiction via water tanker operators. This will, unfortunately, further adversely affect this measure for the year.

## SOI MEASURES – 2017-2018 - Natural environment continued



- The wet weather in December, has been followed by drier months in January and February 2019, which has seen this measure improve.

## SOI MEASURES – 2017-2018 - Assets and Infrastructure



- We are continuing our work into the accuracy of our Bulk Supply Points.
- In the meantime, our teams are continuing to:
  - pursue operators for revenue where water is being taken without permission or payment, or without meters
  - accelerate the replacement of old meters with new, accurate meters; and
  - ensure water meters are read in line with our programme.

100% ✓

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

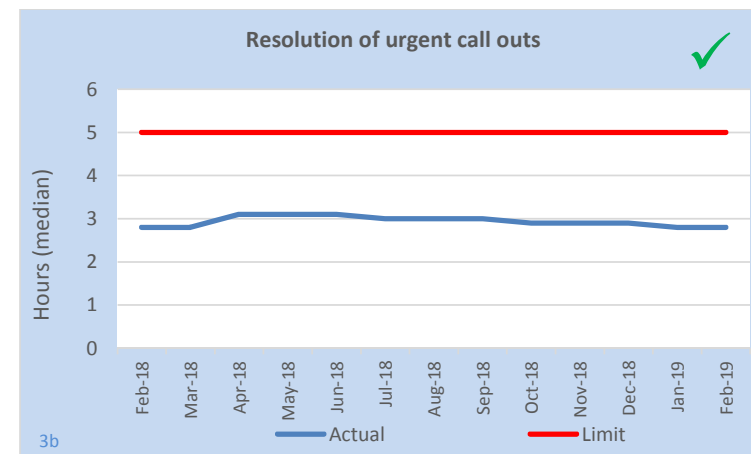
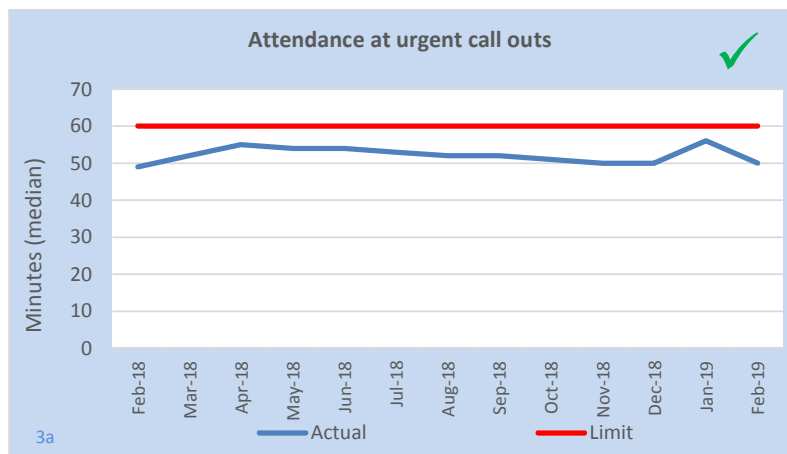
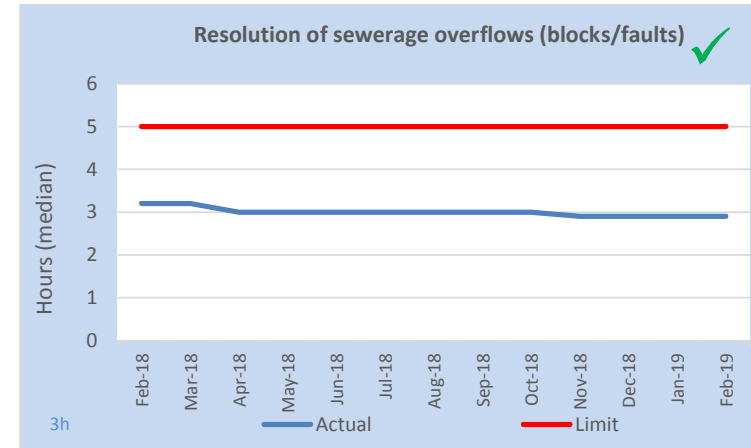
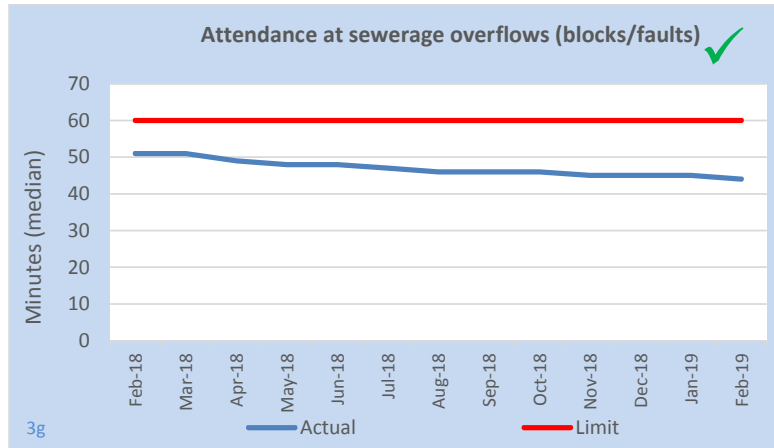
1a

100% ✓

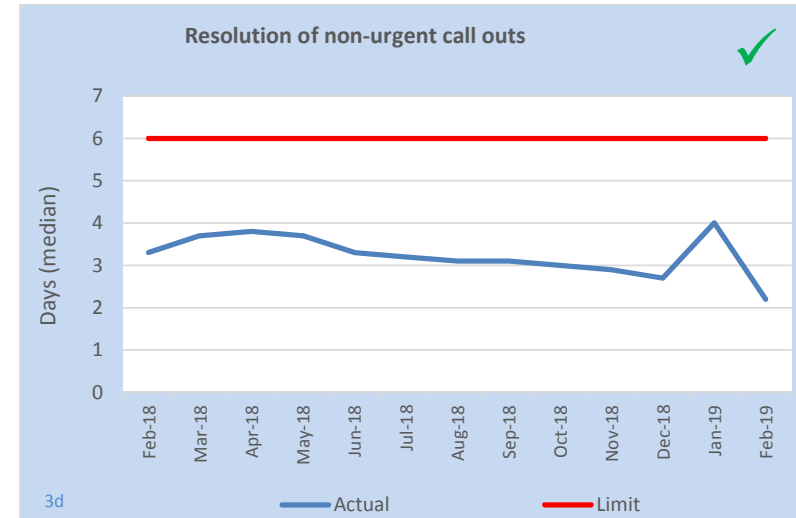
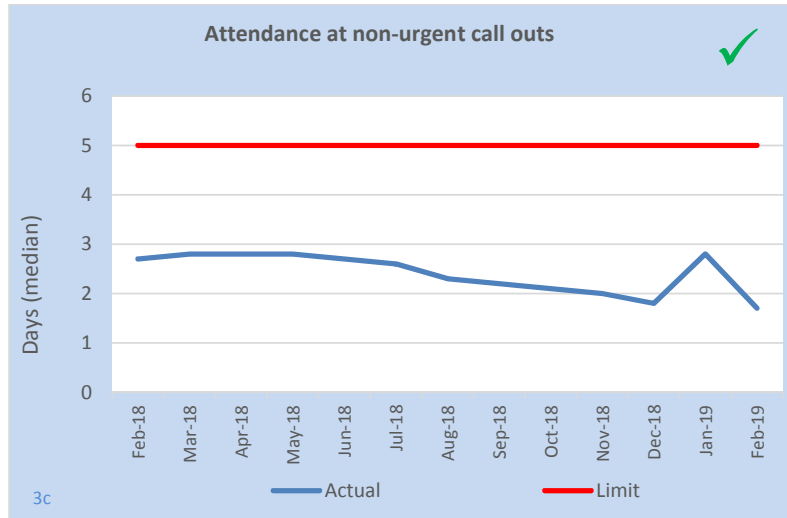
Compliance with Part 5 of the Drinking Water Standards (protozoal)

