

WATERCARE SERVICES LIMITED

AGENDA	BOARD MEETING	Wednesday 30 October 2019
Venue	Watercare Services Limited, Level 3, 73 Remuera Road, Newmarket	
Time	9am	

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1 Apologies	Chair	Record apologies	
2 Minutes of Meeting	Chair	Approve Board Meeting Minutes 24 September 2019	Board Minutes 24 September 2019
3 Disclosure of Directors' Interests	Chair	For noting	Report
4 For information			
4.1 Our performance under the 2018/2019 statement of intent	Emma McBride	For information	Report and Presentation
4.2 Public deputations	Members of the public	For information	Nil
5 For approval			
5.1 Climate Action Committee's draft terms of reference	Emma McBride/Chris Thurston	For discussion	Report
5.2 Draft Watercare Submission on the Government's Essential Freshwater Proposals	Steve Webster	For approval	Report
6 For discussion			
6.1 Safety Moment	All	For sharing	Nil
6.2 Chief Executive's Report	Raveen Jaduram	For discussion	Report
6.3 Board Committee Updates	Committee Chairs	For discussion	Nil
7 Directors' Corporate Governance Items			
7.1 Board Planner	Chair	For noting	Report
7.2 Disclosure of Senior Executives' Interests	Chair	For noting	Report
7.3 Directors' Appointment Terms and Committee Memberships	Chair	For noting	Report
8 General Business	Chair	For discussion	Nil
Date of next meeting	Tuesday 26 November 2019		
Venue	Watercare, Level 3, 73 Remuera Road, Newmarket		

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	24 September 2019
TIME	9.00am
STATUS	Public Session

	<p>Present: Margaret Devlin (Chair) Julia Hoare (Deputy Chair) Nicki Crauford Brendon Green Catherine Harland David Thomas Hinerangi Raumati-Tu'ua</p> <p>Board intern Colin Magee</p> <p>Future Board members Dave Chambers</p>	<p>In Attendance: Raveen Jaduram (CE) Marlon Bridge David Hawkins Emma McBride Steve Webster Rob Fisher Amanda Singleton Jason Glennon Shayne Cunis Bronwyn Struthers Carl Tucker (from 10am until end) Roseline Klein (for item 5.1 only)</p>	<p>Members of the Public: Nil</p>
1.	<p>Apologies Shane Morgan (Chief Operations Officer) and Rebecca Chenery (Chief Digital Officer), sent their apologies.</p> <p>The Chair welcomed Dave Chambers to the meeting. As recently announced by Auckland Council, Dave and Frances Valintine will be joining the Watercare Board on 1 November 2019.</p>		
2.	<p>Minutes of Previous Meetings</p> <p>The Board requested that a small change to the minutes at Item 5.1 regarding Dam Safety. The minutes should record that Watercare's dams are different to the dams that recently failed in South America.</p> <p>Subject to this amendment being made, the Board resolved that the minutes of the public section of the Board meeting held on 30 August 2019 be confirmed as true and correct.</p>		
3.	<p>Review Disclosure of Directors' Interests</p> <p>The report was noted.</p> <ul style="list-style-type: none"> - Margaret Devlin has retired as Chair of Titanium Park, but remains a director. She has also retired as a member of the National Infrastructure Advisory Board. - From 1 October 2019, Nicki Crauford will be a Director of Pioneer Energy Limited and a Board member of Kāinga Ora - Homes and Communities. She has also retired as a director of Orion New Zealand Limited. Her membership of the EPA Decision Making Committee OMV Great South Basin has also come to an end. - Julia Hoare has resigned as a director of New Zealand Post. From 25 September 2019 she will be a Director of Meridian Energy Ltd. 		

4.	<p>For Discussion</p> <p>4.1 Safety Moment</p> <ul style="list-style-type: none"> - Amanda Singleton (Chief Customer Officer), updated the Board on the wellness challenge that the Customer team is undertaking a virtual “walk to New York”. The teams are being very competitive and are close to reaching their target. <p>4.2 Chief Executive’s Report</p> <p>The report was taken as read. Management responded to questioning from the Board.</p> <p><i>Heath, Safety and Wellness (Boardbooks pages 14-19)</i></p> <ul style="list-style-type: none"> - Bronwyn Struthers (Head of Health, Safety and Wellness) responded to questioning from the Board regarding the injuries. - The worker who suffered a fractured foot (page 14), was wearing safety boots. After the accident, he had a sore foot, and rested for the remainder of his shift in his vehicle whilst his workmate completed the job. The injured worker entered the accident into Watercare’s Synergy H&S reporting platform. However, he did not phone his supervisor as was required. - Due to a glitch, Synergy did not alert the relevant people of the accident. However, the accident was raised by the worker’s supervisor the following day as the worker was limping. He was sent to the doctor, where the fracture was diagnosed. - Synergy will be replaced with a new software system called iCare in the next few months. In the meantime, we are putting in place temporary fixes to avoid this type of glitch occurring again. - In response to questioning from the Board, Bronwyn Struthers explained that this was not an incident that called for disciplinary action for not following procedures. The human factor in this incident is that the worker did put the accident in to Synergy; but he did not think he had a serious injury at the time. He did not phone his supervisor at the time as he did not know he had a fracture and it was also the middle of the night. - Amanda Singleton (Chief Customer Officer), confirmed that we only take disciplinary action when workers deliberately do not following standard operating procedures. - Worksafe was subsequently anonymously notified of the accident by a worker directly as they had assumed that nothing had been done by the Management. There was a general discussion regarding this. Both the Board and Management agreed it was concerning that one of our people felt they had to call Worksafe directly and felt they could not raise their concerns directly with a supervisor. Management suggested a reason for this could be the high rate of turnover in this MSN team. There is a shortage of tradespeople in Auckland and the work done by the MSN team also involves night shift work. Attracting talent that wish to do this type of work and are willing to stay long term, is difficult. The high-turnover rate therefore makes it difficult to build a strong culture of trust, accessibility and openness. Our People & Capability team and the HSW team, are aware of the issues and are working on new ways of recruiting, training and building trust in the MSN team. - Management will provide the Board with an update on this incident, including any Worksafe involvement. - The physiotherapy student that will be developing a body care programme for our workers is in their final years of study and are studying workplace health and injury management. Bronwyn considers the student will be able to add significant value to our safety and wellness programme.
----	--

- The near miss involving a broken tow-ball has been investigated. From now on, we will replace all tow-balls with new ones every two years, whether they appear worn or not.
- In response to questioning regarding the LTIs, Bronwyn explained that the number of LTIs has remained fairly steady over the last year or so (1-3 injuries/month). Most months the maximum number is 3. One of the reasons why the average is rising is because earlier last year we had a few months where the number was zero. Those months are no longer being included, which is pushing the rolling average up.
- The Board requested a November update from Management on the injuries that have occurred over the last 12 months, together with an explanation on what processes have been changed, where obstacles remain and how we are changing the culture of the organisation.
- The near miss involving a lift plan not being followed (page 18) was followed by a constructive meeting with all of the workers involved. An interesting finding was that the sub-contractor did not want to challenge the contractor. The contracted engineer responsible for overseeing this lifting operation has been removed from working on this project.

SOI measures (pages 20 – 25)

- The percentage of real water loss is the only measure not being met.
- In response to questioning, Management explained that the assets in Broadway Park are of a sub-standard quality. This is a one-off case in this development and not a systematic issue with developer installed assets.

NPS and Customer satisfaction (page 25 and 30)

- Our NPS score remains high, which means that our technical skills (fixing problems quickly) remains high. However, our customer satisfaction score fell one point. Amanda Singleton explained that the customer team is operating with 20 fewer full time employees than last year. We have recently appointed a new team member to help lift the team's capability in order to improve our customers' satisfaction.

Digital payments (page 30)

- Digital payments are 92%. We still have some customers that prefer to pay by cheque.
- Management acknowledge that we need to ensure we continue to provide options to customers who prefer to pay manually.
- In the meantime, our teams are working with customers who have email addresses to switch them to digital payment methods that best suit them.

St Mary's Bay & Masfield Water Quality Improvement Project (Page 34)

- Rob Fisher, Company Secretary, confirmed there is a judicial telephone conference shortly and the parties are close to reaching a resolution. The pipe/tunnel will terminate in the same position as originally proposed by Healthy Waters. However, it will be a stormwater tunnel only and not a combined stormwater/wastewater tunnel. Instead, the combined system at St Mary's Bay will be separated by Healthy Waters and Watercare.
- Once the parties work through a few minor matters, a resource management application will be lodged to conduct separation in St Mary's Bay. The works will be complete by 2022 so the water quality in this area will be much improved in 3 years' time.
- At the October 2019 Board meeting, Management will table capital expenditure approval for these St Mary's Bay separation works – the total cost of the works will be shared with Healthy Waters.

Commercial water use (page 39)

- Amanda Singleton explained that the increased use of water by some of our commercial users is seasonally based. For example, vegetable food processors use more water when there are certain vegetables in season.
- We are working with our commercial customers to reduce their water use and increase their water efficiency.

Carl Tucker, Head of Commercial, joined the meeting at this point (10am).

Publics Works Notice at Khyber Pass (page 45)

- Rob Fisher reported that the surrender of public works notice concerned a small area of land in Khyber Pass under which our Hunua 4 tunnel will pass. The owner of the land has now reached an agreement with Watercare allowing for an easement over the land to be registered. Therefore the Public Works Notice was no longer required. The amount of compensation to be paid for the easement is on the course of being determined.

Attendance at Faults (page 23)

- There was a general discussion regarding the time taken to attend faults. Our response times are significantly in excess of the current target. The questions raised by the Board included are we responding too quickly and/or are our targets too soft?
- Raveen Jaduram, CE, explained that the graphs track the median response time. There are fault response times that exceed our targets. Management focus on bringing down the peaks in these graphs, which the Board does not see in the information provided. Management confirmed that next month the Board will be provided with more information around the response times to faults.

4.3 Board Committee Updates

AMP and Major Capex Committee (AMCC)

Nicki Crauford, Committee Chair, advised the Board that the next meeting is 13 November 2019

Strategic Transformation Programme Committee (STPC)

Brendon Green, Committee Chair, advised the Board the next STP will be rescheduled shortly.

People, Remuneration and Appointments Committee (PRAC)

Catherine Harland, Committee Chair, updated the Board on the PRAC meeting held on 30 August 2019.

- The CE's Short Term Incentive measures/targets have been circulated for discussion.

Audit and Risk Committee (ARC)

Julia Hoare, Committee Chair, advised the Board that the next A&R meeting is on 29 October 2019.

Roseline Klein, Head of Water Value joined the meeting at this point.




5.	<p>For Information</p> <p>5.1 Update on our Water Efficiency Strategy, including District Area Meters and Smart Meters</p> <ul style="list-style-type: none"> - The CE updated the Board on the 40+ new District Area Meters (DMAs) that Watercare will be installing by 30 June 2020. - Huia township, Manukau, Maungakiekie/Tamaki and Waitakere are all being broken down into DMA areas. This allows us to better record how much water each discrete area is using. However, as more meters are installed, it reduces our ability to move water around different areas. - We know that Maungakiekie/Tamaki has a high level of Non-Revenue Water. Also, identifying water leaks in this area is more difficult as the ground is volcanic rather than clay, so leaks quickly soak into the ground and are not evident aboveground. There are many old meters in this area as well, which will not be recording correctly. The area is also very industrial, and some industrial users may be taking water illegally. - Our leak detection team will be working in these areas to identify leaks to be fixed and look for signs of water theft. - The Board noted they would like to see Management move at pace to ensure we are more correctly measuring our water use and operating our network in the most efficient way. - Amanda Singleton also reported that we are working with our commercial customers to explore re-using treated wastewater. For example, Auckland Airport is building a new runway and two new hotels. We are investigating whether they may be able to use treated wastewater, rather than drinking water, in the construction of this infrastructure, and treated wastewater for flushing toilets. - We are also working with sports clubs and high-use schools to help them reduce their water consumption. - The business continues to push the message to be water efficient generally. As at August 2019, 67% of Aucklanders are very water efficient or moderately water efficient. This is up from 50% in the period from June 2018-June 2019, and 62% in July 2019. - A discussion paper on water efficiency initiatives will be provided to the November 2019 Board meeting, which will explain these in more detail and also explain the likely impact this will have on non-revenue water loss.
6.	<p>Directors' Corporate Governance Items</p> <p>6.1 Board Planner</p> <p>The report was noted.</p> <p>7.2 Review Executive Management Disclosure of Interests</p> <p>The report was noted.</p> <p>7.3 Director Appointment Terms and Committee Memberships</p> <p>The report was noted.</p>
8.	<p>General Business</p> <p>The Board congratulated:</p> <ul style="list-style-type: none"> • Priyan Perera (Head of Operations Excellence) on his appointment to the Board of Water New Zealand.

	<ul style="list-style-type: none"> • John McCann and Dirk DuPlessis, Watercare project managers and construction partner McConnell Dowell won “Project of the Year” for the Army Bay wastewater upgrade; Steven Grace, Watercare engineering manager at CI, won “Paper of the Year”; and Mark Bourne, Head of Servicing and Consents, won “Runner-up Paper of the Year” at the recent Water NZ awards. • The Army Bay wastewater upgrade for winning the No-Dig Down Under award. <p>The Board also commended our people on a successful outcome with the Hunua 3 operation that involved a planned shutdown of a critical major water main.</p>
	The meeting closed at 10.27am.

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin
Chair

Disclosure of Directors' interests

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram 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"> • Director, Meteorological Services of NZ Limited • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, IT Partners Group • Director, Aurora Energy • Independent Chair of Audit and Risk Committee, Waikato District Council • Chair, Women in Infrastructure Network • Councillor, WINTEC • Councillor, The University of Waikato Council • Member, Audit and Risk Committee of The University of Waikato • Director and Chair, Lyttleton Port Company Limited • Director, Infrastructure New Zealand • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee
Julia Hoare	<ul style="list-style-type: none"> • Director, AWF Madison Group Limited • Deputy Chair, The a2 Milk Company Limited • Director, The a2 Milk Company (New Zealand) Limited • Director, Port of Tauranga Limited • Director, Auckland International Airport Limited • Director, Meridian Energy Limited • Chair, Auckland Committee, Institute of Directors • Member, Advisory Panel to External Reporting Board • Vice President, Institute of Directors National Council • Member, The Sustainable Finance Forum Leadership Group

Director	Interest
Catherine Harland	<ul style="list-style-type: none"> • Director, McHar Investments Limited • Director, Interface Partners Limited • Trustee, One Tree Hill Jubilee Educational Trust • Member, Auckland Regional Amenities Funding Board • Member of the Committee of Broadway Park Owners' Society Incorporated. • Independent Chair of the Aircraft Noise Community Consultative Group • Co-Chair, Sea Change Tai Timu Tai Pari Ministerial Advisory Committee
Nicola Crauford	<ul style="list-style-type: none"> • Director, Environmental Protection Authority (EPA) • Member of Electoral Authority, Cooperative Bank Limited • Director and Shareholder - Riposte Consulting Limited • Chair, GNS Science Limited • Independent Chair, Joint Governance Board, Chorus and Visionstream UFB Connect. • Director, Pioneer Energy Limited • Board member - Kāinga Ora - Homes and Communities
David Thomas	<ul style="list-style-type: none"> • Chair, Ngāti Whakaue Tribal Lands Inc. • Chair, Gypsum Board Manufacturers of Australasia • Shareholder / Employee, Fletcher Building Limited • Director, New Zealand Ceiling & Drywall Supplies Limited • Chair, Altus NZ Limited • Director, Winstone Wallboards Limited
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Peak2Peak Limited • Executive Director, Advanced Biotech NZ Limited • Economic Portfolio Executive, Te Rūnanganui o Ngāti Hikairo • Management contract, Tainui Kawhia Minerals • Advisor, Meterme • Australia-NZ representative, Wattstock LLC (USA) • Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui • Runanga Manukau Institute of Technology - Te Whakakitenga o Waikato representative
Hinerangi Raumatī-Tu'ua	<ul style="list-style-type: none"> • Chair, Parininihi Ki Waitotara Incorporated • Trustee, PKW Trust • Chair, Ngā Miro Trust • Chair, Nga Kai Tautoko Limited • Chair, Te Kiwai Maui o Ngaruahine Limited • Director, Taranaki Iwi Holdings Management Limited • Director, Aotearoa Fisheries Limited • Director, Sealord Group Limited • Director, Port Nicholson Fisheries GP Limited • Director, Te Puia Tapapa GP Limited • Director, Tainui Group Holdings Limited • Executive Member, Te Whakakitenga O Waikato • Member, Venture Taranaki.
Colin Magee (Board intern)	<ul style="list-style-type: none"> • Chair, Ākau Ltd and Ākau Foundation • Member, Advertising Standards Complaints Board • Contractor, College of Law • Director, C Magee Limited • Director, MyCap Limited • Director, MyCap Markets Limited • Member, Te Ārai Tūpono (Audit and Risk Committee) of Te Wānanga o Aotearoa



Our performance under the 2018-2021 statement of intent

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

1. Recommendation and key points

That the Board note this report.

Key points

- Watercare Services Limited's Annual Report 2019, which included our performance against the 2018-2021 Statement of Intent (SOI), was published on 30 September 2019.
- An overview of Watercare's performance under the SOI will be presented at the Public meeting.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.

2. Purpose and context

Local Government (Auckland Council) Act 2009 (Act) requires council-controlled organisations (CCOs) of the Auckland Council to nominate two Board meetings per year to be open to the public.

- One meeting must be held before 30 June each year for the purpose of considering comments from shareholders on the organisations draft SOI for the following financial year
- One meeting must be held after 1 July each year for the purpose of considering the CCO's performance under its SOI in the previous financial year.

At each of these meetings, the Board must allocate a reasonable amount of time for members of the public attending the meeting to address the Board in relation to the subject matter of the meeting.

3. The details

The SOI represents Watercare's public expression of activities, intentions and objectives, and the legislative expression of accountability to its shareholder, the Auckland Council.

We have reported on our overall performance against the SOI

- We report to the shareholder, via our Quarterly Reports, on our progress against the SOI.
- Our overall performance against the SOI is also recorded in the Statement of Service Performance that is included in our Annual Report 2019.
- Our Annual Report 2018 was published and distributed on 30 September 2019.

We have distributed copies of our Annual Report 2019

- Hard copies of the Annual Report 2019 will be available in the Watercare Boardroom, level 3, 73 Remuera Road, Newmarket on 30 October 2019 for people attending the October 2019 Board meeting.
- Hard copies have also been sent to the Mayor, Chief Executive and Principal Advisor, CCO Governance and External Partnerships at Auckland Council.
- Auckland Councillors and Local Board Chairs have been sent a link to the online version of the Annual Report 2019 - <https://watercareannualreport.co.nz/>

At the Public Board meeting, an overview of our performance under the SOI will be presented

- A copy of the presentation is appended as **Appendix A**.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.



Watercare Services Limited 2018/2019 Performance



AUCKLAND IS GOING THROUGH SIGNIFICANT CHANGE.

We are New Zealand's largest water utility, serving more than one-third of the country and effectively managing assets worth more than \$10 billion. We've got work to do and are focused. We are thinking, planning and working for today's Auckland as well as tomorrow's New Zealand. Over the next three years, we will leverage our industry expertise, demonstrate our leadership in sustainable development and continue to transform our capacity and capability to become a more agile business.

— WE ARE BECOMING FUTURE FIT —

15 x SOI Measures achieved

4.1



Median response time for attendance to urgent call-outs



Median response time for resolution of urgent call-outs



Median response time for attendance to non-urgent call-outs



Median response time for resolution of non-urgent call-outs



Total number of complaints received by Watercare 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

Total number of complaints received by Watercare about any of the following:



- a) Sewage odour
- b) Sewerage system faults
- c) Sewerage system blockages

Attendance at sewage overflows resulting from blockages or other faults – median response time for attendance



Attendance at sewage overflows resulting from blockages or other faults – median response time for resolution



Number of dry-weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system



15 x SOI Measures achieved – *continued...*

4.1



Compliance with Watercare'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 Watercare in relation to those consents



Average number of wet-weather overflows per discharge location



The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)



Net Promoter Score (NPS)



The extent to which Watercare's drinking water supply complies with part 4 of the drinking water standards (Bacterial Compliance Criteria)



The extent to which Watercare's drinking water supply complies with part 5 of the drinking water standards (Protozoal Compliance Criteria)



1 x SOI measure not achieved

4.1

The percentage of real water loss from Watercare's networked reticulation system (rolling 12 month average): Result: 13.1%. Target: ≤13.0%.

- The water losses in this measure are calculated by deducting water sales volumes and unbilled water usage from the total volume of water produced.
- These unbilled uses fall into three categories:
 - operational usage (pipeline flushing, fire-fighting, etc.)
 - meter under-recording; and
 - unauthorised usage (e.g. illegal use through hydrants, etc.)

Actions we are taking:

1. A taskforce is investigating unauthorised usage and is taking all necessary steps to address unauthorised use.
2. We are focusing on improving the accuracy of measuring total volume of water produced.
3. We are improving the accuracy of our Bulk Supply Points (BSP) to improve granularity of water supply data.

ASSETS AND INFRASTRUCTURE



Value –
Future-proofed growth and supply
assurance; high-performing assets

4.1

Highlights

- We invested \$447m in infrastructure.
- In March 2019, we signed a construction contract with Ghella-Abergeldie Joint Venture for the delivery of the Central Interceptor. This \$1.2 billion project promises to leave a legacy for wider Auckland, local communities and our industry.
- All Central Interceptor procurement milestone dates have been met.
- We commissioned a new water treatment plant for Warkworth, with water supplied from a secure underground aquifer, instead of the at-risk Mahurangi River. The new plant is a substantial investment and will double capacity and cater for growth in this fast-growing region.
- We commissioned the first set of 'containerised plants' to service local communities in Warkworth, Owhanake and Clarks Beach while the existing facilities are going through significant upgrades. These plants use the sustainable membrane bioreactors (MBR) to treat wastewater.
- We won a number of engineering and project management awards over the year. In particular, our Biological Nutrient Removal (BNR) facility at Māngere was recognised multiple times both in NZ and internationally.

INTELLECTUAL CAPITAL



Value –
Industry-leading thinking
and processes

4.1

Highlights

- We announced our ambitious **40:20:20** vision. This challenges our business to:
 - reduce carbon in construction by 40% by 2024;
 - reduce the cost to deliver our infrastructure programme by 20% by 2024; and
 - improve health, safety and wellness by 20% year on year.
- We increased digital interactions by 19% with customers.
- We introduced new and improved digital systems for procurement, finance and project management.
- In August 2018, we released a digital tool that allows us to easily see our high-priority water and wastewater incidents in real-time. This allows us to identify where an incident is, what caused it, whether or not it has happened before, as well as an update on whether our crews have arrived on site and are remedying the situation.
- Our new mobile-friendly website went live.
- We opened our maintenance training facility at Māngere. The training centre was recognised for its originality at the Water NZ 2018 conference with an award for innovation in safety.
- We sustained a cyber-attack. However, our incident management allowed us to respond quickly and thwart the attack – keeping company, customer and staff information safe.

PEOPLE AND CULTURE



Value –
Safe, engaged and empowered
teams; customer trust and value

4.1

Highlights

- We now have two online systems – IMMERSE for staff learning and SURF for career development.
- We established a Diversity and Inclusion Committee.
- The Health, Safety and Wellness team now has a dedicated wellness lead and programme to support our people with workshops, early intervention, recovery and resilience building.
- Our people are increasing their understanding of tikanga Māori as well as their ability to speak te reo. We run an intensive 'Te Kunenga o te Ao Tikanga' course offered by Te Wānanga o Aotearoa.
- Our staff survey delivered pleasing results – the overall engagement score remained stable at 67, with the results suggesting that staff are confident in Watercare's leadership and believe our company cares about the environment. Many staff reported greater collaboration and team work this year and 76% said they enjoy working for Watercare.
- We are joining Fulton Hogan and GHD for Project New Grad; a three year graduate development programme.
- We are partnering with the University of Auckland to build a work-ready pool of graduates.

CUSTOMER AND STAKEHOLDER RELATIONSHIPS



Value –
Engaged, safe communities;
a thriving economy

4.1

Highlights

- We supplied safe and reliable 'Aa' graded water, at all times, exceeding the required Drinking Water Standards for New Zealand's criteria for water quality and supply infrastructure.
- We met all SOI targets relating to attendance and resolution of water and wastewater issues such as outages, blockages and other faults.
- We actively collaborate with all members of the Council whānau, iwi leaders, central government and other interest groups to ensure we deliver great collective outcomes for Aucklanders.
- Our Net Promoter Score (NPS) rose to 43. This means significantly more customers talk positively about us than the number who do not (other utilities can score negatively).
- In October 2018, we launched our new-look Facebook page and also have a social media profile on LinkedIn.
- In January 2019, we signed a partnership agreement with Plunket to educate families about what they can and cannot flush down the toilet.
- We work with the Water Utilities Consumer Assistance Trust to assist customers having difficulty paying their water bills. In 2018/2019, Watercare forgave \$120,000 of debt.
- Our education coordinator visited 31 schools around Auckland and delivered 290 lessons on water and the environment.

FINANCIAL CAPITAL AND RESOURCES



Value –
Minimum-cost, cost-efficient,
financially stable

4.1

Highlights

- Revenue was \$715m, exceeding our target of \$651m due to higher levels of demand from customers and increased residential development across the region.
- Our operating surplus was \$176.4m, which was up 45% from 2017/2018.
- We achieved \$25.3m of savings on capital expenditure and operating expenditure.
- Our debt rose by only \$84m (to \$1.7b) despite capital expenditure being at an all-time high (\$447m in 2019).
- We continued to proactively explore opportunities for efficiencies across the business and achieved just under \$7.7m in efficiency gains. Efficiency for us means delivering best value for money and doing more with less.
- In July 2018, we dis-established our treasury function and began utilising Auckland Council's centralised treasury team. This enabled us to borrow at a lower cost of funds and saved us \$7.4m in interest costs during the 2019 financial year.
- We worked with the Value for Money team at Auckland Council with the s17A reviews into Three Waters, Communications & Engagement, Procurement, Customer Services and ICT.

NATURAL ENVIRONMENT










Value –
Protected and enhanced natural
environment and leading-edge
resource efficiency

4.1

Highlights

- We achieved the targets we set for Phase 1 of our energy efficiency and neutrality programme – saving 8GWh of energy through various process improvements across our treatment processes.
- We planted 86,500 native trees in the Hūnua Ranges to improve slope stability and water quality.
- In July 2018, Watercare was one of around 60 companies that launched the Climate Change Coalition which aims to promote business leadership and collective action on the issue of climate change.
- We launched our Climate Change Strategy. This provides a road-map for Watercare to achieve Net Zero Carbon by 2050 (mitigation) and reduce greenhouse gas emissions by 45% by 2030. It will also assess the actions we need to take in relation to our physical assets, to ensure these remain fit for purpose in a changing climate over the next decades (adaptation).
- In May 2019, we opened our first solar array at our Pukekohe Wastewater Treatment Plant. The 400 solar panels can generate about 170 megawatt hours of energy per year and save us \$20,000/year. A further three solar array installations will be commissioned over the next financial year.
- At our Rosedale Wastewater Treatment Plant we are building a thermal hydrolysis facility that will be completed in 2022. This will allow us to sterilise the biosolids from the treatment process and create fertiliser that can be used for beneficial purposes.

Climate Action Committee Draft Terms of Reference

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

1. Recommendation and Key Points

That the Board:

- discuss and approve the draft Climate Action Committee (C.A.C.) Terms of Reference (**Appendix A**);
- appoint at least three Board members (including a Committee Chair) to the C.A.C.; and
- agree on when the C.A.C. will commence and should hold its first meeting.

Key points

- Climate change is one of the largest challenges that we are facing globally, nationally and locally.
- Watercare has had a Climate Change Strategy in place since early 2019.
- The C.A.C. will be responsible for providing assistance and recommendations to the Board. This is so the Board can discharge its duty to provide effective long-term stewardship of the company, and pass on a beneficial legacy to future generations, as it operates and adapts to a changing climate.
- Management recommend that the C.A.C. invite a dedicated youth/rangatahi representative to all C.A.C. meetings to increase the diversity of thought at the Board table and ensure there is a youth perspective and voice on this emergent topic.

2. Purpose and Context

Climate change poses considerable challenges to the water and wastewater industry. It is one of the largest challenges that New Zealand and Watercare faces.

Since amalgamation in 2010, the company has been working to understand our energy use, reduce emissions and work on adapting to a changing climate. We now have various long term targets (i.e. Net Zero emissions by 2050 and reduce operational greenhouse gas emissions by 45% by 2030), medium term targets (e.g. energy neutrality at Māngere and Rosedale by end of 2025) as well as a detailed Climate Change Strategy that sets out the actions we will be taking over the coming five years (full details of our sustainability efforts and our climate change strategy are detailed at www.watercare.co.nz/About-us/Who-we-are/Sustainability).

However, transitioning to a low carbon company, which operates in a changing climate, is a challenge that will require leadership, long-term view and careful stewardship. It is a challenge that will require us to continue to take bold steps with the Board's support. In light of this, the Board and Management wish to establish a sub-committee of the Board, the C.A.C., which will:

- Serve as an independent, objective party to review information presented by senior management relating to Watercare's Climate Change Strategy and Policy;
- Act as a forum for the free and open exchange of views and information between the Board and internal Managers relating to climate risks and opportunities; and
- Increase resilience and reduce the company's climate related risk profile.

Appendix A are the proposed draft Terms of Reference for the C.A.C. for the Board to discuss and approve.

3. The details

3.1 Auckland's climate is changing

The impacts of the changing climate will bring significant direct and indirect changes and challenges. These include the growing frequency of extreme weather events (e.g. events such as the 2017 Tasman Tempest), more prolonged dry periods, rising sea levels and increased coastal flooding. Many of these changes have the potential to significantly impact the assets that support water supply and wastewater services for Aucklanders, disrupting the service continuity provided by Watercare.

Key concerns for Watercare include the following:

Water	Wastewater
<ul style="list-style-type: none"> • Catchment land instability • water scarcity • diminishing raw water quality • on-site flooding • power/access road failures to plants • increasing pipe breakages • impacts on assets due to sea-level rise • dramatic changes in demand for water services with increasing peak demands • potential for assets to be 'stranded' following land-use changes and sea-level rise 	<ul style="list-style-type: none"> • Decreased effectiveness of oxidation ponds • increasing probability of wastewater bypasses • on-site flooding • impacts on critical third-party services • changes to assimilative capacities • increased instances of consent non-compliances • submerged outfalls • migratory bird impacts • greater corrosion/odour issues • a greater number of overflows • increased pumping costs • saltwater intrusion • flotation of assets

As a business this is one of the largest challenges that we face.

3.2 The Board has a duty to provide effective long-term stewardship of the company, and leave a beneficial legacy for future generations, as it transitions to becoming a low-carbon company that is operating in a changing climate

The inherent uncertainty associated with how and when climate change will affect Auckland and Watercare brings a range of risks and potential opportunities. Watercare will need to make climate informed strategic decisions, manage climate-related risks and establish and track climate-related metrics and targets in the short, medium and long term.

The Board is ultimately accountable to its shareholders, and Aucklanders for the long-term stewardship of company. Therefore, the Board is accountable for Watercare's long-term resilience as it operates during transition to a low carbon environment and adapts to the challenges that will arise from climate change.

The C.A.C. will assist the Board to exercise due care, diligence and effective oversight of all matters relating to the Watercare's efforts to act to mitigate climate change and adapt to a changing climate. This will assist the Board to discharge its duty to provide effective long-term stewardship of the company.

3.3 The C.A.C. will have three main responsibilities

- a) Maintain oversight of climate change related risk profile, impacts, opportunities, policies, plans, programmes, targets, budgets and metrics, and any other climate change related issues that may arise from time to time that will have an impact on Watercare's business
- b) Overseeing the provision of Watercare's Climate Change Strategy and advising on its revision and update; and
- c) Providing assistance and recommendations to the Board so that the Board can discharge its duty to provide effective long-term stewardship of the company as it operates and adapts to a changing climate.

3.4 Management recommend that the Board have a dedicated Youth Representative attend each C.A.C. meeting

Watercare's \$10 billion of assets are intergenerational assets that have a lifespan of up to 100 years. This generation are planners and custodians of the assets for a period of the assets' life span. Youth, the next generation, will inherit these assets and experience these assets' climate driven impacts.

Taking appropriate action to address climate change is of particular importance and concern of youth/rangitahi. We therefore consider it would be useful for the C.A.C. to have a dedicated youth perspective and voice sitting at the table with Committee members as they make decisions on sustainability and climate change related matters. The ability to invite a dedicated youth representative to participate in C.A.C. meetings for a least a year, with a knowledge of climate change issues, is provided for in the draft terms of reference at Clause 2.

Like all other sub-committees of the Board, the C.A.C. will also be able to invite external experts and others it deems necessary to provide appropriate information, explanation or assistance.

3.5 Next steps

The Board will need to:

- a) Discuss the TOR, and if comfortable, approve the TOR;
- b) Appoint at least three Board members to the C.A.C., including a Committee Chair; and
- c) Agree on what date the C.A.C. should be established from, and when it should hold its first meeting.



Climate Action Committee (CAC) Terms of Reference

5.1

1. Purpose and Composition

The Climate Action Committee (C.A.C.) is a committee established by the Board of Directors of Watercare Services Limited (Watercare).

The primary purpose of the C.A.C. is to assist the Board of Directors of Watercare (Board) to exercise due care, diligence and effective oversight of all matters relating to the actions taken by Watercare to mitigate climate change and adapt to a changing climate by increasing our resilience.

The C.A.C. will:

- Serve as an independent, objective party to review information presented by senior management relating to Watercare's Climate Change Strategy and Policy;
- Act as a forum for the free and open exchange of views and information between the Board and internal Managers relating to climate risks and opportunities; and
- Increase resilience and reduce the company's climate related risk profile.

The C.A.C. will be independent of management and comprise at least three directors.

The Board will appoint, remove or replace the C.A.C. director members and Chair of the C.A.C. (Committee Chair). The Chair of the Board of Directors may be a member of the C.A.C., but not the Committee Chair of the C.A.C.

The C.A.C. will be structured to ensure that, as a collective group, it has the qualifications, skills, experience and knowledge to fulfil its purpose and responsibilities.

The C.A.C. is established from [insert date] 2020 .

2. Meetings

Meetings of the C.A.C. are held not less than three times a year, or as required

Meetings of the C.A.C. will be held at the discretion of the Committee Chair at any time or if requested by any C.A.C. member, the Board or the Chief Executive.

A quorum will be a majority of members. In the case of a 50/50 split, the Committee Chair will hold the deciding vote.

Meeting may be held by teleconference.

A resolution in writing, signed or assented to by more than half of the members of the C.A.C., is as valid and effective as if it had been passed at a meeting of the C.A.C. duly convened and held.

Any such resolution may consist of several documents (including transmissions by email or other similar means of written communication) in like form, each signed or assented to by one or more members of the C.A.C.

The C.A.C. will appoint an appropriate person to act as Committee Secretary (Secretary) who will be a company employee or advisor as nominated by the C.A.C. from time to time. The Secretary, in conjunction with the Committee Chair will be responsible for coordination of all C.A.C. business including meeting scheduling, agendas, policy reviews, distribution of papers, minutes, and communication with the Board and management.

Minutes of each meeting will be taken, circulated promptly in draft form to the Committee Chair, confirmed at the following meeting and signed thereafter by the Committee Chair as a correct record of proceedings of the meeting.

The C.A.C. may have in attendance:

- management (including the Chief Executive, the Chief Infrastructure Office, the Head of Sustainability and the Head of Risk and Resilience);
- a Youth/Rangitahi Representative, with a knowledge of climate change issues who is retained to participate in C.A.C. meetings for at least one year; and
- such other persons including external experts and others it deems necessary to provide appropriate information, explanation or assistance.

From time to time the Committee Chair may request that the C.A.C. meet without these persons present.

Directors who are not members of the C.A.C. may attend meetings but may not vote.