1b

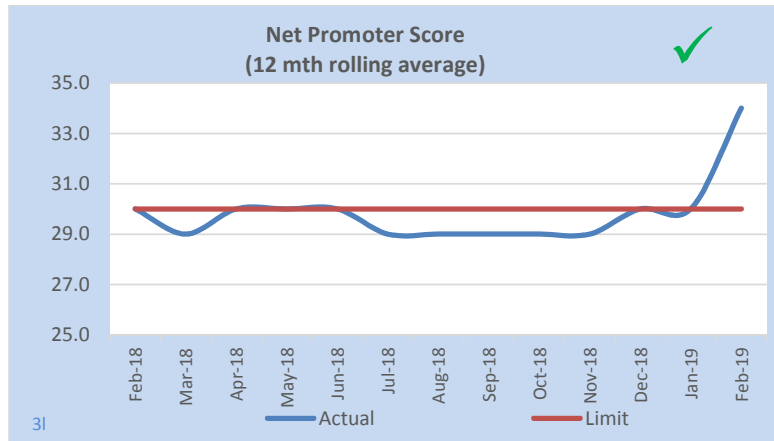
## SOI MEASURES – 2017-2018 - Community and Stakeholder relationships



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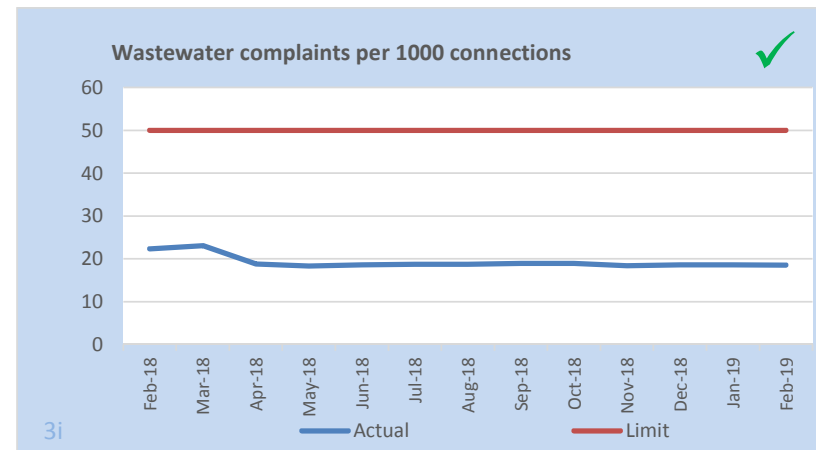
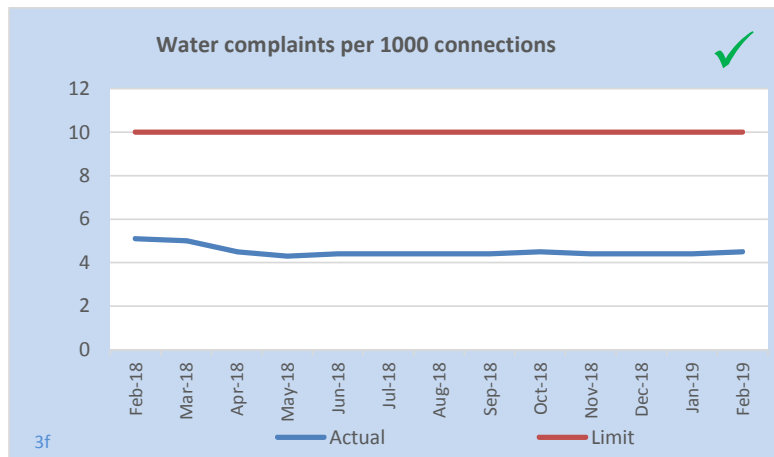


## SOI MEASURES – 2017-2018 - Community and Stakeholder relationships continued

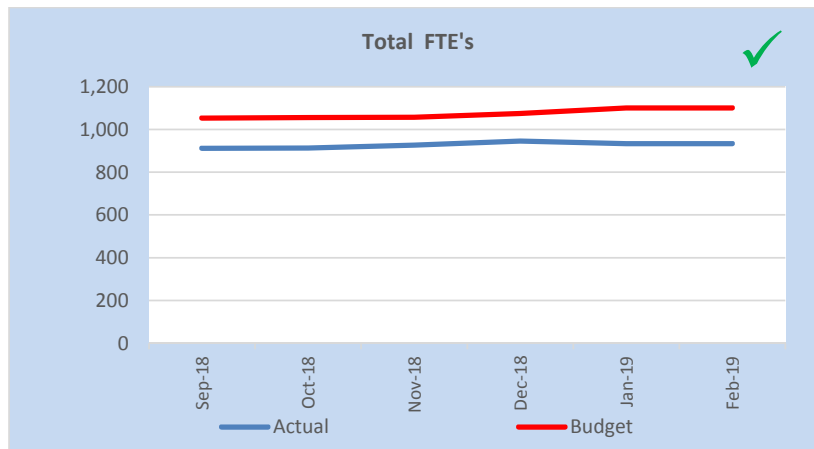
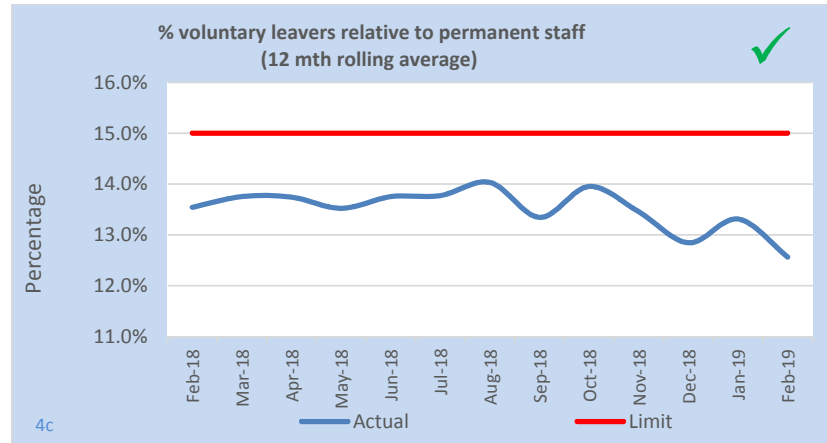
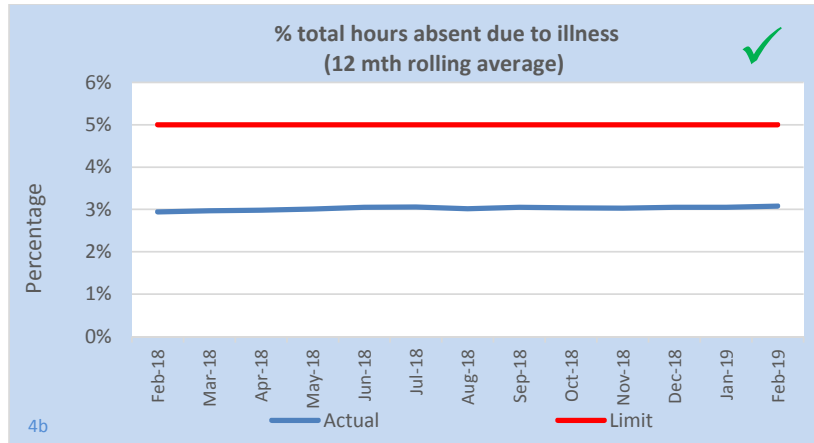


### NPS

- In January, we brought our NPS survey in-house and clarified the question and scale for customers, which is rendering higher NPS results.
- This month, the NPS score is 34 (12 month rolling average), a four point rise on the December 2018 score of 30.