3. Authority

The C.A.C. is authorised by the Board to deal with matters relating to climate change mitigation and adaptation by Watercare.

The C.A.C. may:

- Make decisions (or submit recommendations for consideration by the Board) on matters where decision-making authority has been delegated to the C.A.C. by the Board [see responsibilities in section 5]; and
- Submit recommendations to the Board on matters for which decision-making authority has not been delegated by the Board.

The C.A.C. will not become involved in day-to-day operations, functions or decision-making by management or employees.

It is the responsibility of Senior Executives¹ to draw the Committee Chair and C.A.C.'s immediate attention to any material matter that relates to climate change mitigation or adaptation.

4. Access and Independent Advice

To fulfil its functions, duties and responsibilities the C.A.C. is authorised by the Board to have all necessary access to, and seek any information it requires from, any employee, consultant or advisor to Watercare. All employees are directed by the Board to cooperate with any request made by the C.A.C.

The C.A.C. is authorised by the Board to have access to external experts without management present, to request additional information or explanations.

Individual members of the C.A.C. are entitled at any time to access Watercare's Senior Executive to request additional information or explanations.

Members of Watercare's Senior Executive have an express right of direct access to the Committee Chair in relation to any matters of material concern that have been raised through normal management processes but have not been advised to the C.A.C.

The C.A.C. is authorised by the Board to obtain, at the expense of Watercare, independent legal or professional advice it considers necessary to discharge its responsibilities.

5. Responsibilities

The primary purpose of the C.A.C. is to assist the Board to exercise due care, diligence and effective oversight of all matters relating to the Watercare's efforts to take action to mitigate climate change and adapt to a changing climate by increasing our resilience.

In particular, the C.A.C. will:

- Maintain oversight of climate change related risk profile, impacts, opportunities, policies, plans, programmes, targets, budgets and metrics, and any other climate change related issues that may arise from time to time that will have an impact on Watercare's business;
- oversee the provision of Watercare's Climate Change Strategy and advise on its revision and update; and
- provide assistance and recommendations to the Board so the Board can discharge its duty to provide effective long-term stewardship of the company as it operates and adapts to a changing climate.

In carrying out these responsibilities, the C.A.C. does not relieve the Board of its responsibilities and legal obligations.

It is the responsibility of the C.A.C. to maintain communication with the Board and Watercare's Senior Executive.

In carrying out its responsibilities, the C.A.C.'s policies and procedures should remain flexible, in order to best react to changing conditions.

The duties and responsibilities of C.A.C. members are additional to those they have as a member of Watercare's Board.

5.1 Committee Governance

- Establish and review the work plan of the C.A.C to ensure continual alignment of the Climate Change Strategy to Watercare's business vision and strategy, Auckland Council's climate change efforts, and international best practice.
- The C.A.C. will act as approvers of any decisions that are outside the delegations of the Chief Executive, where decision making authority has been delegated to the C.A.C. by the Board.
- Ensure minutes and papers (including documents tabled at meetings) for all C.A.C. meetings are provided to the Board. The Committee Chair will report to the next Board meeting on the outcomes, findings and recommendations of the C.A.C. meeting.
- Investigate any matter brought to its attention within the scope of its responsibilities, retaining independent legal or professional advice for this purpose if, in its judgment, that is appropriate.
- Unless identified in these Terms of Reference, or otherwise directed by the Board, the C.A.C. will have no delegated authority in regard to its findings and recommendations.

5.2 Other Responsibilities

- Examine and report to the Board on any matters referred to the C.A.C. by the Board.

6. Review of the Terms of Reference








The C.A.C. will undertake, with management assistance, an annual review (or as often as conditions dictate) of these Terms of Reference, including whether a Committee is still required. It will advise the Board of the outcome of that review along with any recommended changes.

Any changes to the C.A.C. Terms of Reference must be approved by the Board.

These Terms of Reference were approved by the Board in **XXXX** 2019 and are to be reviewed by the Board in **XXXX** 2020

¹ Executive Team and Senior Management Team

Draft Watercare Submission on the Government's Essential Freshwater Proposals

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			M Bishop Senior Policy Planner	S Webster Chief Infrastructure Officer	R Jaduram Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

1. Recommendation and key points

That the Board approves the attached Draft Watercare Submission on “Action for Healthy Waterways” (**Appendix 1**) for submission to the Ministry for the Environment (MfE).

Key points

- Once the draft submission has been approved by the Board, this will form the final Watercare submission. We will then request that the final submission is attached to Auckland Council's submission. Watercare will also file it directly with MfE.
- Watercare's submission does not deal with issues that are properly in the domain of Auckland Council as a regulator. Rather, the Watercare submission deals with the freshwater proposals that are of direct relevance to Watercare as an operator of water and wastewater services in Auckland and Waikato; and where we have a specialist need to submit.
- The main points within Watercare's draft submission are:
 - Due to the impacts of climate change and population growth, actively enable a “whole of water-cycle framework” approach. This would encourage water service providers to develop innovative future-related solutions.
 - Question the application (and benefits) of these proposals on water supply reservoirs and wastewater treatment ponds.
 - Support, in principle, the development of a Proposal to develop a National Policy Statement for Wastewater Discharges and Overflows
 - Support the proposal to strengthen the National Policy Statement for Sources of Human Drinking Water.
 - Question several more technical related proposals.
- Watercare's draft submission has been developed with general knowledge of Auckland Council's and Waikato Regional Council's submission. The submission is also consistent with Water New Zealand's submission points.

2. Purpose and context

Central Government (via the MfE) is currently consulting on its “Essential Freshwater” programme. Submissions close 31 October 2019.

This programme has three main objectives:

- stopping further degradation and loss
- reversing past damage; and
- addressing water allocation issues.

A number of these proposals, if implemented, would have implications on Watercare's current and future water and wastewater operations both in Auckland, and in the Waikato District.

Watercare intends to file the attached draft Watercare Submission on "Action for Healthy Waterways" to the Ministry for the Environment (MfE) (**Appendix 1**).

3. The details

3.1 The Essential Freshwater consultation consists of seven initiatives


- MfE's "Action for Healthy Waterways – Discussion document"
- Proposals for a RMA Amendment Bill
- A Draft National Policy Statement for Freshwater Management 2019 (NPS-FM)
- Proposed National Environmental Standard for Freshwater (NES-F)
- Proposal to develop a National Policy Statement for Wastewater Discharges and Overflows (NES-WDO)
- Proposed improvements to the National Policy Statement for Sources of Human Drinking Water (NES-DW)
- Draft Stock Exclusion Section 360 Regulations.








3.2 Watercare has a special interest in this the quality of freshwater as a water and wastewater operator in Auckland and Waikato

Watercare takes water – and discharges treated wastewater – from, and into, surface waters located in the jurisdiction of a Unitary Authority (Auckland Council) and a Regional Council (Waikato Regional Council). The majority of Auckland's metropolitan water supply – around 60 per cent – comes from the Waikato Region.

Because Watercare has operations across two different local government jurisdictions, national policy and planning consistency is important the smooth operation of our business.

3.2 Watercare's draft submission makes four main points

Topic/proposal	Watercare observation/position	Watercare's submission	Integrated capital
Impacts of climate change and population growth	Two key challenges for water and wastewater service providers are the potential impacts of climate change and population growth, which could have significant impacts on Watercare's operations within the Auckland region. It is our view that the NPS-FM does not appropriately address these	Watercare recommends the NPS-FM is amended to require water and wastewater service providers to adopt the Integrated Water Management approach in their infrastructure planning. This would assist regional council's in achieving the policy intent of the freshwater reform package, by facilitating service providers to develop innovative solutions in response to the increasing pressures of climate change and	

Topic/proposal	Watercare observation/position	Watercare's submission	Integrated capital
	challenges.	population growth.	
Application of the Draft National Policy Statement for Freshwater Management 2019	Drinking water source reservoirs and wastewater treatment ponds impound water behind a dam, creating an artificial waterbody. However, the quality of this impounded water can be variable, even in "pristine receiving catchments, due to the trapping and settling of sediment and nutrients, and thermal stratification".	Watercare believes that the application of the NPS-FM to these drinking water source reservoirs and wastewater treatment ponds will not necessarily achieve the policy intent of the freshwater reform package, and will impose significant additional costs on Watercare – and on other water and wastewater service providers in general. Therefore, an exemption is required.	 
Proposed National Environmental Standard for Wastewater Discharges and Overflows	The Freshwater Policy Documents suggest a Proposed National Policy Statement for Wastewater Discharges and Overflows is expected to be released for consultation in mid-2020, and would introduce standardised minimum requirements for wastewater treatment plant discharges and overflows.	Overall, Watercare supports this approach in principle, but would also suggest caution when applying a "one size fits all" approach.	  
Proposal to amend the National Environmental Standard for Sources of Human Drinking Water (NES-DW)	The obligations on regional and territorial authorities for managing risks to source waters are proposed to be strengthened through amendments to the NES-DW. A detailed proposal is likely to be released for consultation in mid-2020.	Watercare would give overall support for this.	 

4. Next steps

Following Board approval, the draft submission will be finalised and sent to Auckland Council to attach to Council's submission. Watercare will also file the submission directly with MfE. All submissions are due by 31 October 2019.

If the Government accepts oral submissions in the future, Watercare will wish to appear in support of its submission as an operator before the hearings panel.

These freshwater proposals do not exist in isolation. The Government has recently been, or will be, consulting on:

- Proposals for a Biodiversity Strategy for NZ
- Proposed NPS for Highly Productive Land
- Proposed NPS for Urban Development
- Proposed NPS for Indigenous Biodiversity
- NES for Air Quality
- Reformed Emissions Trading Scheme.

Watercare has, and will contribute to these consultations, again in co-ordination with Auckland Council.



APPENDIX 1



Watercare Services Limited

info@water.co.nz

www.watercare.co.nz

Private Bag 94010

Auckland 2241

Customer service line

Mon to Fri 7.30am to 6pm

09 442 2222



5.2

Freshwater Submissions
Ministry for the Environment
PO Box 10362
WELLINGTON 6143

TO: Ministry for the Environment

SUBMISSION ON: Action for Healthy Waterways – Discussion document and associated National Policy Statement and National Environmental Standards

FROM: Watercare Services Limited

ADDRESS FOR SERVICE: The address for service specified below.

DATE: 31 October 2019

1. SUMMARY

- 1.1 Watercare is pleased to have the opportunity to submit on the Ministry for the Environment's "*Action for Healthy Waterways – Discussion document*" ("**Discussion Document**"), the amended National Policy Statement for Freshwater Management ("**Draft NPS-FM**"), and the proposed National Environmental Standard for Freshwater ("**Draft NES-F**") (together, the "**Freshwater Policy Documents**").
- 1.2 Watercare strongly supports the primary objectives of the Freshwater Policy Documents, which are to stop further degradation to our freshwater resources and to start improving the quality of those resources.
- 1.3 Watercare is also supportive of greater national guidance and consistency for the management of freshwater. Watercare takes water, and discharges treated wastewater, within two regional government jurisdictions – Auckland and Waikato. For example, the majority of Auckland's metropolitan water supply – around 60 per cent – comes from the Waikato Region. Providing national direction for freshwater

planning by regional authorities is therefore important for achieving consistency across regional boundaries.

- 1.4 While supportive of the general direction of the Freshwater Policy Documents, Watercare seeks amendments to the Freshwater Policy Documents to ensure they achieve the intended policy outcomes. These amendments are also required to ensure the delivery of Watercare's water and wastewater services is not unnecessarily compromised.
- 1.5 In summary, Watercare:
 - (a) Seeks amendments to ensure the impacts of climate change and population growth are appropriately recognised in the Freshwater Policy Documents.
 - (b) Recommends that the Government provides greater direction through the NPS-FM for water and wastewater service providers to adopt the Integrated Water Management approach to infrastructure planning.
 - (c) Seeks amendments to clarify that the Draft NPS-FM's obligations do not apply to Watercare's water source reservoirs and wastewater treatment ponds.
 - (d) Supports the development of an NES for Wastewater Discharges and Overflows ("**Proposed NES-WDO**"), but recommends that any minimum standards are carefully developed in consultation with wastewater service providers so that they are fit for purpose.
 - (e) Supports improvements to the NES for Sources of Human Drinking Water ("**NES-DW**"), subject to the development of standards in consultation with drinking water providers to ensure those improvements are appropriate in different contexts.
 - (f) Recommends that the Government take more active steps to ensure freshwater reform process is aligned with, and not progressed in isolation from, other RMA reform processes currently underway.
- 1.6 We address each of these submissions in more detail below.
- 1.7 This submission focusses on the impacts that the Freshwater Policy Documents may have on Watercare's water supply and wastewater conveyance and treatment options. It should be read in conjunction with Auckland Council's submission on the reform proposals.

2. WATERCARE – OUR PURPOSE AND MISSION

- 2.1 Watercare is New Zealand's largest provider of water and wastewater services. We are a substantive council-controlled organisation under the Local Government Act 2002 ("**LGA**") and are wholly owned by Auckland Council.
- 2.2 Watercare provides integrated water and wastewater services to approximately 1.6 million people in the Auckland region. In the 2018/19 financial year, Watercare treated 437 million litres of drinking water each day at 15 water treatment plants,

and distributed that water via 85 reservoirs and 94 pump stations to 450,000 households, hospitals, schools, commercial and industrial properties. Watercare's water distribution network includes more than 9,000 km of pipes.

- 2.3 Watercare's wastewater network collects, treats and disposes of wastewater at 18 treatment plants. It also includes 7,900 km of sewers.
- 2.4 Under both the LGA and the Local Government (Auckland Council) Act 2009, Watercare has certain obligations. For example, Watercare must achieve its shareholder's objectives as specified in our statement of intent, be a good employer, and exhibit a sense of social and environmental responsibility.¹
- 2.5 Watercare is also required to manage our operations efficiently with a view to keeping overall costs of water supply and wastewater services to our customers (collectively) at minimum levels, consistent with effective conduct of the undertakings and maintenance of long-term integrity of our assets.²
- 2.6 Watercare's objective is to be a leader in sustainability, environmental impact and operational excellence. To this end, Watercare has initiated a "40/20/20" vision for our capital works programme. Our vision is to reduce our infrastructure carbon by 40 per cent, reduce costs by 20 per cent and have a 20 per cent year-on-year improvement in health and safety. Watercare is also investing in new and innovative projects to respond to the challenges of climate change, including the 1MW floating solar array at the Rosedale Wastewater Treatment Plant. This will be operational in nine months and will be the largest array in New Zealand.

3. **PROPOSED FRESHWATER POLICY DOCUMENTS**

- 3.1 As New Zealand's largest water and wastewater services provider, Watercare has a significant interest in the Freshwater Policy Documents. Our submission focusses on the potential impacts that the reform proposals may have on the current and future delivery of these services.

Impacts of climate change and population growth

- 3.2 Two key challenges for water and wastewater service providers are the potential impacts of climate change, and population growth. These are having significant impacts on Watercare's operations within the Auckland region.
- 3.3 Watercare is concerned that these challenges are not appropriately recognised in the Freshwater Policy Documents. In the Draft NPS-FM, climate change is only mentioned in the context of setting target attribute states under clause 3.9. There is nothing in the objective and policies explicitly directing regional authorities to plan appropriately for the impacts of climate change and population growth in managing their region's freshwater resources.
- 3.4 Watercare recommends the Government amend the policy framework in the Draft NPS-FM so that the impacts of climate change and population growth must be considered. This will ensure these challenges are addressed by regional authorities in the development of their regional freshwater plans.

¹ LGA, s 59.

² Local Government (Auckland Council) Act 2009, s 57.

- 3.5 The policy framework should also encourage flexibility and innovation in the responses regional authorities can adopt to these challenges. The impacts of these challenges will be different across New Zealand. This will necessitate different responses by regional authorities in the context of managing their particular freshwater resources, and the Draft NPS-FM must enable that.
- 3.6 Part of Watercare's response to the dual challenges of climate change and population growth has been to change the way we plan our infrastructure investment. Traditionally, infrastructure planning has attempted to predict future population and demand and then designed and constructed infrastructure to meet this.
- 3.7 Within Watercare's planning, Watercare uses an approach that is consistent with what is commonly referred to as Integrated Water Management ("IWM") to plan its infrastructure investment. The IWM approach requires consideration of the "whole of water cycle framework", as opposed to managing each individual element of the cycle separately. This incentivises consideration of innovative options for water recycling (such as wastewater reuse), and greater water use efficiencies through use of exchanges.
- 3.8 Watercare recommends the NPS-FM is amended to require water and wastewater service providers to adopt the IWM approach in their infrastructure planning. This would assist regional council's in achieving the policy intent of the freshwater reform package, by facilitating service providers to develop innovative solutions in response to the increasing pressures of climate change and population growth.

Application of the Draft NPS-FM

- 3.9 Drinking water source reservoirs and wastewater treatment ponds impound water behind a dam, creating an artificial waterbody. The Draft NPS-FM appears to apply to these artificial waterbodies, through the broad definitions used for "freshwater",³ "water",⁴ "waterbody",⁵ and "lake".⁶
- 3.10 This appears to be unintended. From a policy perspective, the Freshwater Policy Documents are directed at ensuring New Zealanders can swim, fish, gather mahinga kai and enjoy our freshwater resources, as well as to support the safe delivery of drinking water. For the reasons explained below, these policy outcomes will not be achieved by applying the NPS-FM to drinking water source reservoirs and wastewater treatment ponds.
- 3.11 Wastewater treatment ponds are part of the wastewater treatment process. They can never support recreational or food-gathering activities because of the risks to human health. They are managed in a way that prevents any unnecessary human contact.
- 3.12 Water source reservoirs are the first stage in the water treatment process. The size, depth and prevailing calm conditions in such reservoirs allow suspended solids to

³ Defined in the RMA, s 2 as "all water except coastal water and geothermal water".

⁴ Defined in the RMA, s 2 as "(a) means water in all its physical forms whether flowing or not and whether over or under the ground; (b) includes fresh water, coastal water, and geothermal water; and (c) does not include water in any form while in any pipe, tank, or cistern".

⁵ Defined in the RMA, s 2 as "fresh water or geothermal water in a river, lake, stream, pond, wetland, or aquifer, or any part thereof, that is not located within the coastal marine area". However, the Draft NPS-FM provides that "geothermal water" is excluded for the purposes of the NPS-FM.