### 3. PEOPLE, CAPABILITY AND LEARNING

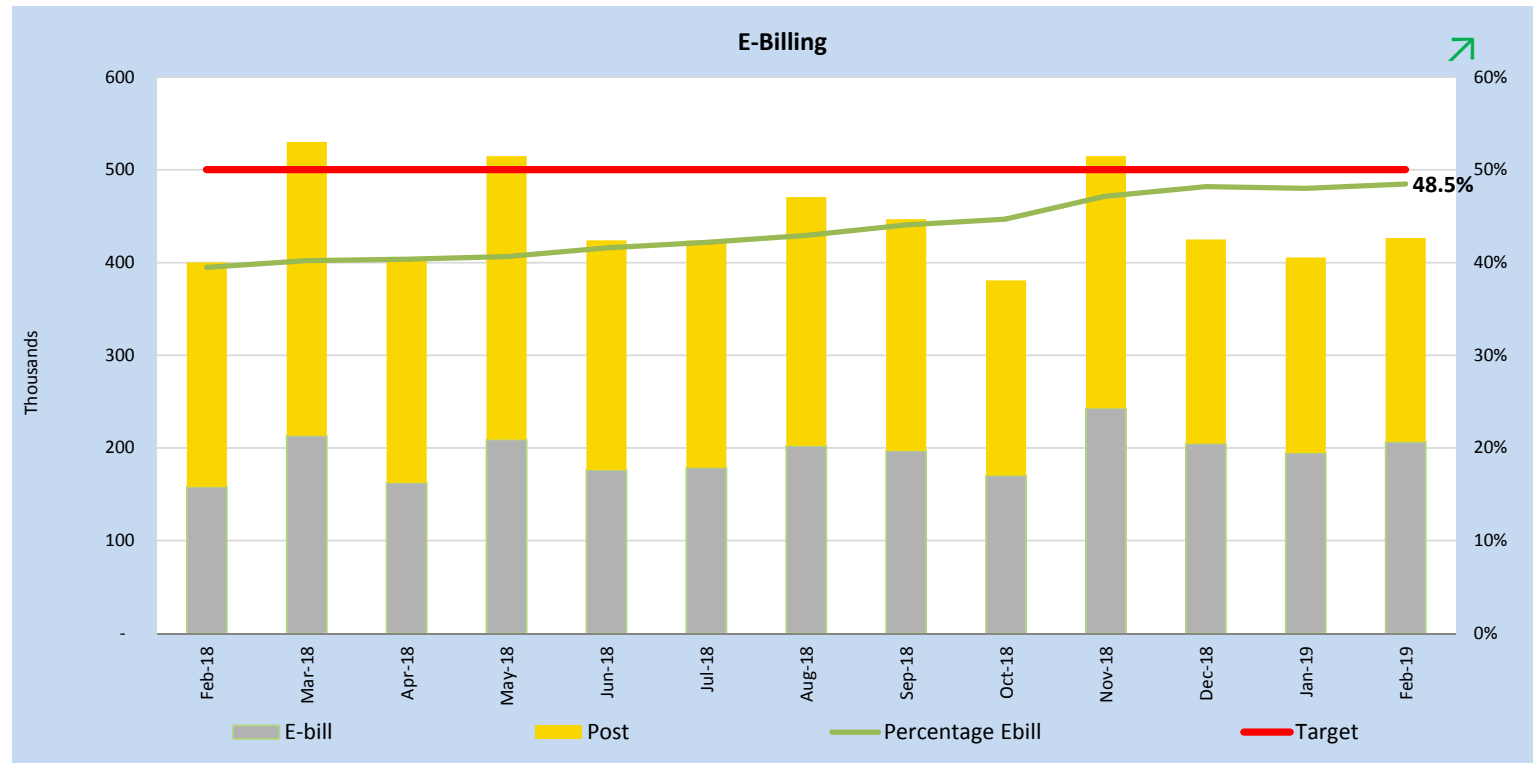


#### CELEBRATING DIVERSITY IN PRIDE MONTH

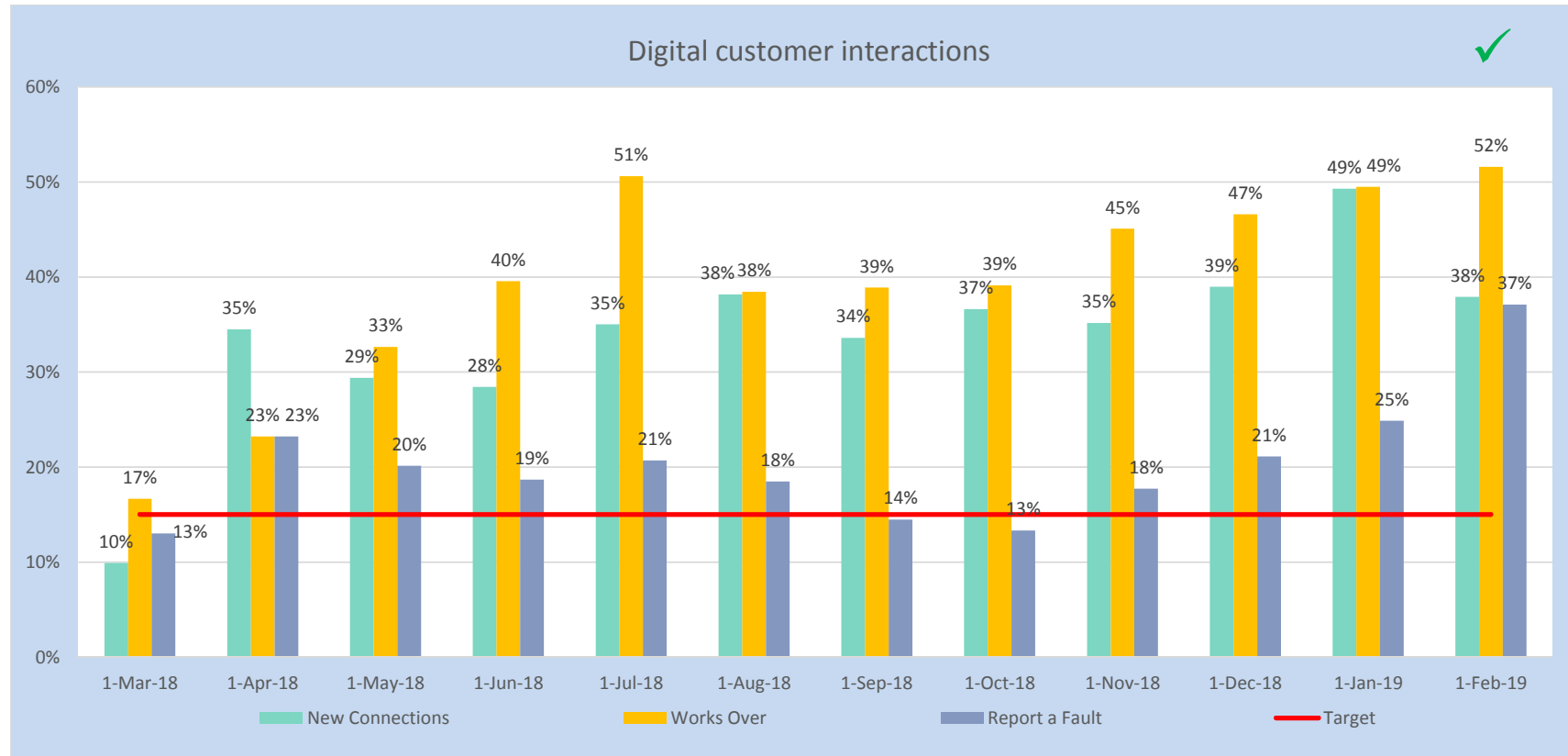
- Over February 2019, our people celebrated Pride month in a variety of ways. Our Rainbow Network joined the Auckland Council family to celebrate Big Gay Out on 10 February 2019. We also changed Watercare's visitor sign-in screens and stickers to display our Pride month logo. We also held a rainbow ice-cream fundraiser in conjunction with Ben & Jerry's. Our people at Newmarket raised over \$650 for Rainbow Youth.