⁶ Defined in the RMA, s 2 as "a body of fresh water which is entirely or nearly surrounded by land".

settle, with the water from the top layers (where there is less sediment following settlement) abstracted for further treatment.

- 3.13 Water quality within Watercare's water source reservoirs is the result of two naturally occurring processes – the trapping (and subsequent settling) of sediment and nutrients, and thermal stratification. These processes occur within Watercare's water source reservoirs within the Hunua and Waitakere Ranges, where the receiving catchment is high-quality native bush.
- 3.14 To provide an example, the receiving catchment for Watercare's Hunua Ranges reservoirs consists of over 20,000ha of native forest. This is predominately tawa-podocarp, with kauri-hard beech at lower elevations and an area of submontane forest (which is unique in the Auckland region) above 600m. Even in this pristine receiving catchment, the natural processes described above affect water quality, such that the draft attribute states proposed in the NPS-FM could not be met in some instances.
- 3.15 Discharges of water from these water supply reservoirs, which occur either as "spill water" or as "environmental flows" required under the conditions of Watercare's regional resource consents, are also limited. The vast majority of water within Watercare's water source reservoirs is abstracted for further treatment. As such, the limited discharges from these reservoirs do not have material effects on downstream receiving environments.
- 3.16 The Draft NPS-FM contains an exception (clause 3.23) for waterbodies affected by naturally occurring processes. However, this exception only applies to the setting of target attribute states under clause 3.9, and requires regional authorities to set a target attribute state to achieve improvement where feasible.
- 3.17 Watercare is concerned this type of exception is not appropriate for water supply reservoirs and wastewater treatment ponds. This is because, even where the exception is applied, improvements in water quality in these waterbodies will still be required under the NPS-FM.
- 3.18 The provisions of the Draft NPS-FM requiring the development of "action plans" by regional councils (clause 3.14) are insufficient to address Watercare's concerns. The proposed "action plans" provisions relate to where there is a deterioration in an attribute state, or a failure to achieve an identified outcome, and require a regional authority to prepare an action to plan to halt (and if possible reverse) that deterioration. Applying this to a water source reservoir, there would still be a requirement to maintain, and if possible enhance, the water quality of that reservoir under the action plan developed.
- 3.19 Overall, Watercare is concerned that that the application of the Draft NPS-FM to water impounded within water supply reservoirs and wastewater treatment ponds is not appropriate or justified, as it will not achieve the policy intent of the freshwater reform package. As explained above, this is because the vast majority of the water within water supply reservoirs is further treated and then consumed as part of municipal supplies, while water within wastewater treatment ponds is subject to specific treatment processes before being discharged.
- 3.20 In addition, imposing the obligations within the Draft NPS-FM on water supply reservoirs and wastewater treatment ponds will impose significant additional costs

on Watercare, and all other providers throughout New Zealand that deliver water and wastewater services.

- 3.21 Amendments are therefore required to ensure water supply reservoirs and wastewater treatment ponds are appropriately exempted from the draft NPS-FM's requirements.

Proposed National Environmental Standard for Wastewater Discharges and Overflows

- 3.22 The Freshwater Policy Documents suggest a Proposed NES-WDO to provide standardised minimum requirements for wastewater treatment plant discharges and overflows. This is expected to be released for consultation in mid-2020.
- 3.23 Watercare supports providing standardised minimum requirements for wastewater treatment plant discharges and overflows. However, any minimum standards will need to be carefully developed, to ensure they are appropriate and fit for purpose.
- 3.24 In particular, there is a risk that any minimum treatment standards may not be appropriate in certain instances. The achievable treatment standards for a particular discharge point are dependent on the particular receiving environment and its assimilative capacities, relative to the discharge loadings and concentrations. A "one size fits all" approach across New Zealand for minimum treatment standards will be inappropriate.
- 3.25 Subject to the concern above, Watercare considers that standardised requirements for monitoring and reporting would be beneficial for wastewater treatment plant discharges.
- 3.26 In addition, Watercare supports the development of standardised requirements for wastewater overflows on a network basis (rather than individual overflow points). Minimum technical standards for network-wide sampling, monitoring and reporting would also be beneficial, to improve the consistency and quality of data available.
- 3.27 We request that the Government closely engages with Watercare and other wastewater service providers on the Proposed NES-WDO and any minimum standards that it may set out, to ensure that any such standards will be fit for purpose including in different contexts.

Proposal to amend the National Environmental Standard for Sources of Human Drinking Water

- 3.28 The obligations on regional and territorial authorities for managing risks to source waters are proposed to be strengthened through amendments to the NES-DW. A detailed proposal is likely to be released for consultation in mid-2020.
- 3.29 Watercare supports improving the NES-DW. In particular, Watercare supports providing national direction in the NES-DW on setting "water source risk management areas", which will spatially define the areas of land to which the NES-DW would apply. However, Watercare also supports the application of a "bespoke" approach, where the water supplier has sufficient data to show the default water source risk management areas are not appropriate.

- 3.30 Any other improvements to the NES-DW will need to be carefully considered, to ensure they are appropriate in different contexts. For example, the types of activities that can affect ground water takes are different from the activities that can affect surface water takes. Surface water takes will always require a prudent approach where the water is treated to appropriately high treatment standards. As with the Proposed NES-WDO, Watercare therefore recommends that the Government closely engage with water providers in developing any improvements to the NES-DW.

Other Technical Points

Draft NES-FM rules relating to culverts

- 3.31 Draft NES-FM – Rule 21(1)(c) relating to permitted activity culverts states that:

the mean cross-sectional water velocity in the culvert is equal to or less than the mean cross-sectional water velocity found in immediately adjoining stream reaches;

- 3.32 The reasoning for this permitted activity rule is unclear, as is the freshwater quality issue it is directed at resolving. From a technical perspective, it will also be difficult to achieve the required water velocity within culverts in many circumstances. As such, Watercare recommends the Rule be amended to provide more flexibility where it may not be practicable to achieve the proposed water velocity.

Draft NES-FM rules relating to water takes

- 3.33 Draft NES-FM – Rule 17 relating to water takes (for both discretionary and non-complying activities) includes a reference to where the water take will:

result in a greater than 0.1 m change beyond the natural wetland's annual median water level.

Discussion Document proposals relating to water use reporting

- 3.34 Section 5.12 of the Discussion Document relates to real-time reporting of water use. This includes a proposal to amend the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010 ("**Regulations**"), to require every consumptive consented water take over 5 litres per second to measure water use every 15 minutes and transmit daily electronic records.
- 3.35 Watercare is concerned that this frequency of reporting is inappropriate for municipal water suppliers, and recommends a lesser frequency is adopted. This is because changes in the rate of water use from consented takes for municipal supply purposes are typically slow and usually occur over a period of days.
- 3.36 In addition, the Discussion Document does not include any proposal to provide for outages of water-measuring devices, which can occur due to a number of reasons. Auckland Council allows for "reasonable endeavours" to be employed to provide water use data for consented takes, which recognises there may be legitimate reasons for occasions of periodic data loss.
- 3.37 Watercare recommends that any amendments to the Regulations are carefully considered, to ensure they do not impose unnecessary reporting requirements (and

therefore costs) on municipal suppliers like Watercare, and also provide a reasonable level of flexibility where recording device outages may occur.

4. ALIGNMENT WITH OTHER NATIONAL DIRECTION AND RMA REFORM

- 4.1 The Ministry is currently consulting on, or about to commence consultation on, a wide range of proposals to reform New Zealand's resource management system. This includes sub-ordinate RMA documents relating to freshwater, indigenous biodiversity and air quality, as well as amendments to the RMA itself.⁷
- 4.2 Watercare has a significant interest in all of these reforms, as each will impact on our existing and future operations. From Watercare's perspective, it is crucial that these reforms are not developed in isolation. It is crucial that each of these environment policy processes are "joined up" in terms of how they provide for critical matters such as climate change, freshwater and significant infrastructure (including water and wastewater).

5. NEXT STEPS

- 5.1 Watercare would appreciate the opportunity to engage further with MfE on the matters set out in this submission in finalising the Freshwater Policy Documents.

Steve Webster
Chief Infrastructure Officer
Watercare Services Limited

Address for service:

Mark Bishop
 Senior Policy Planner
 Watercare Services Ltd
 Private Bag 92 521
 Wellesley Street
AUCKLAND 1141
 Phone: 022 010 6301
 Email: Mark.Bishop@water.co.nz

⁷ *Planning for successful cities: A discussion document on a proposed National Policy Statement on Urban Development – Consultation Question 17.*

Report to the Board of Watercare Services Limited

Prepared for the 30 October 2019 Board meeting



6.2

Chief Executive's report for September 2019

HIGHLIGHTS AND LOWLIGHTS

1. Health, Safety & Wellness (HSW)

- There was one Lost Time Injury (LTI) involving a Watercare employee in September 2019.
- There were three Restricted Duties Injuries (RDI) involving contractors in September 2019.
- The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 6.97 per million hours, exceeding our target of ≤ 5 .
- The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) for employees is 12.20 per million hours, remaining below our target of ≤ 20 .
- **Contractor management:** Audits have identified this is an area for improvement. Work is underway in this area with a cross-functional team.
- **Wellbeing programme:** Watercare has participated in Mental Health Awareness Week activities.
- **H&S reporting tool replacement:** We are preparing for our new H&S reporting tool, iCare, which will go-live on 1 November 2019.
- **HSW Plan on a page:** We have a new strategic plan that sets the team's direction for the next 3 years.
- **Q1 updates:** This report includes Q1 progress against the HSW Plan, assurance, significant incidents, near misses, hazards, frequency rates, injuries per business unit, and injuries per company.

2. SOI measures

- We measure 13 of our 16 SOI targets monthly. The one target that we did not meet was the percentage of real water loss.

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:

- NPS is 44 (12-month rolling average). The score has increased two points on last month as we have dedicated our focus on lifting the grade of service and workforce efficiency, despite being 12 FTEs fewer than this time last year.
- In September 2019, the e-billing total is up to 53.3%, . A self-service campaign is underway, encouraging our customers to register for MyAccount.
- **Response time:** This report includes details of our onsite and response times to urgent and non-urgent wastewater and water jobs.
- **Complaints:** Complaint resolution remains steady and within our service level agreement at 96.6% as we drive consistency in capturing complaints.
- **Customer satisfaction score:** This reduced slightly to 77.5%.
- **WUCAT:** Application numbers for Q1 were slightly higher than for Q1 last year.

5. Community and stakeholder relationships:

- **Māori engagement:** We continued to work on mana whenua outcomes by working with Council and Iwi. This month there has been a focus on working together with iwi at Kahawai Point.
- **Local Board engagement:** We continue to keep Local Boards up to date with local water and wastewater issues in their areas.
- **St Mary's Bay and Masefield Beach Stormwater/Wastewater project:** The residents, Watercare and Healthy Waters are close to reaching a resolution of the appeals to the Environment Court by the residents' associations.
- **Te Wiki o Te Reo Māori** –We celebrated Māori Language week in September with a number of events on-site and together with the Council family.
- **Internal water theft campaign:** We have launched a campaign internally to raise our people's awareness of illegal water use and encourage reporting.
- **Mobilisation commences with Waikato District Council (WDC):** From 1 October 2019, Watercare began providing water, wastewater and stormwater services to WDC customers. 29 WDC staff also became Watercare staff.
- **Communications snapshot:** A snapshot of external media, internal, customer and stakeholder communications is included in this report.
 - **Annual Report:** On 30 September 2019 we published our Annual Report 2019, which continues our integrated reporting journey from last year. It also provides a concise view of how we created value for the communities of Auckland in 2018/19. The report can be accessed at www.watercareannualreport.co.nz.
- **Water New Zealand conference:** Many of our people, including the CE, attended the Water New Zealand conference in Hamilton on 18-20 September 2019. Nine of our experts presented papers at the conference on topics such as biosolids, and building technology enabled design and construction capability. Watercare also hosted a well-attended interactive conference stand.

6. Natural Environment

- **Water resources outlook:** Auckland's water situation has improved as the region received regular rainfall in August 2019. Dam levels the week beginning 21 October 2019 were 90% against a historical average of 91.23%. Ongoing rainfall, combined with optimised abstractions from Waikato and Onehunga, is improving Auckland's water storage position.
- **Domestic and Commercial use:** Commercial use remains steady for our top 20 customers.
- **Resource Consent Compliance:** There were two Category 3 non-compliances in August 2019. There were no category 4 non-compliances. The two Category 3 non-compliances included one long term water issue (Huia Village) and one wastewater issue (Helensville). Both issues have negligible environmental effect.
- **UK Green Construction forum:** Watercare's carbon reduction journey has been invited to be a case study at this industry forum in the UK.
- **1/3 of Watercare's passenger fleet are electric:** In September 2019, we took delivery of 3 new Hyundai Kona and 22 Hyundai Ioniq EV cars.
- **Solar array partnership:** Watercare and Vector will soon install New Zealand's largest solar array, which will float on the pond at our Rosedale Wastewater treatment plant.
- **New 20-year region wide tree consent:** Watercare now has a consistent approach to tree consents in Auckland.
- **Climate change risk assessment framework:** Central Government is working towards adopting a National Adaptation Plan that will detail how New Zealand will need to respond to climate change risks in the present day, 30 years, by 2100 and for coastal hazards.
- **Auckland Council's Coastal Compartment Planning:** Council, with Watercare input, is also working on coastal risk assessments for the Auckland region.

7. Assets and Infrastructure

- **Huia water treatment plant replacement project:** Submissions closed on 2 September 2019. The application received 497 submissions (469 in opposition). The Hearing before independent commissioners is due to be held in late February 2020.
- **Enterprise Model framework contract signed with Fulton Hogan and Fletcher Construction:** On 26 September 2019, we signed a 10 year, \$2.4billion contract for the delivery of water and wastewater infrastructure for Auckland.
- **Award wins:** Our Army Bay Wastewater project won awards at the Water NZ conference, as well as at the No-Dig International conference in Florence. Stephen Grace and Mark Bourne also won awards for their industry papers at the Water NZ conference.

8. Digital update:

- Work continues on Release 8 delivery of our Strategic Transformation Programme, including our new billing platform.
- In September, Watercare won the 2019 Infor Customer Excellence Awards. The awards recognise customers that drive innovation and showcase exceptional business results. This was a great result as there are 68,000 customers around the world that use Infor.

FUTURE OUTLOOK

Farewell and thank you to our Board member, Catherine Harland

At the October 2019 meeting, we say farewell to our long-standing director, Catherine Harland, who has served three terms on our board.

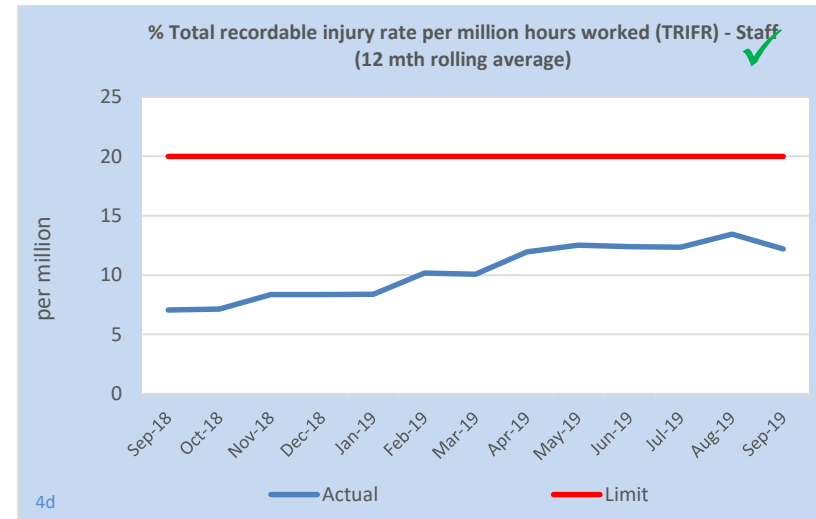
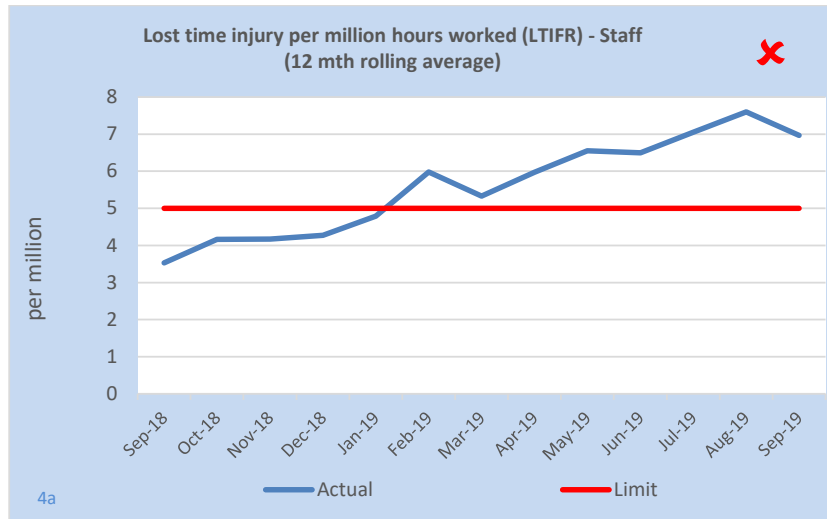
Since her appointment in April 2011, Watercare has benefited from Catherine's deep knowledge of both local government and the water industry. Personally, I have appreciated Catherine's eye for detail and understanding of industry metrics. It's fair to say she has kept us on our toes by questioning our reporting, closely reviewing our board-level policies, and ensuring the figures and commentary add up. Her skillset has really complemented her fellow directors.

Catherine has been an accessible director who has played a valuable role in shaping our business and culture. Recently, she did an outstanding job on updating the Trade Waste Bylaw which will result in better environmental outcomes. Her knowledge of corporate governance and policy also proved useful with her chairing our People, Remuneration and Appointments Committee. Under her leadership, the Board now has a greater overview of our people policies, people and culture. She brought rigor and process to this committee which will serve us well for the future.



Raveen Jaduram
Chief Executive

1. HEALTH, SAFETY & WELLNESS UPDATE



Worker	Description of injury/incident	Our learnings	The actions we have taken
Watercare Lost Time Injury	<p>A worker experienced a sharp pain in his back while shovelling backfill from his truck to a trench (MSN).</p> <p>The worker was assessed by the doctor. He received treatment from a physiotherapist and was off work for six days.</p>	<ul style="list-style-type: none"> Manual handling remains Watercare's, and New Zealand's, highest cause of injury Reinforces the need to explore engineering controls to minimise exposure to manual handling 	<ul style="list-style-type: none"> The worker was retrained in manual handling techniques MSN has engaged an external provider to train the team in body movement to prevent injuries Watercare has engaged a summer intern to design pre- and during work interventions to ensure best practice

Worker	Description of injury/incident	Our learnings	The actions we have taken
Contractor Restricted Duties Injury	<p>A worker was walking across a project site when he lost his balance and twisted his ankle. Despite feeling pain and discomfort, he continued working until the task had been completed.</p> <p>The worker saw the doctor the following morning as the pain had become quite acute.</p> <p>The worker was diagnosed as having a soft-tissue injury and was placed on restricted duties for two weeks.</p>	<ul style="list-style-type: none"> Conditions on site will change over the duration of a project so ground conditions must be reviewed and managed regularly 	<ul style="list-style-type: none"> Uneven and slippery surfaces on site were addressed Leaders reiterated the importance of early First Aid All sites were reminded of the need to maintain sites, particularly following rain
Contractor Restricted Duties Injury	<p>A worker strained his lower back whilst manually loading materials into a container.</p> <p>Following a medical examination, the worker was placed on restricted duties for one week.</p>	<ul style="list-style-type: none"> Manual handling remains Watercare's, and New Zealand's, highest cause of injury Reinforces the need to explore engineering controls to minimise exposure to manual handling 	<ul style="list-style-type: none"> Tool box meeting was held to demonstrate the correct lifting techniques for manual handling This task will be conducted by two people in future Watercare has engaged a summer intern to design pre- and during work interventions to ensure best practice
Contractor Restricted Duties Injury	<p>A worker was vacuuming when his hand seized up.</p> <p>A medical examination advised restricted duties for one week.</p>	<ul style="list-style-type: none"> Manual handling remains Watercare's, and New Zealand's, highest cause of injury 	<ul style="list-style-type: none"> A review of correct manual handling was included in pre-starts the following day and at the whole-site meeting the following Friday Watercare has engaged a summer intern to design pre- and during work interventions to ensure best practice

SIGNIFICANT INCIDENTS/HAZARDS/NEAR MISSES

There were three significant incidents in September 2019 involving contractors.

Worker	Description of injury/incident	Our learnings	Corrective Action Recommendations
Contractor Significant Incident	<p>While installing a large pipe at a watermain, an excavator was being used to move a large metal plate. As the excavator moved, the spotter lost visibility of the load. The spotter assumed another worker would cover spotting on the other side of the excavator, but this did not happen. A large steel plate touched the powerlines and created a short.</p> <p>Work was immediately stopped, and Vector were notified.</p> <p>The site was made safe and WorkSafe were notified.</p>	<ul style="list-style-type: none"> Safety critical roles, such as spotters must be appreciated 	<ul style="list-style-type: none"> All sites tool-boxed the requirement to improve lift planning and communication so spotters and operators can see and maintain communication throughout the lift. If visibility is lost, the job must be immediately stopped All sites are to ensure indication flags are correctly positioned to allow objects to be stopped before touching overhead lines Spotter audits have been created to provide real-time coaching to both operators and spotters
Contractor Significant Incident	<p>A large concrete slab was being lifted into the back of a truck by a construction crane.</p> <p>During the lift, two workers were observed climbing into the back of the truck, with one worker reaching under the slab to adjust pieces of timber.</p> <p>Work was stopped by a Watercare representative.</p>	<ul style="list-style-type: none"> Visible HSW leadership is critical in management of day-to-day operations Worker engagement in HSW requires consistent, ongoing attention It is important to look outside existing practice to find opportunities for improvement 	<ul style="list-style-type: none"> The incident was discussed with the supervisor and work team The lifting plan was reviewed and the lift was completed safely Watercare HSW Manager met with Watercare and Contractor leadership team to discuss HSW on the project and develop initiatives for continuous improvement and team focus Ongoing HSW management continues

Worker	Description of injury/incident	Our learnings	Corrective Action Recommendations
Contractor Significant Incident	<p>Work was stopped, and the Hunua 4 Tunnel was evacuated when workers smelt smoke coming from the ventilation fan.</p> <p>Personal gas monitor readings remained normal. Communications between the underground and surface teams failed because the control room radio had a flat battery.</p> <p>The ventilation fan was isolated, and all workers safely exited the tunnel.</p>	<ul style="list-style-type: none"> Emergency response planning and rehearsal is critical in high-risk activities The Emergency Management plan worked effectively and learnings have been taken for continuous improvement 	<ul style="list-style-type: none"> WorkSafe High Hazard Unit was notified Faulty fan was inspected and replaced. Bearings had collapsed and the grease had heated due to friction Weekly inspection of fan bearings has been initiated Carbon monoxide detectors have been installed externally at the intake to the fan, so any future issues can be detected at the source. A high CO reading will initiate an alarm and shut down the ventilation system A freshly charged radio is to be picked up at the start of each shift rather than a radio being handed from shift to shift The Principal Control Plans for fire and explosion and for ventilation have been reviewed

HEALTH, SAFETY & WELLNESS

<p>Duty Holder Review</p> <ul style="list-style-type: none"> • Following an incident at MSN where a compactor dropped on a worker's foot, a duty holder review has been undertaken • The worker is currently off work. His return to work is being managed by the MSN leadership team in partnership with Gallagher Bassett • The review was submitted to WorkSafe and we expect feedback by 25 October 2019. • Learnings have highlighted several areas for improvement and MSN have taken the opportunity to undertake a Safety and Culture re-set. Planning will start week commencing 21 October 2019. 	<p>Contractor Management</p> <ul style="list-style-type: none"> • Recent audits have identified contractor management as an area for improvement • A cross functional learning team with members from procurement, infrastructure, operations and customer has been stood-up to review the end-to-end contractor processes, understand barriers to implementation and deliver a plan for improvement
<p>Wellbeing Programme</p> <ul style="list-style-type: none"> • Many teams across Watercare participated in Mental Health Awareness Week activities. These included checking in on wellbeing and using 'ask better questions' cards to build relationships within and across teams. Several sites and teams got together to discuss mental health, with some of our people sharing personal experiences with mental health issues • The October Healthy Habits programme is ready to go. All workers are being encouraged to complete five healthy activities every day. Each week, an external speaker is presenting a health and wellbeing topic. These sessions are being recorded to be used as future resources. • The Operations team has arranged for Dion Jensen, an expert in the area of communication and mental health, to present at Rosedale, Newmarket and Māngere on 18 October. Dion will stay on for a bbq with the team at Māngere. 	<p>Synergi H&S Reporting Tool Replacement</p> <ul style="list-style-type: none"> • We are close to completing development of our new in-house HSW reporting solution, iCare. This will replace Synergi on 1 November 2019. • iCare has been designed to be easy for workers to enter data and for improved reporting capability • New features of iCare include providing improved visibility of Worksafe interactions and the ability to enter feedback, both positive and opportunities for improvement

Watercare HSW Plan on a Page FY20

01 Characteristics
Internal and External
1. Customer Focus
2. Innovative
3. Leadership Excellence

02 People
1-2 years
1. Flourishing
2. Capable
3. Confident

03 Key strategic Priorities
Next 3 Years
Grow Capability
Embed Wellbeing as a business priority
Make HSW easy
HSW Leadership

	#01 Wellbeing	#02 Systems	#03 Operational HSW	#04 Projects	#05 Leadership
Leadership Behaviours	<ol style="list-style-type: none"> 1. Communicating care and advocacy for workers. 2. Establishing strong links between Wellbeing and business excellence to drive credibility and support for the Wellbeing strategy. 3. Industry-leading initiatives 4. Drives worker engagement. 	<ol style="list-style-type: none"> 1. Demonstrating a customer-centric approach. 2. Strengthening business confidence in HSW systems, processes and knowledge. 3. Empowering leaders and workers in HSW delivery 4. Provide timely and useful insights to drive effective HSW decision-making 	<ol style="list-style-type: none"> 1. Demonstrating a customer-centric approach. 2. Challenge the business to deliver HSW excellence every day through coaching and setting the example. 3. Growing the capability of leaders and workers. 4. Develop pragmatic solutions in partnership with stakeholders that support the delivery of operational and HSW outcomes. 	<ol style="list-style-type: none"> 1. Partner with project delivery teams to deliver pragmatic and effective business and HSW solutions. 2. Enable Watercare to embed HSW into digital and agile environments. 3. Challenge business thinking to include HSW at all times. 4. Encourage thinking that challenges the status quo. 	<ol style="list-style-type: none"> 1. Enabling the organisation to move with Pace and Agility, with the priority being Health, Safety & Wellbeing of everyone impacted by our work. 2. Building an environment in which well-being is maximised and our staff thrive. 3. Supporting Watercare to effectively and proactively manage critical risks. 4. Delivering industry leadership.
Objective	<ol style="list-style-type: none"> 1. Establish a Wellbeing programme at Watercare so the wellbeing of our team is front of mind in everything we do. 2. Develop Mental Health education and support to enable the business and individuals to strengthen protective factors and manage stressors. 3. Embed a programme of proactive environmental monitoring. 4. Improve visibility and focus on the Health of our workers. 5. Continue to strengthen understanding of injury management. 	<ol style="list-style-type: none"> 1. Ensure HSW systems are easy to use, intuitive to navigate and add value to the business and end users. 2. Implement a HSW reporting system to replace Synergi. 3. Establish a measure of HSW maturity 3. Update and improve the HSW communication channel on My Place. 4. Implement a records management process and ensure all documents are current. 	<ol style="list-style-type: none"> 1. Build strong, valued and visible relationships with stakeholders to achieve HSW outcomes. 2. Establish and implement improved Contractor Management processes and tools. 3. Empower leaders and workers to take ownership of HSW through leadership, coaching and advocacy. 4. Implement a system of internal audits and site HSW improvement plans. 5. Revitalise and energise the HSW agenda. 	<ol style="list-style-type: none"> 1. Support and guide the business to embed HSW in all systems and projects. 2. Complete the implementation of Permit to Work across Watercare. 3. Support the business to integrate Walkato Water into our HSW systems and future integrations. 4. Support the HSW team to deliver critical outcomes 	<ol style="list-style-type: none"> 1. Watercare's HSW strategy enables the business to deliver exceptional operational, customer and HSW outcomes. 2. Watercare continues to adopt a 'Safety Differently' approach focussed on workers as a resource and a solution to improve HSW outcomes. 3. Leaders confidently walk the talk. 4. All stakeholders are committed to achieving Watercare's HS&W objectives. 5. Watercare is seen as a leader in HSW in New Zealand.

Q1 2019/2020 progress against the HSW plan on a page

#1 Wellbeing	#2 Systems	#3 Operational HSW	#4 Projects	#5 Leadership
<p>The results of our Wellbeing Assessments provided the basis for a Wellbeing plan.</p> <p>We delivered our first Wellbeing initiative across the business in August to improve the financial literacy of our workers and reduce financial stress.</p> <p>In August, we commenced Mental Health First Aid training for leaders which will continue until December.</p> <p>September is New Zealand's Mental Health month. We delivered a light touch programme for sites including 'Ask Better Questions' cards to encourage communication and connection between workers. Sites and business groups were encouraged to hold an event to connect and discuss Mental Health.</p>	<p>This quarter has seen a focus on developing a system to replace our current HSW reporting system, Synergi.</p> <p>Development has gone well. iCare's launch date is 1 November 2019.</p> <p>Development and testing has included significant consultation with system users across all business units.</p>	<p>We continue to work closely with all business units, including:</p> <ul style="list-style-type: none"> • Worker Engagement – Re-launching and re-energising the Health & Safety Representative (HSR) role. • Reviewing and upgrading Standard Operating Procedures for accuracy and useability. 	<p>As STP prepares to go live, two systems that impact HSW are preparing for delivery:</p> <ul style="list-style-type: none"> • Activity Tracker • Job Safety Toolbox <p>Both systems will improve visibility of work occurring in the business and will provide tools for workers to easily and safely manage risks and controls.</p>	<p>This quarter, we delivered a leadership development programme for small to medium contractors working for our Water Transmission team. From this, we have started quarterly catch-up to develop a network amongst the contractors and provide a forum for communication.</p> <p>HSW is working with the Enterprise Model framework's Programme First team to begin work on the 20% improvement in HSW. Currently we are working on challenging the industry approach to HSW, and establishing a baseline and setting KPIs</p>

Q1 HSW update

<p>ASSURANCE</p> <p>During Q1, confined space entry emergency response protocols were tested.</p> <p>Preparation is underway for the WorkSafe Major Hazard Facility site audit at Ardmore in October 2019.</p>	<p>SIGNIFICANT INCIDENTS, NEAR MISSES, HAZARDS</p> <p>There were eight significant events and near misses recorded and closed out in monthly reports during Quarter 1. Of those, two events involved mobile plant and two involved lifting operations.</p> <p>The mobile plant events had different causal factors. However, the lifting operations both required better planning and communication.</p> <p>Of the eight events, two involved Watercare workers while six were contractor events. We have created a cross-functional Learning Team from the Operations, Infrastructure, Procurement and Customer teams to review contractor management processes and develop a plan for improved implementation.</p>
<p>INJURY REQUENCY RATES</p> <p>The rolling 12-month Lost Time Injury Frequency Rate (LTIFR) for employees is 6.97 per million hours, above our target of ≤ 5. The rolling 12-month Total Recordable Injury Frequency Rate (TRIFR) stands at 12.20 per million hours, remaining significantly below our target of ≤ 20.</p> <p>Sixteen injuries were recorded from Watercare workers and contractors in Q1. Eight of those resulted from Manual Handling (MH). Over the Christmas period, a physiotherapy intern has been engaged to review MH work at Watercare and to deliver a programme of preventative actions to address this high number of injuries.</p> <p>There were six reportable injuries involving Watercare workers and ten relating to contractors in Quarter 1. As stated above, a cross-functional Learning Team has been stood up to review contractor processes. It is anticipated that improved engagement during procurement will result in improved understanding by contractors of Watercare's expectations regarding HSW. In addition, we have initiated a quarterly contractor forum with the water transmission contractors and sub-contractors to share best practice and learnings and hear concerns.</p>	

Q1 HSW update continued**Q1 Watercare Injuries per Business Unit**

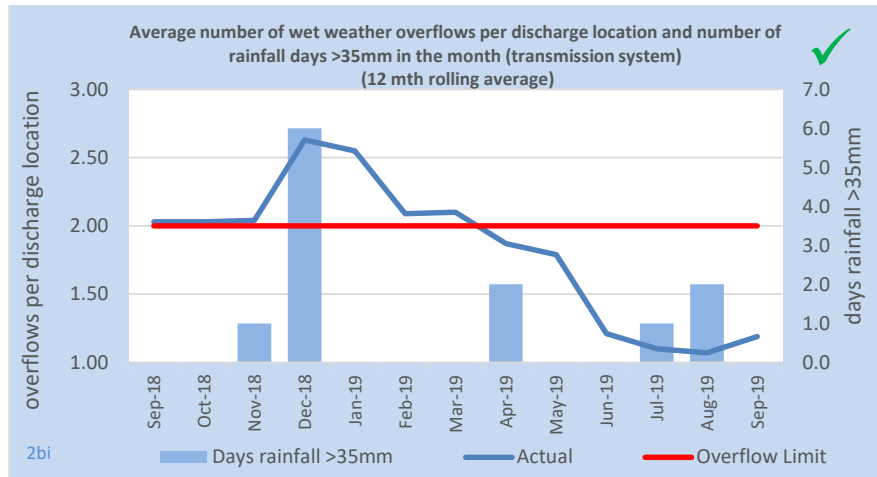
Month	Business Unit	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
July-19	MSO	0	0	1	1
	Operations - Wastewater	0	0	1	1
August-19	MSN	1	0	1	2
Sept-19	MSN	0	0	2	2
1st Quarter Total (Watercare Employees)		1	0	5	6
Total YTD		1	0	5	6

Q1 HSW update continued

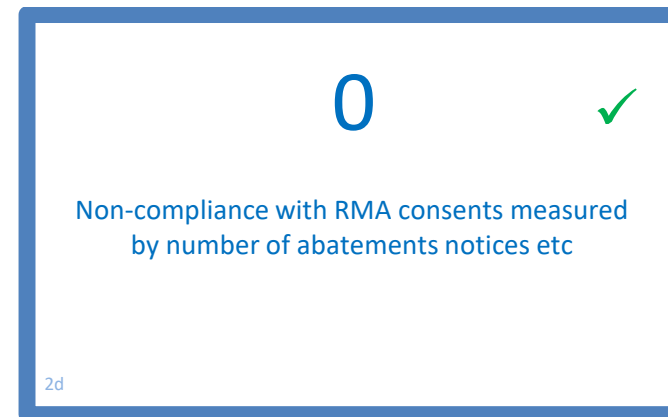
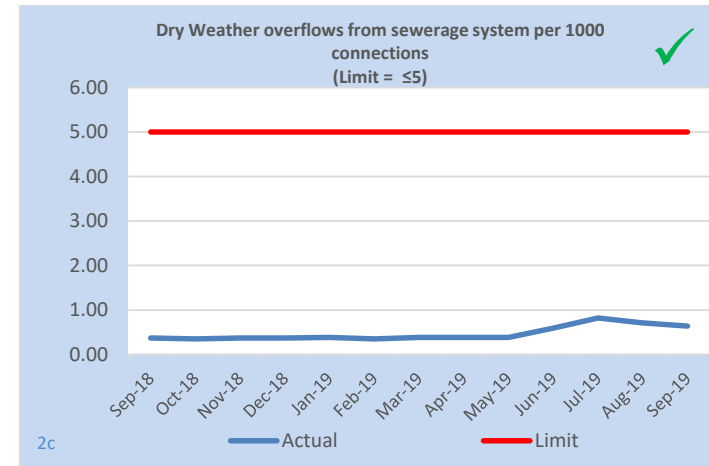
Q1 Contractor Injuries per company

Month	Company	Restricted Duties Injury (RDI)	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI+RDI)
July-19	McConnell Dowell	0	2	1	3
	McMillan Drilling	1	0	0	1
	Pipeline & Civil	0	0	1	1
Aug-19	McConnell Dowell	1	0	0	1
	CityCare	1	0	0	1
Sept-19	Pipeline & Civil	1	0	0	1
	McConnell Dowell	2	0	0	2
1st Quarter Total (Contractors)		6	2	2	10
Total YTD		6	2	2	10

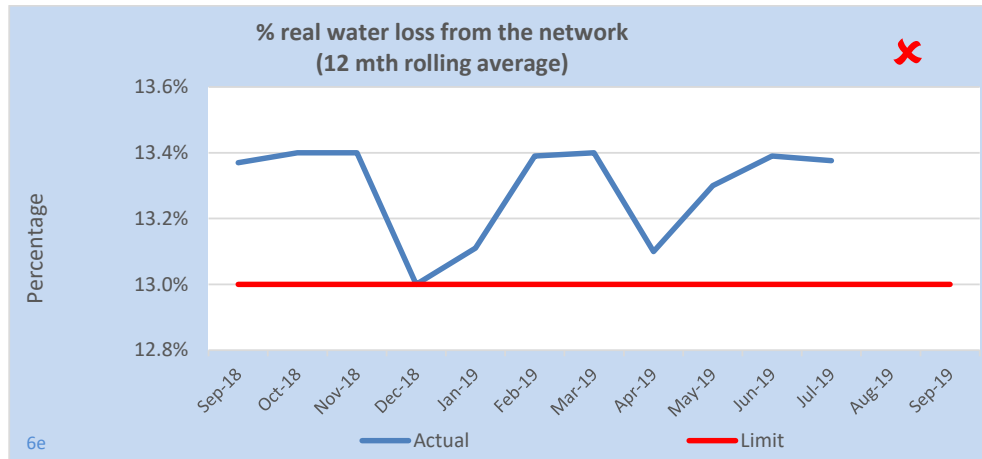
2. SOI MEASURES – 2019-2020 - Natural environment



- The above measure is now being contrasted/compared with the average number of rainfall days greater than 35mm.
- More wet days results in more wet weather overflows. The graph shows we had a particularly wet November, December 2018 and January 2019. While the weather has been wet in July, August and September, much of the rain has not resulted in downpours with days having more than 35mm. As a result, wet-weather overflows have been kept to a minimum and we remain within our levels.