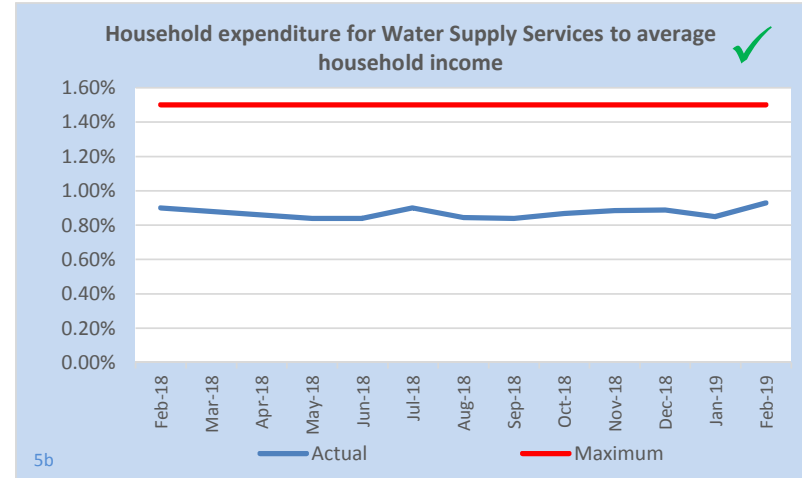
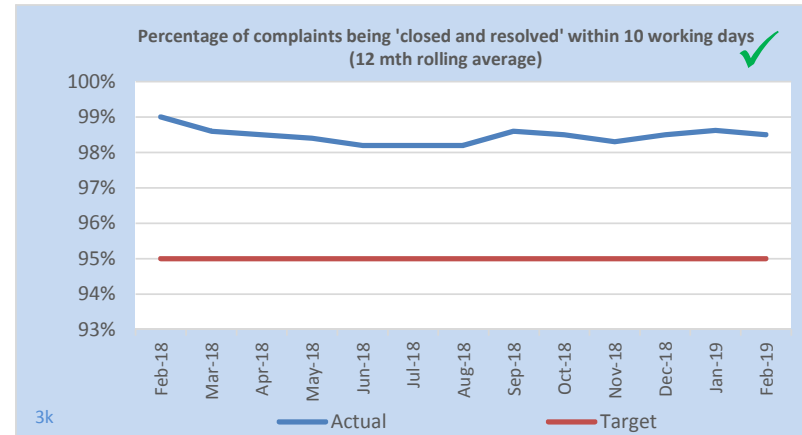
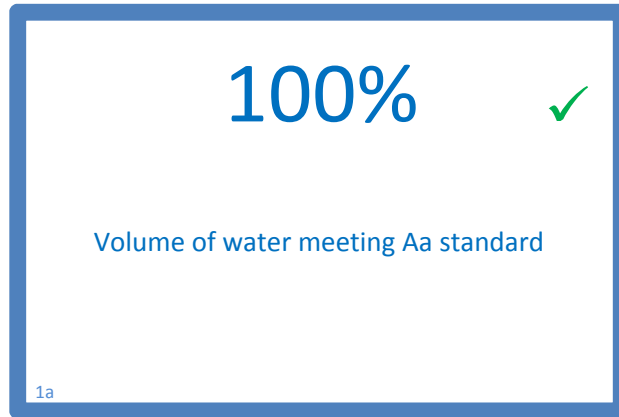
## 4. CUSTOMER SERVICE



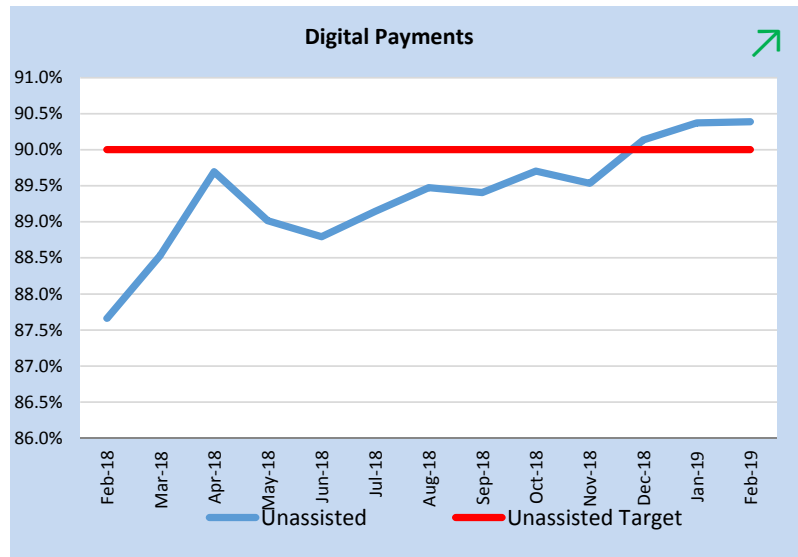
## CUSTOMER SERVICE continued



## CUSTOMER SERVICE continued

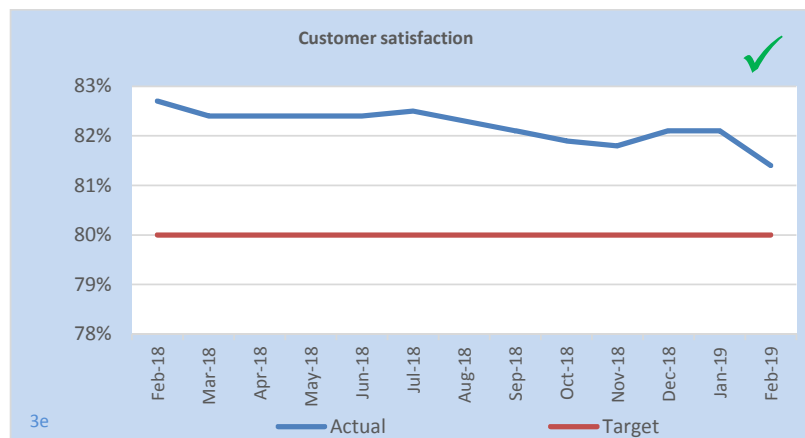


## CUSTOMER SERVICE continued



## 370 NEW BROADWAY PARK CUSTOMERS

- On 1 March 2019, Watercare assumed responsibility for the Broadway Park customers and assets. These assets were previously owned and maintained by Vector and customers were billed via Mercury Energy.
- Watercare worked with Vector and Mercury to enable a seamless transition and respond to all customer queries.
- 370 new customer accounts have been created and all customers notified. E-billing has been set up as the default, wherever possible.
- These customers will be paying for water and wastewater services at the same tariff as the rest of our Watercare customers in Auckland.



## CUSTOMER SATISFACTION

81.4% of customers surveyed are satisfied with Watercare's delivery of water and wastewater services (12 month rolling average). This is a slight decrease from last month.

- The decline has been driven by higher than expected contacts. We had a 24% increase in contacts in February 2019 compared with last year, and this was largely driven by faults (where we experienced a 42% increase compared to February 2018).
- The high volume contacts impacted the grade of service and repeat calls.
- This is also reflected in large number of faults being logged online, namely 2,900 (i.e. 37% of all faults were logged online).

## 5. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

### MĀORI ENGAGEMENT IN FEBRUARY 2019

- We have been working on the Te Hōanga input into FY19 quarter one Value for Money Implementation Progress Report
- We attended a lead a tikanga kaupapa at Auckland Conservations evening (Te Mauri o Te Wai).
- We followed up consultation with mana whenua representatives regarding the Army Bay Wastewater Treatment Plant.
- The Te Toa Takitini (Māori Outcomes Steering Group) continues to work together with Council to respond to the nine priorities in the Te Toa Takitini portfolio, including Water, Marae, Economic Development, Rangatahi, Mana whenua engagement, Papakainga Development.
- We led a meeting with Warahi Paki regarding Māngātāngi Marae water Issues, the Hunua ranges and development of a weir.
- We continued to work on Mana Whenua Outcomes for the Central Interceptor, together with the Mana Whenua Kaitiaki Forum Chair, Tame Te Rangi. This last month, work has included archaeological reports.
- We hosted Mana whenua representatives on a tour of our Laboratory at Māngere.
- We held a high-level relationship hui, Ngāti Tamaoho Chair, Dennis Kirkwood, CE Raveen Jaduram and Company Secretary Rob Fisher.
- We assisted Assisted Ngāti Manuhiri with site blessing and tikanga at the Warkworth Water Treatment Plant opening. The opening included an unveiling of Pou whakairo.
- There was a dawn blessing for the Tirohanga Whānui Bridge.