SOI MEASURES – 2019-2020 - Assets and Infrastructure



- We conducting leak-sweeps in Konini (i.e. Mt Albert and Pt Chevalier).
- Since July this year, our active leak detection programme has identified and fixed 127 leaks in the Mangere airport zone. We have also identified 234 leaks in the Maungakiekie zone and fixed 104 of them. Works to repair the remaining leaks are underway. Our repairs to date are expected to save Watercare an estimated water volume of 700 cubic meters of drinking water per day.
- Leak detection contractors are increasing their staffing levels to not only find more leaks but also find and report illegal connections. The increased workload will be targeted in areas of high losses as identified by our District Meter Areas.
- Our Spring 2019 Tapped In newsletter, which is sent to our residential customers, focuses on identifying and fixing leaks in the home.

100% ✓

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

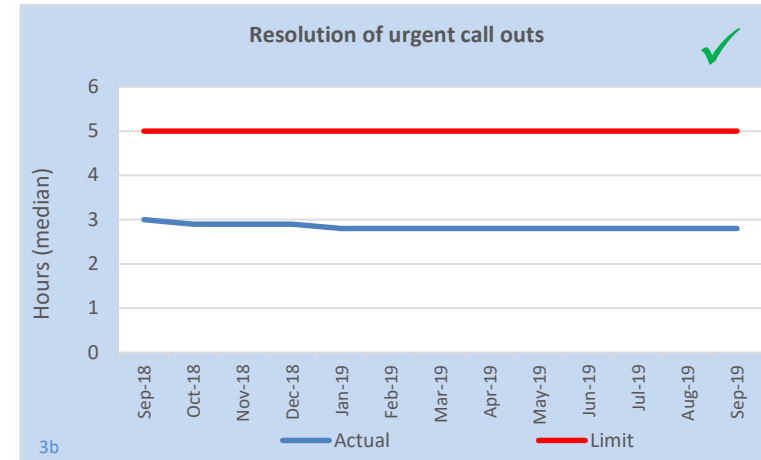
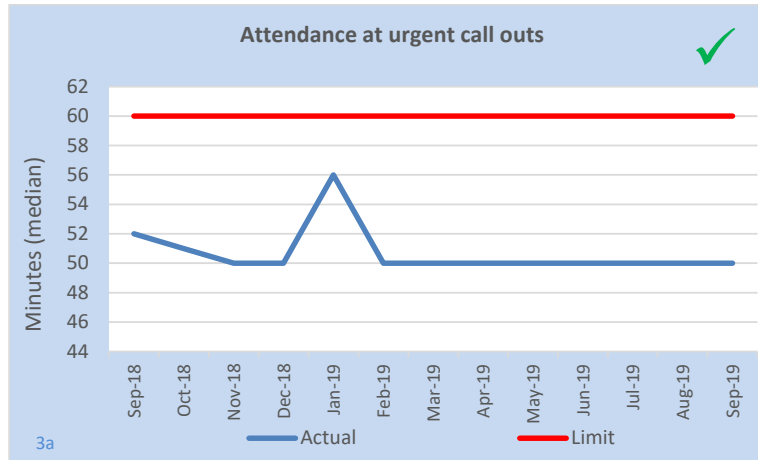
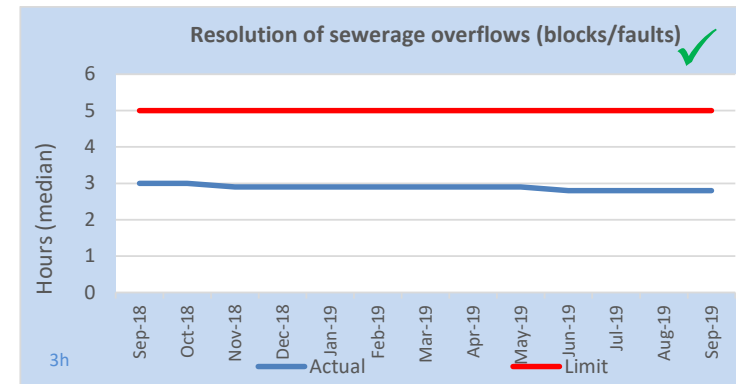
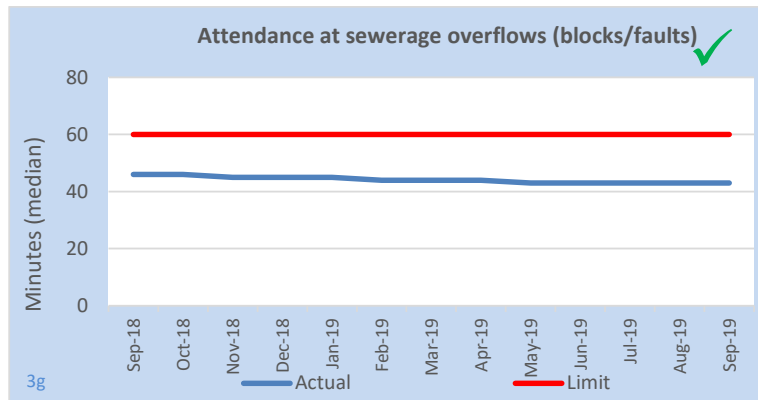
1a

100% ✓

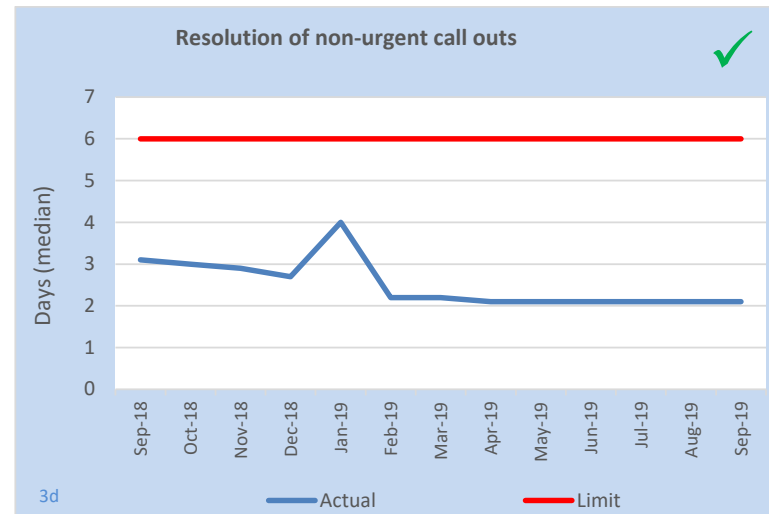
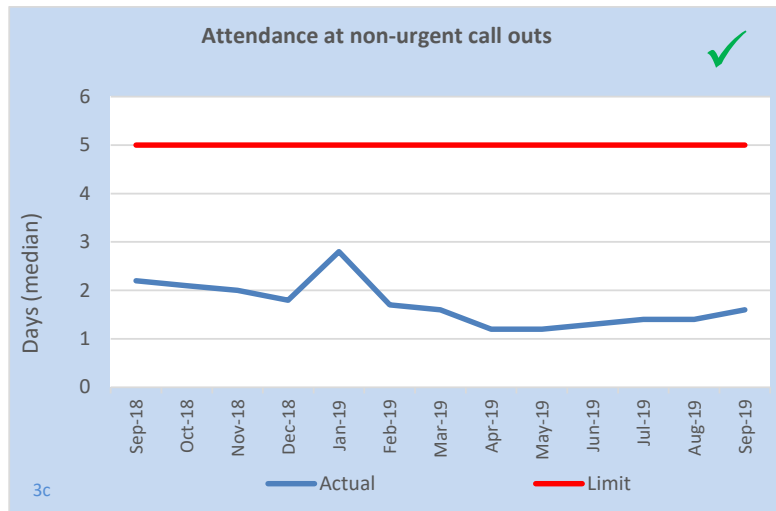
Compliance with Part 5 of the Drinking Water Standards (protozoal)

1b

SOI MEASURES – 2019-2020- Community and Stakeholder relationships

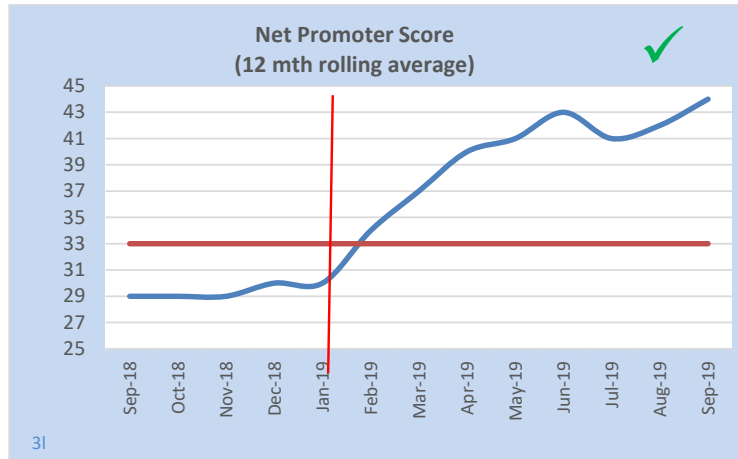


SOI MEASURES – 2019-2020 - Community and Stakeholder relationships

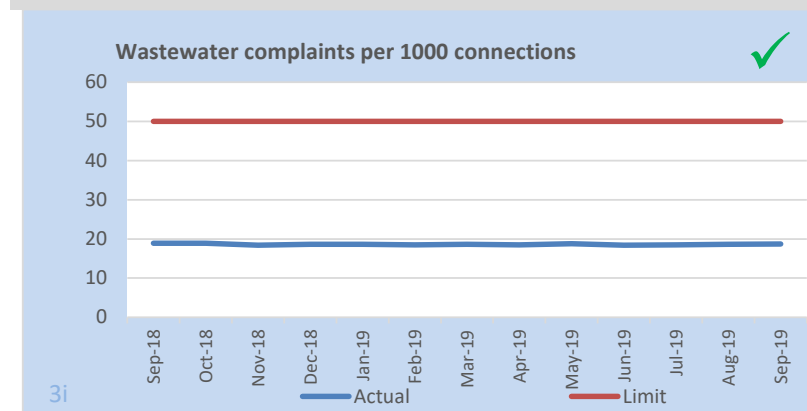
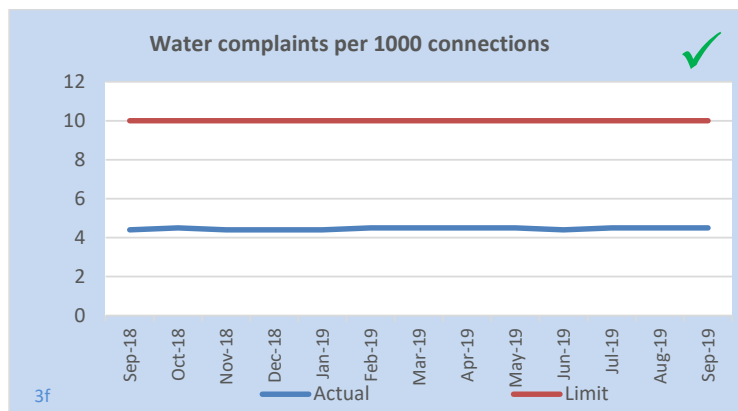


6.2

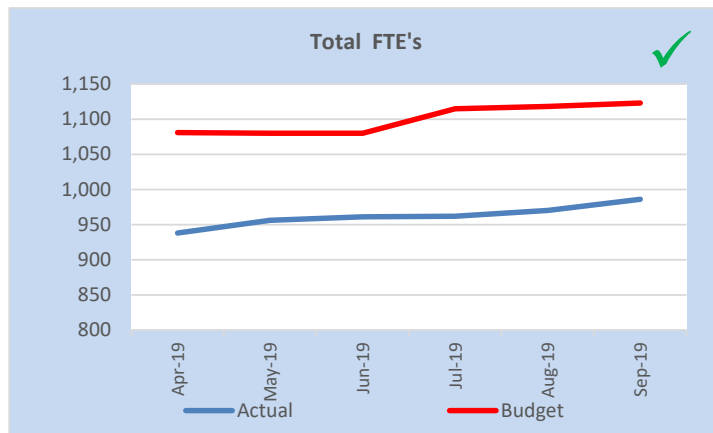
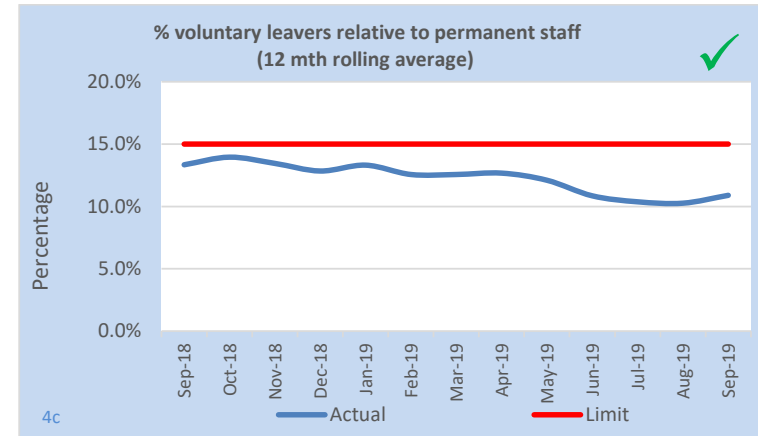
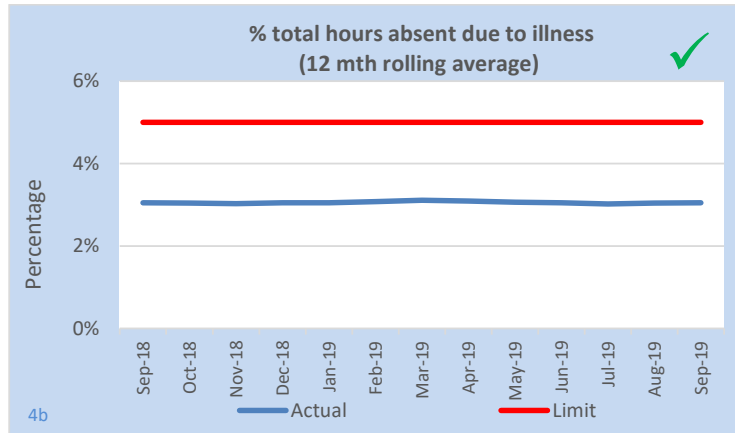
SOI MEASURES – 2019-2020 - Community and Stakeholder relationships continued

**NPS**

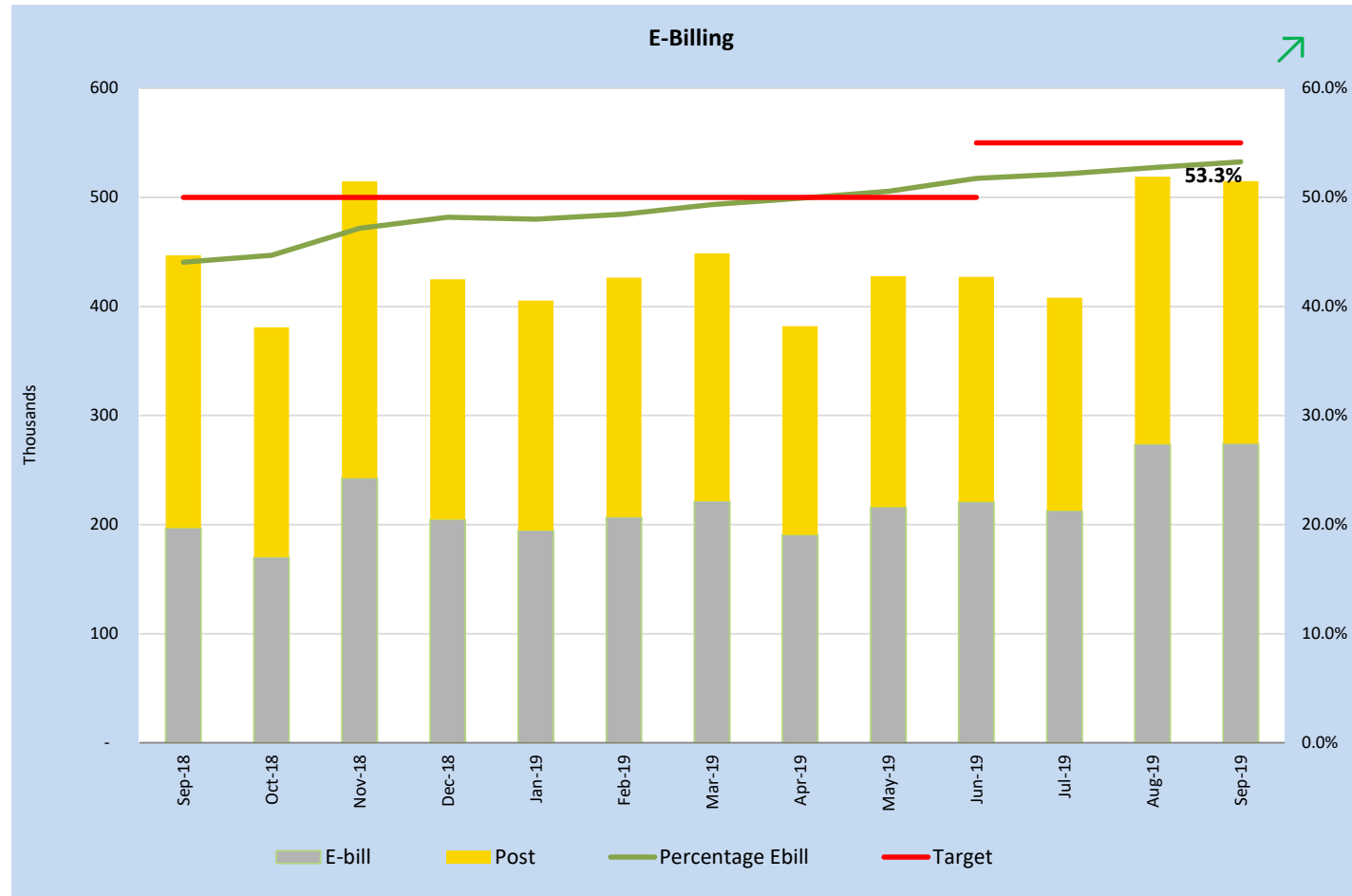
- NPS is 44 (12 month rolling average).
- The score has increased two points on last month as we have dedicated our focus on lifting the grade of service and workforce efficiency, despite being 12 FTEs fewer than this time last year.



2. PEOPLE, CAPABILITY AND LEARNING



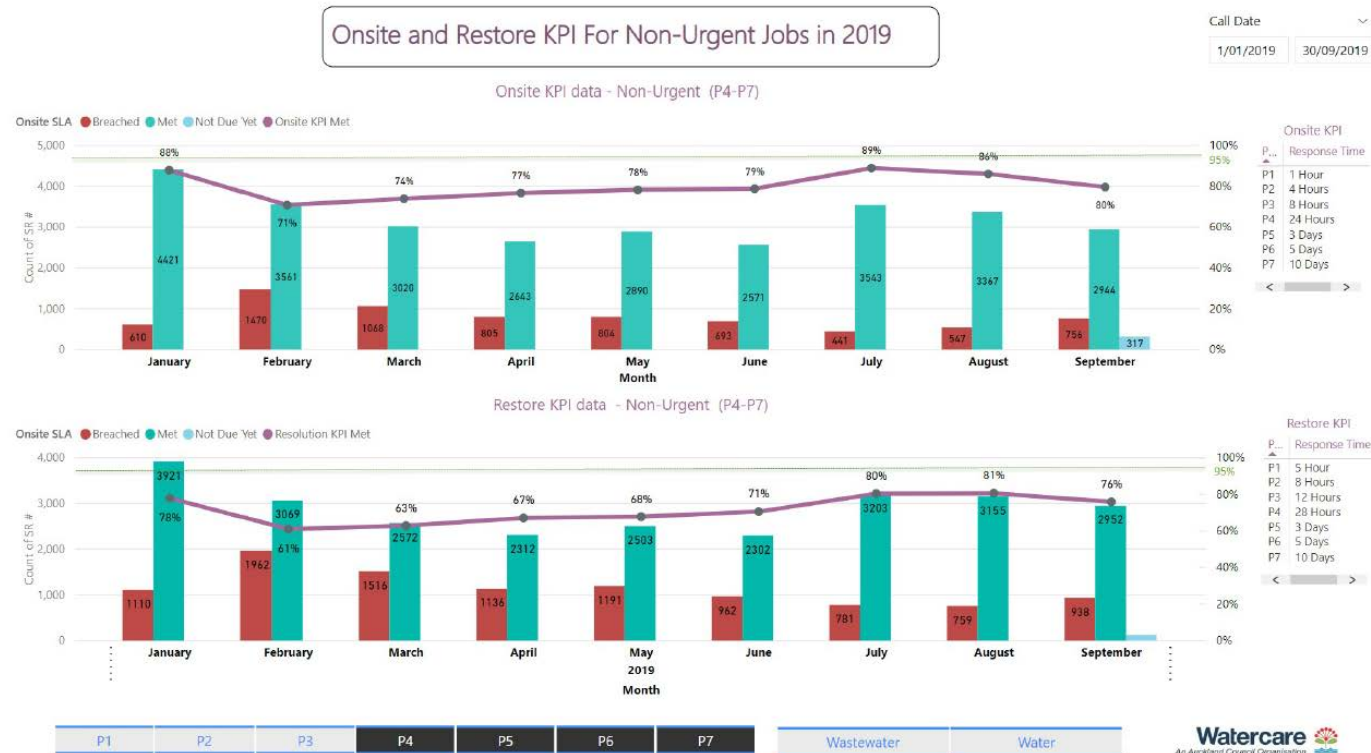
3. CUSTOMER SERVICE



6.2

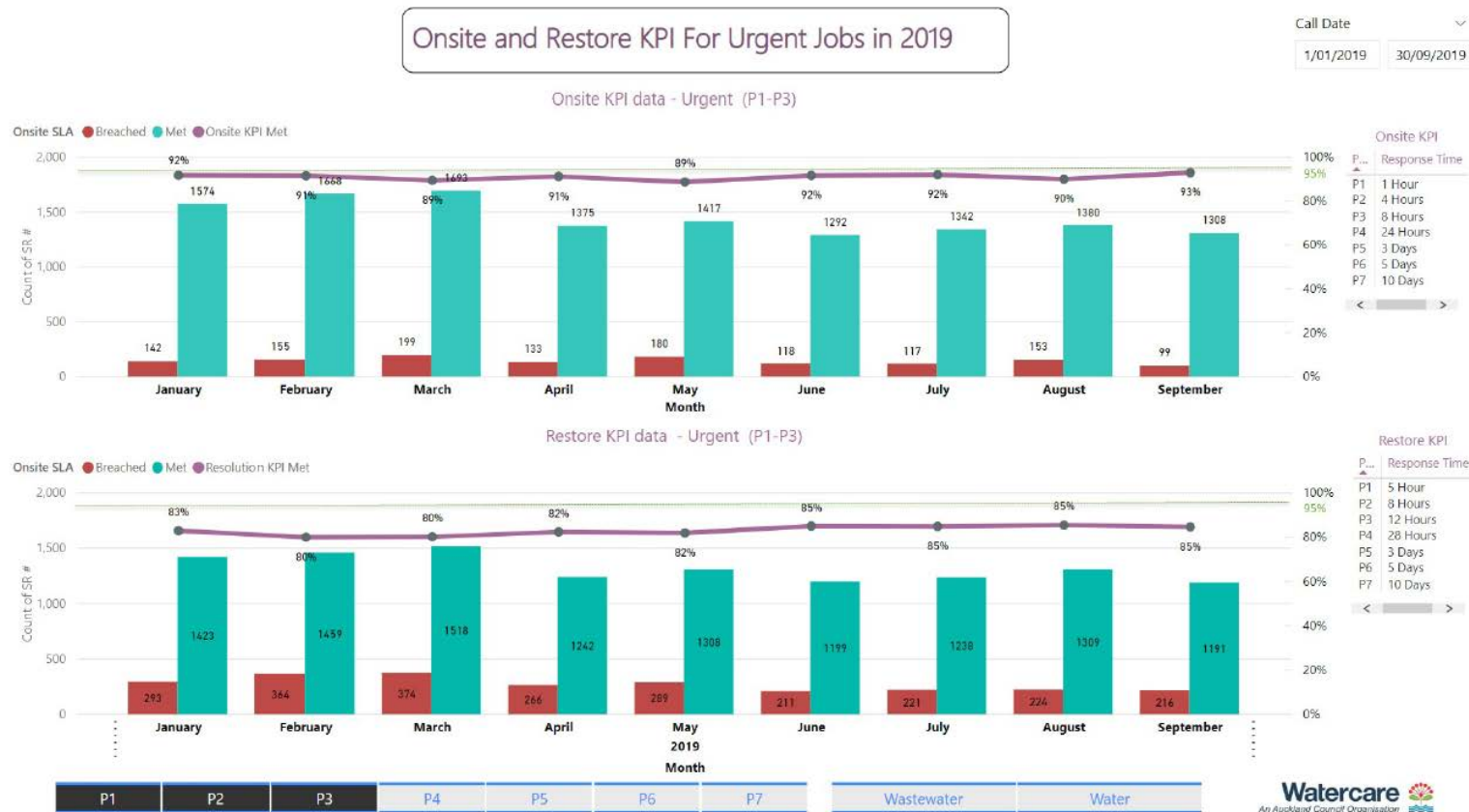
CUSTOMER SERVICE

This following table shows the shared contractor KPIs across all three contractors (Downers, Citycare and MSN) for Non-Urgent water and wastewater jobs (P4-P7). The KPI target is 95%. Our best performer is Downers who typically meet the target. The next best performing contractor is Citycare. Watercare's MSN, who operate in the city centre and therefore deal with more traffic delays and traffic management, have the lowest response times to get onsite. This brings the overall KPI figures down. Water restorations (which can involve water shut downs) in the central city area are also more complicated. As a result, the target response times not being met consistently by MSN.



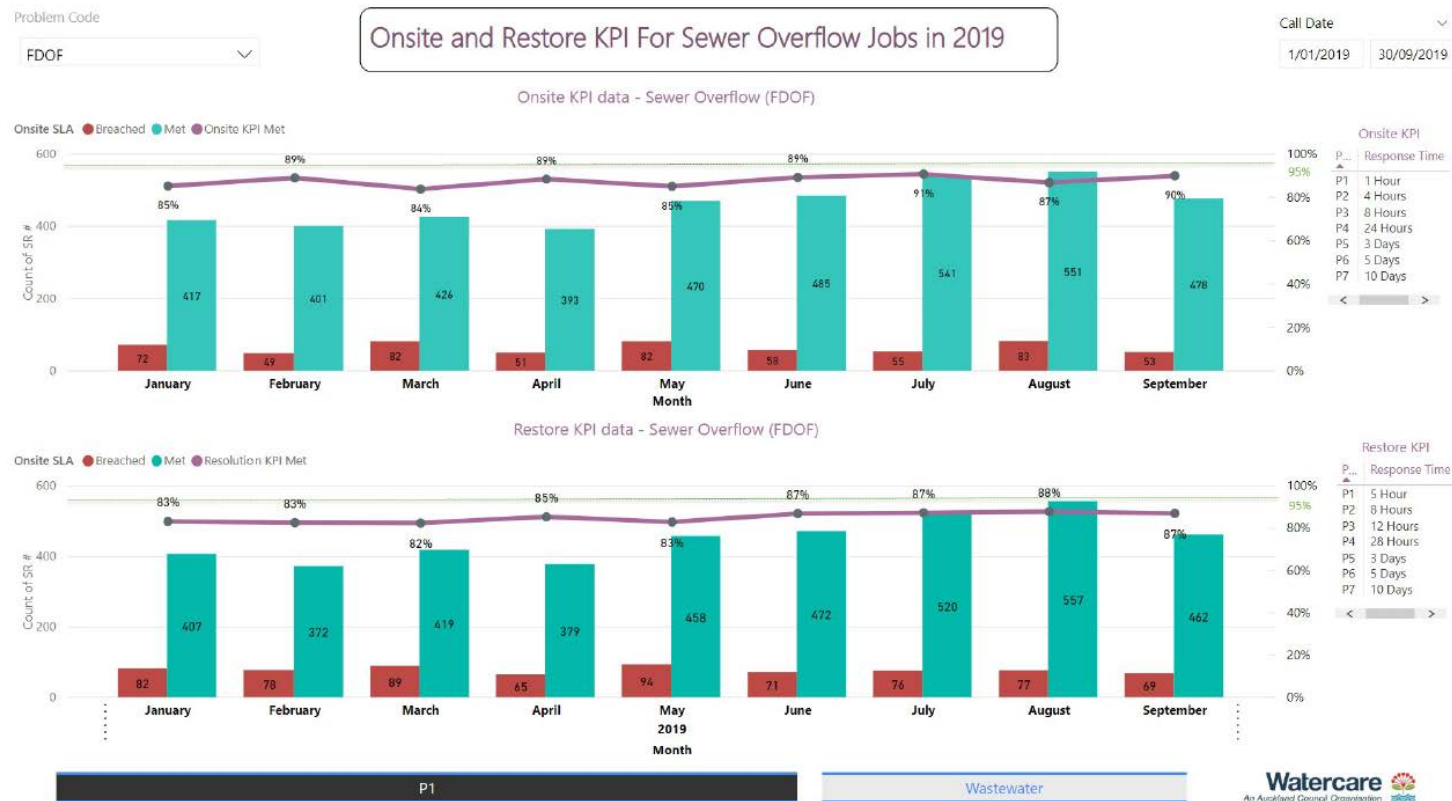
CUSTOMER SERVICE continued

This following table shows the shared contractor KPIs across all three contractors (Downers, Citycare and MSN) for Urgent water and wastewater jobs (P1-P3). Again, the target is 95%. As these jobs are “urgent”, the three contractors prioritise these jobs over non-urgent jobs. Therefore, the overall results are higher. Again, our best performer is Downers, followed by Citycare, then MSN (who are often delayed as they operate in the central city).



CUSTOMER SERVICE continued

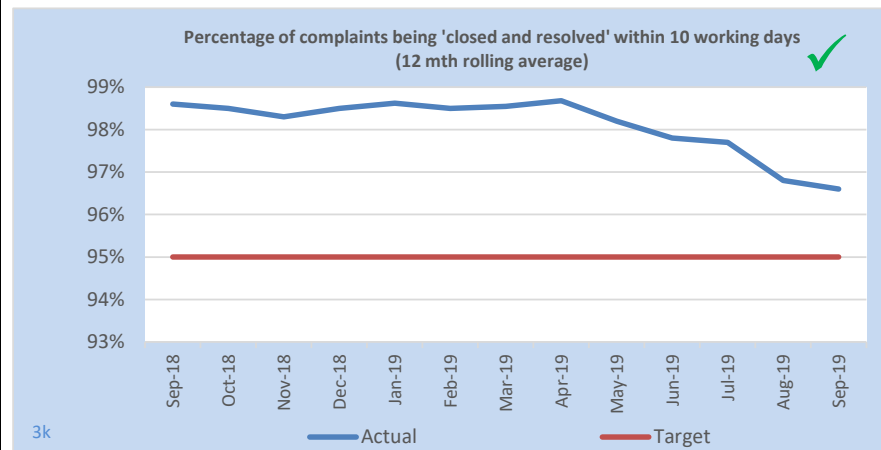
This following table is a snapshot of P1 (urgent) wastewater jobs with the code of FDOF (untreated wastewater/sewage overflows). Again, the overall shared target is 95%.



CUSTOMER SERVICE continued

COMPLAINTS

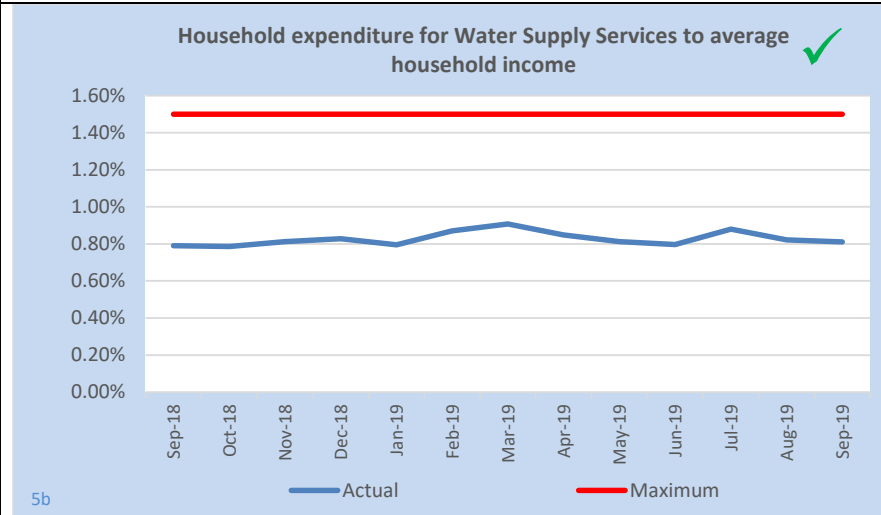
- The percentage of complaints being closed and resolved within 10 working days has been falling.
- We are driving more diligence in logging complaints in a consistent manner, which means more complaints are being logged. This provides more visibility of the process.
- The team is now working to ensure the complaints are closed as soon as a resolution is agreed with the customer, which is usually done within 10 working days, unless the job is very complicated.
- Over June and July, our unresolved rate increased in wastewater overflows. This was because there were some complicated issues that required investigation, and the investigations took longer than expected.