### LOCAL BOARD ENGAGEMENT

- The Central Interceptor media release regarding the contract signing was shared with local board members.
- We also shared our Watercare newsletter “Tapped In” with Local Board members, which provided an overview of the CI project.
- Additional information was shared with Local Boards on our 40:20:20 Vision to reduce carbon, costs and incidents associated with the delivery of Watercare’s infrastructure programme. The Watercare staff newsletter “Your Source” was also included for its range of interesting stories and information.
- Representatives of the Rodney Local Board joined local Iwi, Watercare, the Mayor and other dignitaries for the official opening of the Warkworth Wells Water Treatment Plant. The event was followed by a public open day, which was well attended.
- Upper Harbour Local Board representatives joined NZTA, Watercare and other dignitaries for the official opening of the Tirohanga Whānui Bridge which cradles the Albany to Pinehill watermain providing a walkway and cycleway across the Northern motorway.
- Information was shared, and meetings were held with the Waitakere Ranges Local Board regarding the resource consent application for the Huia Water Treatment Plant Replacement. This will be followed by further updates later in March 2019.

**COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE continued****HEALTH (DRINKING WATER) AMENDMENT BILL**

- On 19 February 2019, a select committee considered the Health (Drinking Water) Amendment Bill.
- The Bill was prepared in response to the Government's inquiry into Havelock North's drinking water. One of the key areas the Bill addresses is the length of time it takes to make a change to the drinking water standards. The Bill proposes that the consultation, communication and implementation timeframes associated with changes in the Drinking Water Standards be reduced significantly from the current timeframe which can be up to five years. This would help the industry to be more agile and respond in a timely manner to new information and technology. Watercare was supportive of this change and submitted that our community's public health is important enough to warrant a standalone act that governs public water suppliers.
- Watercare's submission also called for more ambitious legislative reform to lift the standard of water treatment nationally and protect public health. Other recommendations that we made to the select committee were:
  - that all municipal water supplies be operated by highly skilled, experienced and certified staff to ensure that drinking water consistently meets drinking water standards. Other industries require certification of individuals – for example, electricians must be registered and meet specific competency standards. Currently, there is no such requirement for staff responsible for the operation and management of public water supplies.
  - the reference to 'secure bore water' in the drinking water standards be removed.
- Watercare spoke to its submission to the Health Select Committee on 20 February at Parliament Buildings.


## COMMUNICATIONS SNAPSHOT




**Enabling engaged communities and stakeholders**

**Media**

Media highlights for the month include a feature in Tots to Teens magazine on what not to flush down the loo (in partnership with Plunket) and a 4-page feature in Engineering New Zealand's EG magazine on operations controller Sifa Pole's rehabilitation efforts in Tonga following Cyclone Gita. Social media highlights include : Flashback Friday post on Upper Huia Dam during construction, reuniting the lost parakeet 'Blu' with her owner (Facebook) celebration of women of Watercare and biosolids presentation (LinkedIn)







**Enabling safe, happy and empowered teams**

**Staff**

Internally, we promoted and launched the 40:20:20 infrastructure initiative, organised staff volunteers to provide water to participants in Round the Bays, celebrated Chinese New Year and International Women's Day and distributed our quarterly newsletter Yoursource.






**Enabling customer trust and value**

**Customers**

We distributed the autumn edition of TappedIn, our customer newsletter, which focused on what we are doing to clean up Auckland's beaches, waterways and backyards.




**Stakeholders**

We officially opened Warkworth's new water treatment plant and marked the occasion with the unveiling of a pouwhenua depicting Waawaia, the Taniwha of Te Awa Waihe (Inner Mahurangi Harbour and river). We had staff, iwi and local board members in attendance.

We also organised public tours at the new plant for the neighbours and community which were well attended.

We also organised the opening of Tirohanga Whānui Bridge in Albany in conjunction with NZTA. Tirohanga Whānui ('panoramic view') houses a 2.5km-long section of our Albany-Pinehill watermain in the lower deck of the bright red overbridge spanning State Highway One.



**Watercare**

## 6. RESOURCE MANAGEMENT ACT COMPLIANCE



<b>February 2019</b>	<b>Compliance proceedings</b>	<b>Nil</b>	<b>Environmental incidents of significance</b>	<b>Nil</b>
<b>Summary</b>	<b>Category 4 non-compliant consents</b>	<b>Nil</b>	<b>Category 3 non-compliant consents</b>	<b>Nil</b>

9 of our 485 active consents are technically non-compliant, but none are in Category 4

	Sep	Oct	Nov	Dec	Jan	Feb
<b>Number of total active consents</b>	484	482	486	485	485	485
<b>Number of non-compliant consents <sup>1</sup></b>	9	7	12	12	10	9
<b>Number of non-compliant category 3 conditions</b>  <i>Non-compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i>  <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>	0	0	0	0	0	0
<b>Number of non-compliant category 1 or 2 conditions</b>  <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>	12	15	20	18	11	13

Notes:

1 – excludes trade waste consents

**Non-compliant consents in Category 3 or 4 for February 2019:** There are no Category 3 or 4 non-compliances for the month of February.



## 7. DIGITAL UPDATES



### STRATEGIC TRANSFORMATION PROGRAMME (STP) UPDATE

STP continues to progress to programme with Release 5 delivery.

- Planning and preparation for the Watercare first pilot across the usage to pay processes to prove customer and billing capability in the production environment.
- Iterating the complex and other service types for connections with customer and user feedback
- Develop inventory management capability, migrate maintenance plans and improve visibility across completed work vs planned work, work management and performance against KPIs
- Continued development of the infrastructure project management capability including new project creation, management of key documentation and creation of assets
- Continued development of the time series visualisation tool to enable the easy viewing of SCADA/PI data linked geographically
- Enhancing the demand toolset to provide more data and added feature sets
- Further develop the visualisation of system performance including scenario switching capability
- Develop functionality across Finance and Procurement

### INDEPENDENT REVIEW OF CHANGE MANAGEMENT APPROACH

- An independent review of the organisational change management approach has been completed by EY as part of their IQA (Independent Quality Assurance) engagement.
- Review outcomes are being reported and discussed with the STP Committee in March 2019.
- Based on EY's review, STP's change management programme:
  - Is comprehensive in its approach and activities
  - progress is appropriate for the maturity and stage of STP
  - overall execution of the change programme is sound.

## 8. ASSETS AND INFRASTRUCTURE



### CENTRAL INTERCEPTOR UPDATE

- On 14 March 2019, Watercare and Ghella-Abergeldie Joint Venture signed the construction contract for the Central Interceptor.
- The Grey Lynn wastewater tunnel has been included in this construction contract.
- Work will commence in the first week of May 2019, with tunnelling to commence in 2020.
- Once complete, the CI will be Auckland's largest wastewater tunnel and the biggest wastewater project ever undertaken in New Zealand.
- The CI will run for 13km beneath the city from Western Springs to Māngere and be completed in 2025.
- The tunnel and our western isthmus projects will reduce wastewater overflows in the area by 80 per cent.

### INCREASED ODOUR AT OUR MĀNGERE WASTEWATER TREATMENT PLANT

- The Māngere Wastewater Treatment Plant anaerobic digestion process suffered a biological upset commencing in January 2019 and worsening in February 2019.
- Our digesters use anaerobic bacteria to break down waste sludge. The digesters contain a balance of different types of bacteria that live and work together. However, the balance has been upset, which is causing a reduction in anaerobic performance greatly increasing odour and reducing the quantity of methane for power generations.
- We have been working to fix the problem and help build the bacteria population back to normal levels. To do this, we have corrected pH levels, adjusted alkalinity daily and diverted a portion of the feed sludge direct to a commercially operated landfill.
- There has been a notable improvement over the last few weeks but it will take some time for the digesters to fully recover.
- We are keeping local residents updated on the situation via our Watercare Facebook page. Our people have also attended a local Ratepayers Association Meeting, addressed the issues at the Māngere WWTP Community Liaison Meeting and provided feedback to print media journalists.
- The cause of the event is not fully determined. However, it is influenced by the change in load conditions over the Christmas/Summer holiday period, where a significant amount of load (food) is reduced from supply due to both commercial closures as well as Aucklanders who holiday outside of the catchment.
- The long dry summer has also reduced load and encouraged accelerated fermentation to occur in the sewer network.
- An International anaerobic digestion expert is conducting a forensic investigation and we will use this to develop a mitigation strategy for the future.

## ASSETS AND INFRASTRUCTURE continued

### WARKWORTH WATER TREATMENT PLANT

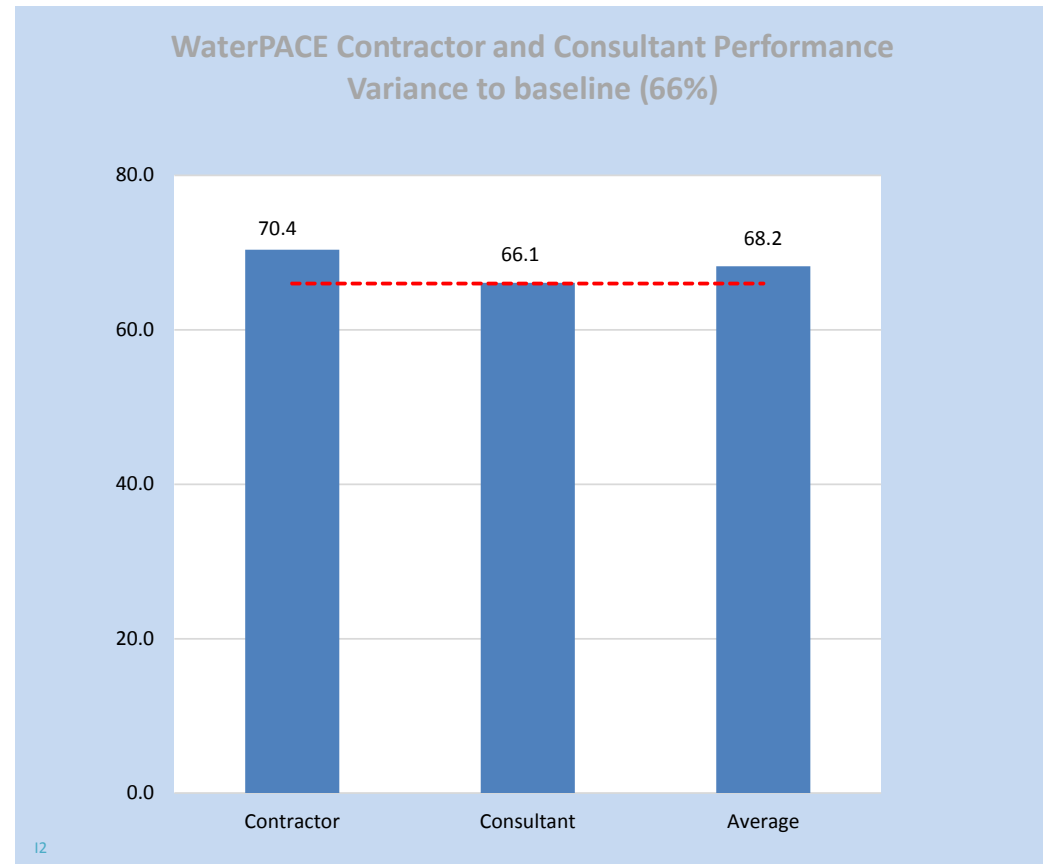
- On 22 February 2019, Mayor Goff officially opened the Warkworth Water Treatment Plant.
- The opening officially marked the beginning of the town's water supply from underground bores instead of the previous reliance on the Mahurangi River.
- A powerful moment from the opening was the unveiling of a pouwhenua that stands at the entrance to the plant and depicts Waawaia, the Taniwha of Te Awa Waihe, signifying the relationship between the land, environment and Ngāti Manuhiri who are Mana Whenua for Puhinui (Warkworth).

### LAUNCH OF 40:20:20

- On 28 February 2019, we officially launched our 40:20:20 Vision – our bold vision for delivering sustainable infrastructure for Auckland in a safe and cost-effective way.
- As the second largest company in New Zealand by asset size, we have always been rigorous in the long-term planning of our assets.
- We are now using this long-term plan to demonstrate leadership and vision by setting ambitious targets for sustainability, safety and cost.
- The Vision sets targets to:
  - reduce carbon in construction by 40 per cent by 2024
  - Reduce the cost to deliver infrastructure by 20 per cent by 2024
  - Reduce the number of injuries during construction year on year by 20 per cent.
- Our 40:20:20 taskforce has set up a governance framework to ensure we are measuring our performance against these targets and monitoring our progress.
- To achieve our 40:20:20 vision, we are challenging our people to use new thinking and increase collaboration with our external partners.

## ASSETS AND INFRASTRUCTURE continued

### CONSULTANT AND CONTRACTOR PERFORMANCE



WaterPace measures the performance of our contractors and consultants.

The baseline target for “good performance” is 60%.

Our contractors and consultants average performance score remained relatively steady at 68.2%, which is still over the baseline target and well above our target for FY19 of 66%.

The scores are an average of the scores our Project Managers give the contractors/consultants in areas including:

- Project leadership
- Risk management
- Communication and responsiveness
- Customer focus
- Health and Safety relationships, management and compliance
- Administration, documentation and handling of variations

## 9. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

**In February 2019, Watercare processed one deed, instrument or document, executed with the delegated authority provided to the Chief Executive by the Board:**

- One agreement for the registration of an Easement over private land in favour of Watercare

**There were six Capex and Opex contracts, over \$100,000, approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board:**

- NE WWTP Servicing Strategy - Snells Algies Outfall Pipeline (McConnell Dowell Constructors Limited)
- HR Service Management on ServiceNow MVP Delivery (Red Moki Limited)
- Clevedon Wastewater & Water Servicing Project (The Fletcher Construction Company Limited)
- Pukekohe WWTP Capacity Upgrade - Blower Supply (Sulzer Australia Pty Limited)
- Western Isthmus Prog. WW & SW CCTV Survey (Pipe Vision NZ Limited)
- Māngere WWTP Filter and dewatering bus ducts replacements Electrical installations (McKay Limited)

**There were three Capex approvals totaling \$12.145m signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.**

- Māngere Digester Area Electrical Upgrade (\$2.305m)
- Westhaven Pump Station (\$7.5m)
- Ardmore WTP Chlorine Emergency Scrubber (\$2.34m)

# Strategic Business Plan update

Board meeting – 28 March 2019



# Intellectual capital

Goal	2018/2019 Target	Progress to date
Customer - Enhanced digital enablement for customers	<p>Increase uptake of e-billing (Target – 50%)</p> <p>Channel migration from assisted to unassisted – 5% increase per year</p> <p>Proactive vs Reactive customer engagement split: 15/85</p>	<p>The conversion to e-bill continuous to increase month-on-month. 48.5% of customers receive e-bills, up 0.5% from last month.</p> <p>Web interactions for February 2019 year to date, versus last year have increased by 16%</p>

5.1



# People and Culture

5.1

Goal	2018/2019 Target	Progress to date
Develop a 3-year culture programme aimed at helping our people live our values	<p>Measure shift towards greater levels of collaboration, agile ways of working and self-motivated teams</p> <p>Develop and implement a diversity agenda</p>	<p>We are developing and implementing digital tools to create people processes online, moving away from paper based. These tools will be implemented in Q4.</p> <p>The Ways of Working project is focusing on creating a physical environment to support the shift towards greater collaboration.</p> <p>We have partnered with Diversity Works to complete a diagnostic of our current state. This will inform action planning activity for FY20.</p> <p>We celebrated Pride Month at our sites with various events in February 2019.</p>
Talent Optimisation	A Talent Development Programme has been developed and implemented (capability matrix as the base of this project)	<p>Talent Framework launched. Organisational talent map will be complete shortly.</p> <p>Q4 will focus on succession planning and critical role analysis</p>
Learning and Development	All employees have access to learning and development programs	Learning Management System pilot complete. Soft launch to wider business occurring throughout Q4 and FY 20 Q1.





# Financial capital and resources

5.1

Goal	2018/2019 Target	Progress to date
Assist Council to review its debt challenges	Comprehensive review evaluating options for Watercare to alleviate Council's debt to revenue issue.	We have identified new revenue streams (refer to Waikato District Council). Our performance on revenue and debt is outperforming our budget.
Assist Council with its debt to revenue challenges	Business cases to the Board in respect of the Waikato District Council three waters management and one other opportunity.	<b>Waikato District Council</b> Waikato's Water Governance Board and Watercare Board attended a joint workshop in February 2019. A draft Memorandum of Understanding and contract is being negotiated. The Watercare Board will review a business case shortly, with go-live date remaining 1 July 2019.
Ensure Watercare is 'future-fit' for a potential industry restructure	Identify and influence regulatory model and potential legislative changes.  Prepare for any impending changes.	We are continuing to provide information to DIA when requested.



# Natural environment

5.1

Goal	2018/2019 Target	Progress to date
We are preparing for climate change	<p>We will create and implement a Climate Change Strategy and associated Sustainability statement. Strategy released.</p> <p>We will collaborate with Auckland Council, Government agencies and other utilities to implement agreed plans and meet climate change targets.</p>	<p>The Climate Change Strategy and plan was released at a full day launch at our Newmarket Hub on 7 March 2019. The launch was well attended by Watercare staff.</p> <p>We are supporting and attending the Auckland Council with the Auckland Climate Action Plan (ACAP) and the Auckland Climate Symposium (18 – 20 March).</p>



# Assets and Infrastructure

5.1

Goal	2018/2019 Target	Progress to date
We will deliver the Central Interceptor	Successfully negotiate and award the CI construction contract.	The contract has been signed. A successful signing ceremony was held that attracted positive media articles. Construction starts in August 2019.
We will reduce our infrastructure capital TOTEX (total expenditure approach to build and operate water assets).	We will implement two new initiatives to reduce our TOTEX.	40:20:20 and the enterprise model has been launched internally and externally. Two hundred people attended our external market briefing. The business case for the enterprise model and the RFP for construction partners to be presented at the March 2019 Board meeting. Following approval, the RFP for construction partners will be issued in May 2019. Partner selection programmed for July 2019.
We will improve consultant and contractor performance	We will improve the overall WaterPace score by 10%.	Monthly reviews being undertaken. Current performance score is 15% above the June 2018 baseline. Market commentary has been positive regarding our use of WaterPace as it provides a formal environment where parties can provide feedback, two way, on performance.



# Community and stakeholder

5.1

Goal	2018/2019 Target	Progress to date
Customer - Improved Net Promoter Score (NPS) (16/17 baseline = 27)	NPS $\geq$ 30	<p>Net promoter score (12 month rolling average) is 34, up +4pts. We transitioned the VoC survey from Touchpoint to in-house in mid January 2019.</p> <p>We also clarified the question and scale for customers which is rendering higher NPS results.</p>
We are engaged with our stakeholders	We will progress the conversation on the value of water and link this to our brand identity.	In late March/early April, we will be holding a roadshow at our sites for our staff. The Roadshow topic is "Watercare Why", which is part of our work on our on company brand.

# Watercare's 'Why'

5.1

Our work is **life** vital for keeps people **safe** helps our communities to **flourish**



We are...

Trustworthy Capable

Future-focused Caring

Curious

Brave

Our promises...

We're committed to delivering a **safe and reliable water supply** so you don't have to think about it.

**We're a safe pair of hands** when it comes to delivering and operating infrastructure for Auckland.

**Sustainability** is at the core of everything we do so our communities and future generations can flourish.

How we deliver on our promises...

Aa grade water supply

Water treatment plant and network upgrades

Water source protection

New water sources

Using water wisely

We're easy to transact with, so you don't have to think about us

Our infrastructure is resilient

We are future-focused and can support growth

Over the next 10 years, we're investing \$5.5 billion to provide for a further 195,000 connections

We deliver our projects on time and to budget

We are self-funding

Energy, climate change and resource recovery policies and initiatives

Wastewater treatment plant and network upgrades, including CI

We carry out careful planning practises to identify the best practicable option for each project – so that we minimise our impact on the communities we serve and the environment



## Our 40:20:20 Vision

28 March 2019

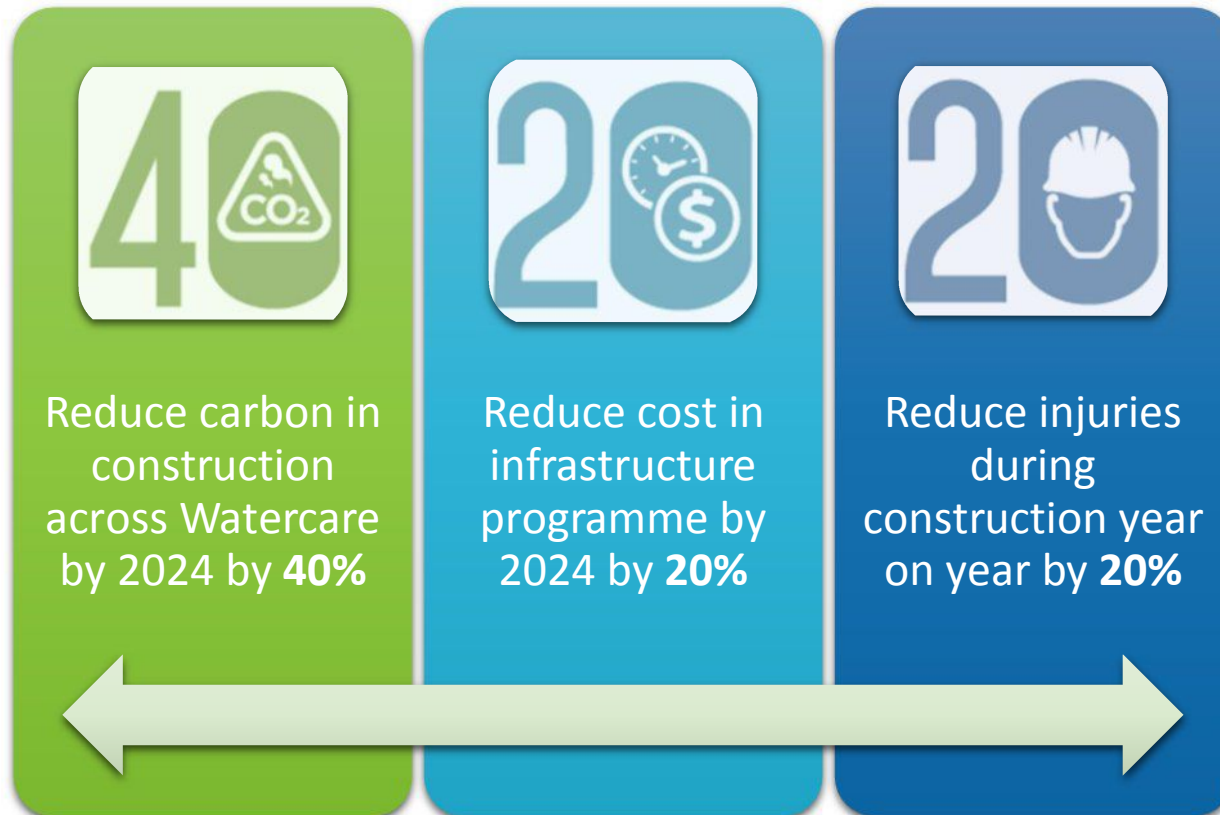
Board meeting

Steve Webster

Chief Infrastructure Officer



## OUR VISION





## WHY ?



- Aspirational vision
- Duty to our environment
- Duty to our people and customers
- Safety of everyone
- Provide leadership in New Zealand
- Support our brand



# THE TASKFORCE



## OBJECTIVES:

- Set the target measures
- Develop ways to monitor performance
- Keep the momentum within the business

## MEMBERS



Chris  
Thurston



Nolwenn  
Lagadec



Tanvir  
Bhamji



Jaco  
Pienaar



Gavin  
DSouza



Tuan  
Hawke

## Our Launch : 28 February



5.2



- Collective horsepower of our organisation
- We will work closely with our supply chain
- **NO IDEA is a BAD IDEA**

## Many ideas...



200 ideas

First round of prizes

Safety in design

New technologies



# Market launch



5.2

12 March

200 attendees

Questions

Watercare as leaders







**Report to the Board of Watercare Services Limited**  
 Prepared for the 28 March 2019 Board Meeting

**5.3**

## Policy update –Domestic Violence – Victim’s Protection Act 2018

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>S Phillips</b> Head of People & Capability	<b>J Glennon</b> Chief People Officer	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Recommendation

That the Board note this report.

### 2. Purpose and context

The *Domestic Violence – Victim’s Protection Act 2018* comes in to force on 1 April 2019. The Act introduces a number of statutory entitlements for employees who are affected or have been affected by domestic violence.

Watercare has developed a Domestic Violence Policy to manage these entitlements and meet legislative requirements.

### 3. The details

#### 3.1 Entitlements for our employees under the Act

The Act provides that an employee is entitled to paid domestic violence leave for up to ten (10) days per 12 months where they are or have been affected by domestic violence (this includes a person supporting a victim). These entitlements are irrespective of when the domestic violence occurred or the duration of their employment. An employee may also request flexible working arrangements to support their situation.

Our Policy outlines these entitlements and provides details of how they will be applied at Watercare.

#### 3.2 Training and support will be available to our people and people managers

Management are exploring awareness training for our people managers to ensure they have the necessary tools to manage employees raising requests under this Policy.

Support and resources will be made available for all employees through our internal communications channels.





# Board - Public Session - Directors' Corporate Governance Items

Board Planner 2019

		March	April	May	June	July	August	September	October	November	December
Meetings	Board	28-Mar	30-Apr	28-May	25 June (NB: Strategy day on 24 June as well, with Board dinner)	29-Jul	30-Aug	24-Sep	30 Oct (with Board dinner on the 29th)	26-Nov	17 Dec (Teleconference)
	Audit and risk committee			27 May (3pm-5pm)		29 July (before Board meeting)	23 Aug (9-11am)		29 Oct (3-5pm)		
	People, Remuneration and appointments committee		30 Apr (after Board Meeting)		25 Jun (after Board Meeting)	17 July (10-12pm)	30 Aug (after Board Meeting)		29 Oct (1-3pm)		
	STP Committee	28 Mar (before Board Meeting)				1 July (10-12pm)		24 Sept (after Board Meeting)		25 Nov (3-5pm)	
	AMP & Major Capex Committee			29 May (after board meeting)			29-Aug (5-6.30pm)			TBC	
Events	Community and Stakeholder Relationships	28 Mar (Board dinner with Waikato Tainui)									
Governance	Charter reviews		AMCC Terms of Reference	A&R Charter		STP Terms of Reference			PRAC charter		
	Policy reviews		2020 - Good Employer Policy) 2020 - Sensitive Expenditure Policy) 2020 - IGCS)	2020 - Sensitive Expenditure Policy) 2020 - IGCS)				Tax Risk Management Policy		Fraud Policy	
	Delegations			Annual review of board delegations to CE							
	Risk report Due to Council			15-May			7 Aug and 21 August				TBC
	Enterprise Risk report to Board		Report to Board			Report to Board			Report to Board		
	Compliance		Statutory compliance			Statutory compliance			Statutory compliance		
	Shareholder interaction	Q2 briefing to F&P Committee 20 March 2019 (M Devlin)  Governing Body Workshop - 21 March at 1.30pm		Q3 quarterly report due 31 May 2019 (to be approved by the Board on 28 May)	Q3 briefing to F&P Committee 19 June 2019 (J Hoare)	Q4 quarterly report due 23 August (to be approved by Board at July meeting, subject to final sign off)	Governing Body Workshop - 29 August at 9.30am	Q4 briefing to F&P Committee 11 September 2019 (M Devlin)  Auckland Council's A&R Committee Date TBC	Q1 quarterly report due TBA		Q1 briefing to F&P Committee TBA
	Site Visits	Site Visit (after Board Meeting)			Site Visit (after Board Meeting)	Site Visit (after Board Meeting)		Site Visit (after Board Meeting)		Site Visit (after Board Meeting)	
	H&S Quarterly report		Jan-Mar 19 Report			Apr-Jun 19 Report			Jul-Sept 19 Report		
	Board training & development			H&S Board Update							
Business strategy	Strategic planning				Strategy Workshop 24 June followed by Board Dinner						
Business planning	Key finance and business decisions		Auckland Council to notify Watercare of Group Treasury Interest Rate by 30 April	Present plan for Year End to A&R  Approve Insurance Proposal  Auckland Council and Watercare to review Treasury Interest rate by 31 May	Approval of 2019/20 Budget  Mayor's Treasury Guarantee Letter due by 30 June	Approve Auckland Council Reporting Pack	a) approve 2019/20 accounts, b) delegate final sign off of 2019/20 Annual Report	Update from WUCAT	AMP		Auckland Council Draft Annual Plan - approve Watercare input*
	Statement of intent			Present shareholder SOI feedback at public meeting. Public Deputations received.	Final 2019-2022 SOI approved and issued to shareholder		Final 2019/2022 SOI adopted by Auckland Council		2018/2019 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2020/21 Letter of Expectation to be received




\* Statutory public Board meeting - deputations invited

^ Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

**Report to the Board of Watercare Services Limited**  
Prepared for the 28 March 2019 Board meeting

## Disclosure of senior executives' interests

6.2

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

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 (as required by law), but also voluntarily maintains an Interests Register for our senior executives.

### 2. The details

Watercare Services Limited's senior executives' Interests Register is set out below.




Senior Executive	Interest
Raveen Jaduram	<ul style="list-style-type: none"> <li>Steering Committee Member – Business Leaders' Health and Safety Forum</li> <li>Board Member – Committee for Auckland</li> <li>Director – J N Jaduram Corporation Limited (Fiji)</li> <li>Member - Auditor-General's Local Government Advisory Group</li> </ul>
Rob Fisher	<ul style="list-style-type: none"> <li>Deputy Chair – Middlemore Foundation</li> <li>President – Auckland University Rugby Football Club</li> <li>Trustee – Watercare Harbour Clean Up Trust</li> <li>Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Steve Webster	<ul style="list-style-type: none"> <li>Director – Howick Swimgym Limited</li> </ul>
Marlon Bridge	<ul style="list-style-type: none"> <li>Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> <li>Director – Hunua Forests Ltd</li> </ul>
Rebecca Chenery	<ul style="list-style-type: none"> <li>Director – Chenery Consulting Services Limited</li> </ul>
David Hawkins	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Jason Glennon	<ul style="list-style-type: none"> <li>Director - Michaels Ave Investments Limited</li> </ul>
Amanda Singleton	<ul style="list-style-type: none"> <li>Director – Die Weskusplek Pty Ltd (South Africa)</li> <li>Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Shane Morgan	<ul style="list-style-type: none"> <li>Nil</li> </ul>
Shayne Cunis	<ul style="list-style-type: none"> <li>Director – The Water Research Foundation</li> </ul>



**Report to the Board of Watercare Services Limited**  
Prepared for the 28 March 2019 Board meeting

## Directors' appointment terms and committee memberships

6.3

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			<b>E McBride</b> Governance Manager	<b>R Fisher</b> Company Secretary	<b>R Jaduram</b> Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

### 1. Purpose and context

This paper provides an update on:

- the tenure of the six directors of Watercare Services Limited
- details of the committees each director is a member of.

### 2. The details

**Table 1: We have six directors.**

Our directors are appointed by Auckland Council

Director	Original appointment date	End of term
Margaret Devlin (Chair)	1 November 2016	31 October 2022
Brendon Green	1 November 2016	31 October 2022
Nicola Crauford	1 April 2014	31 October 2021
Julia Hoare (Deputy Chair)	1 November 2013	31 October 2020
David Thomas	1 November 2014	31 October 2020
Catherine Harland	21 April 2011	31 October 2019

**Table 2: We have four committees to assist the Board in its corporate governance**

Our four committees assist in the process of corporate governance

Committee Chairs and members are appointed by the Chair

Director	Audit and Risk	People, Remuneration & Appointments	Strategic Transformation Programme	AMP & Major Capex
Margaret Devlin (Chair)	*	*		✓
Julia Hoare (Deputy Chair)	Committee Chair			✓
Catherine Harland		Committee Chair	✓	✓
Nicola Crauford			✓	Committee Chair
David Thomas	✓	✓		
Brendon Green	✓		Committee Chair	

*\*Board Chair attends in ex-officio capacity*