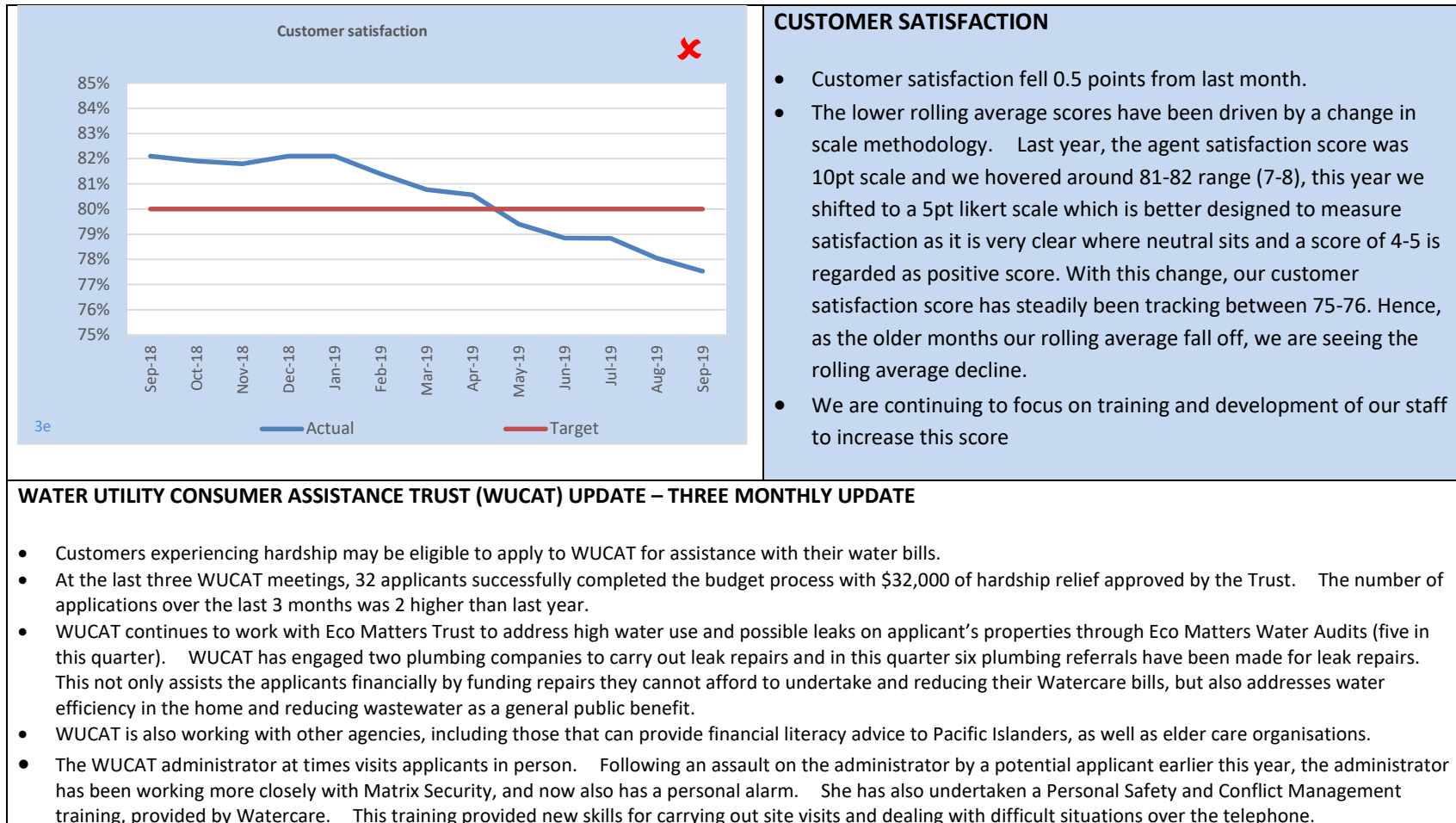
100% ✓

Volume of water meeting Aa standard

1a



CUSTOMER SERVICE continued



4. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

MĀORI ENGAGEMENT IN SEPTEMBER 2019

- Watercare signed a commercial agreement to enable additional development at Kahawai Point. This will enable an extra stage of Ngāti Te Ata's development while we are progressing our Southwestern Scheme.
- Advising on cultural protocols for Enterprise Model pōwhiri for Fulton Hogan and Fletcher Building.
- Arranging follow up engagement meeting regarding the CI Project with Ngārimu Blair, Ngāti Whātua ki Ōrākei & other Iwi entity representatives
- Advising the Watercare Board Chair and Board Member, Brendon Green, regarding building a cultural framework for the Watercare Board.
- Engagement meeting between CE and Principal, Cath Rau and Hemi Rau, Raveen Jaduram of Te Kōpuku High School
- Arranging and attending a relationship hui workshop involving the CE of Waikato Tainui, the CE of Watercare, and Senior leadership teams from both organisations.
- Liaising with Ngāti Te Ata Chair, Josey Peita and representative, Johnnie Freeland regarding septic tank issues at Tahunakaitoto Marae
- Attending meetings and providing strategic advice regarding the CI project, including cultural inductions for workers on this project.
- Various support and follow up consultation with mana whenua on the Army Bay WWTP discharge project and the Snells Algies project
- Attend Māori Outcomes Steering Group meetings at Auckland Council.
- Supporting Roseline Klien, Head of Water Value regarding the Te Taniwha o Waikato Pukekohe WWTP restoration plan.
- Support Watercare staff with Te Reo Māori me ōna Tikanga.
- Attend Council Whānau and Corporate evening celebrating Te Wiki o Te Reo Māori at AUT. Ngā korimako rōpū attended and performed on behalf of Watercare.
- Attend and lead Watercare team at Maungakiekie (One Tree Hill) Council Hikoia Te Reo Māori celebration.
- All of our inductions for new staff at Watercare involve a cultural component.
- Watercare and Waikato Tainui AIP relationship meeting, action points. Attend Meeting @ Waikato Tainui, Rob Fisher, Mark Bourne and Carl Tucker.
- Arrange Snells Algies Site Blessing with Mana whenua engagement and involvement with tikanga protocols. Iwi included Ngāti Manuhiri, Ngāti Whanaunga, Ngāti Maru, Te Rūnanga o Ngāti Whātua.
- Meeting with various Watercare representatives, Amokura Panoho, Auckland Council, Annette Wehi, Tāmaki Makaurau Kapa haka Rep, Paora Sharples, Chair, Tāmaki Makaurau Kapa haka regarding relationship to support Te Matatini o Te Ao Festival Celebrations 2021 at Auckland Eden Park.
- Liaising and engaging with Waikato Tainui carving unit to supply carving for Watercare Office in Pukete.
- Meeting with John Adams, Auckland Council regarding the Te Tiriti o Waitangi Audit Recommendations for Watercare.

COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE continued...

LOCAL BOARD ENGAGEMENT

- Notice of Watercare's "Enterprise Model" our 10 year partnership with Fletcher Construction and Fulton Hogan was shared with local board members.
- Water and wastewater servicing work in Clevedon has caused some disruption for the local community. The Local Board has been liaising closely with Watercare in response.
- A range of issues have also been worked through with the Hibiscus and Bays Local Board in the lead up to the election. Departing local board member Caitlin Watson noted: *"Watercare has been a great CCO to do deal with on local matters. I have found engagement with Watercare to be very constructive and considerate toward local needs - I particularly want to acknowledge the excellent engagement with both the Local Board and community."*
- Local Body elections were held on 12 October 2019. Many local board members are returning. For new members, Watercare has published a four page newsletter introducing the new Local board members to the Watercare company, our legislation, governance, responsibilities and infrastructure.

ST MARY'S BAY AND MASEFIELD WATER QUALITY IMPROVEMENT PROJECT

- The wastewater and stormwater project, proposed by Healthy Waters in St Mary's Bay and Masefield Beach is close to reaching a resolution of the appeals to the Environment Court by the Residents Associations.

TE WIKI O TE REO MĀORI 2019 - MĀORI LANGUAGE WEEK

- In September, Te Ōkerekerepū ō Te Wai (Watercare Services) embraced a week of ako (to learn), whakarongo (to listen), waiata (to sing), pānui (to read), tuhi (to write) and kōrero (to speak).
- Hīkoia te Kōrero —Walk the Talk, featured a walk around Maungakiekie (One Tree Hill) as a celebration of the maunga, as part of a series of events organised by Auckland Council for Māori Language Week. Thirsty walkers who attended Hīkoi Whakangahau in Cornwall Park received free water to fill their bottles at Watercare's new mobile water stations. The one-and-a-half metre tall blue water stations were set up near the entrance to the Stardome Observatory and Planetarium, Epsom.



COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE continued...

INTERNAL WATER THEFT CAMPAIGN

- In September 2019, we launched an campaign internally to raise awareness of illegal water use, which costs our business hundreds of thousands of dollars per year.
- We are asking staff, meter readers and contractors to be vigilant for any illegal water use in their neighbourhood.
- Key areas of concern include illegal standpipes, people connecting houses into service leads in subdivisions that are not yet metered, and instances where people are boldly removing our meters.
- As well as loss of revenue, illegal connections do not have the appropriate backflow prevention device. This means that anything that is connected to our network is a risk to the public (e.g. backflow into the water supply system, water loss through improper use, damage to a hydrant and dirty water).

Below are examples of the most common types of theft:



Fire supplies being used for reasons other than fire.



Water connections in subdivisions that are not metered.



Standpipes being used that do not belong to Watercare.



Water connections without meters being used.

COMMUNITY AND STAKEHOLDER RELATIONSHIPS continued

WAIKATO DISTRICT COUNCIL

- On 28 August 2019, Watercare and the Waikato District Council formally signed a contract on the banks of the Waikato River at Ngaruawahia.
- Under the contract, Watercare will deliver safe drinking water, wastewater and stormwater services in the Waikato district from 1 October 2019.
- Watercare has taken on 15 treatment plants, 96 pump stations, 798 km of water pipes, 322 km of wastewater pipes, 152 km of stormwater pipes and 16,455 homes and businesses in the region.
- 29 Waikato District Council employees are now Watercare employees.
- The contract has the potential to run for up to 28 years and has a strong focus on better environmental outcomes and affordable water services
- Watercare plans to make a reasonable return under the contract so we can assure our Auckland customers they will not be cross-subsidising services to Waikato. We will also make sure our service to Aucklanders is not compromised while we provide the services to Waikato district customers.
- Operations began on 1 October 2019 and we are now in a 21-month transition period.



COMMUNICATIONS SNAPSHOT



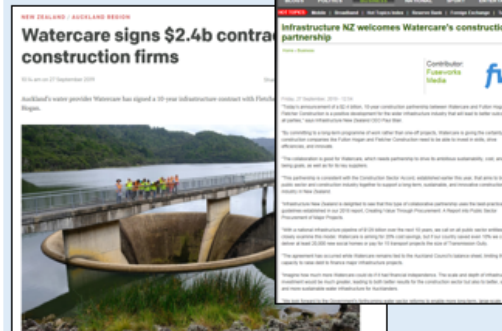
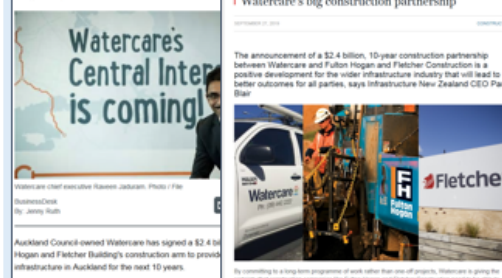
Enabling engaged communities
and stakeholders

Media

Media highlights for the month include coverage of our announcement of the enterprise model construction partners for Watercare's \$2.4 billion construction programme in NZ Herald, Radio New Zealand, Newstalk ZB, Infrastructure News. Further coverage is expected in Local Government Magazine.

Watercare inks \$2.4b 10-year contract with Fulton Hogan, Fletcher Construction

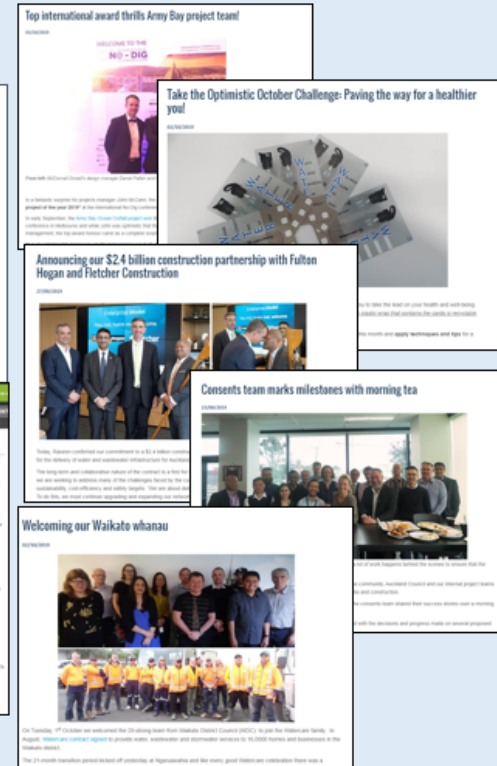
27 Nov 2019 1:27pm



Enabling safe, happy and
empowered teams

Staff

Internally, we promoted the Optimistic October mental wellbeing challenge, profiled staff achievements like awards and project milestones, announced the Enterprise Model partners and welcomed our 29-strong Waikato water team to Watercare.



Enabling customer trust and value

Customers

We distributed the spring edition of *Tapped In* newsletter to our customers, focusing on finding and fixing leaks. We also thanked customers for responding to our waterwise campaign over winter.



Stakeholders

We organised a day for the Tauhinu Sea Scouts to paint the drill bit that will be used for constructing the Northern Interceptor across the Upper Waitemata Harbour, at Rahui Reserve, Greenhithe. A great day was had by children from the Scouts, who had previously participated in our site blessing for this project.

We also presented to the Mt Albert Residents Association on fatbergs and overflows and how they can help by disposing only poo, pee and toilet paper down the toilet.



We published our 2019 integrated annual report that details how we created value for Aucklanders in 2018/19.



WATER NZ CONFERENCE

WATER NZ CONFERENCE

- The Chief Executive and a number of our people attended September's Water New Zealand conference.
- Watercare also had a very well attended interactive stand at the conference (photos below).
- The following Watercare staff presented papers at the conference:
 - Stephen Grace, Development of a corrosion strategy to protect NZ's largest wastewater asset
 - Jacob Whitford and Matthew Tolcher (Tonkin & Taylor) – Accelerating for Growth: Delivering Warkworth to Snells Wastewater Infrastructure
 - Zoran Pipipovic/Mike Dunstone: Technology enabled collaboration for water network customer improvements
 - Rob Tinholt: The Value of Biosolids in NZ – an industry assessment
 - Tanvir Bhamji/Garret Hall (Beca) Using wastewater upgrades to empower cultural and ecological visions
 - Brendon Harkness: Building technology enabled planning capability
 - Tim Barry/Andrew Mercer: Building technology enabled design and construction capability



5. NATURAL ENVIRONMENT



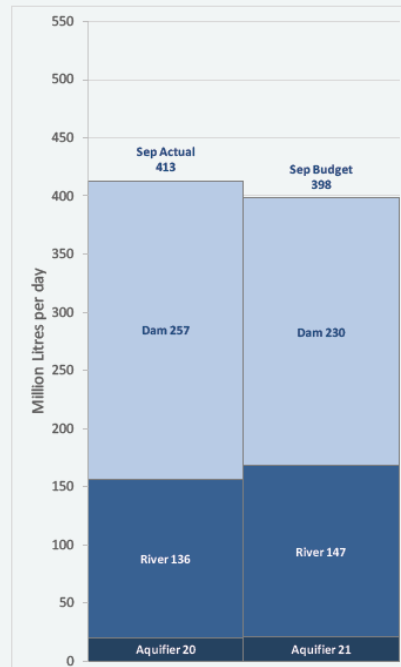
Water outlook for October 2019

Rainfall
for
September



	Waitakere	Hunua
September Actual	222.4	151.9
September Normal	153.6	150.9
Jan – Sept Actual	1159.6	1016.4
Jan – Sept Normal	1331.3	1326.9

Average daily water produced



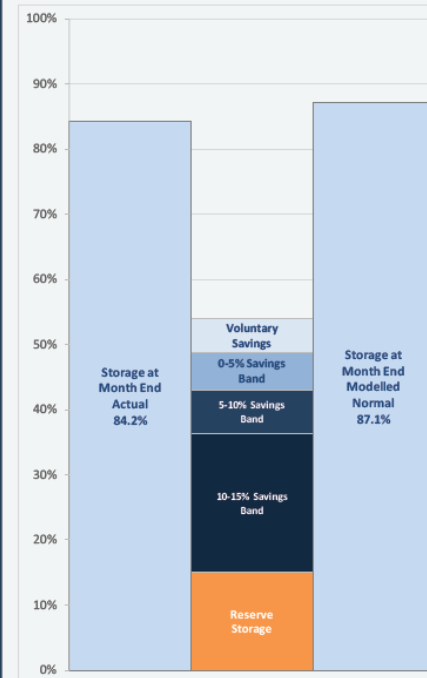
Water resources position

- Total system storage increased through September, from 78.1% to finish the month at 84.2%, after above normal rainfall for the Waitakere Ranges and normal rainfall in the Hunua Ranges was recorded for the month.
- Dam storage is at 84.2% compared to the FY2020 budgeted storage response of 87.1% for a modelled normal response for September. Storage remains slightly below levels that would normally be experienced at this time of year (90.9%), if compared with the historical average (1981-2010). September's storage response was above that of a five year dry (76.3%) and is well above drought management trigger levels for mandatory restrictions (48.9%).
- Abstractions from Waikato and Onehunga continued to be optimised throughout September to reduce abstraction pressures on the storage lakes.
- Total water treatment plant production was 3.6% above budgeted volumes for September, and 4.2% above budget for the financial year to date.

Long range forecast position

- Normal rainfall is forecast for most of the North Island, including Auckland, for October.
- October temperatures are expected to return to average after the colder than average September.
- Predictions of slightly below normal rainfall are now forecasted for the remainder of the year but with low confidence than previous forecasts.
- Ongoing rainfall, combined with optimised abstractions from Waikato and Onehunga, should provide relief for Auckland's water storage position.

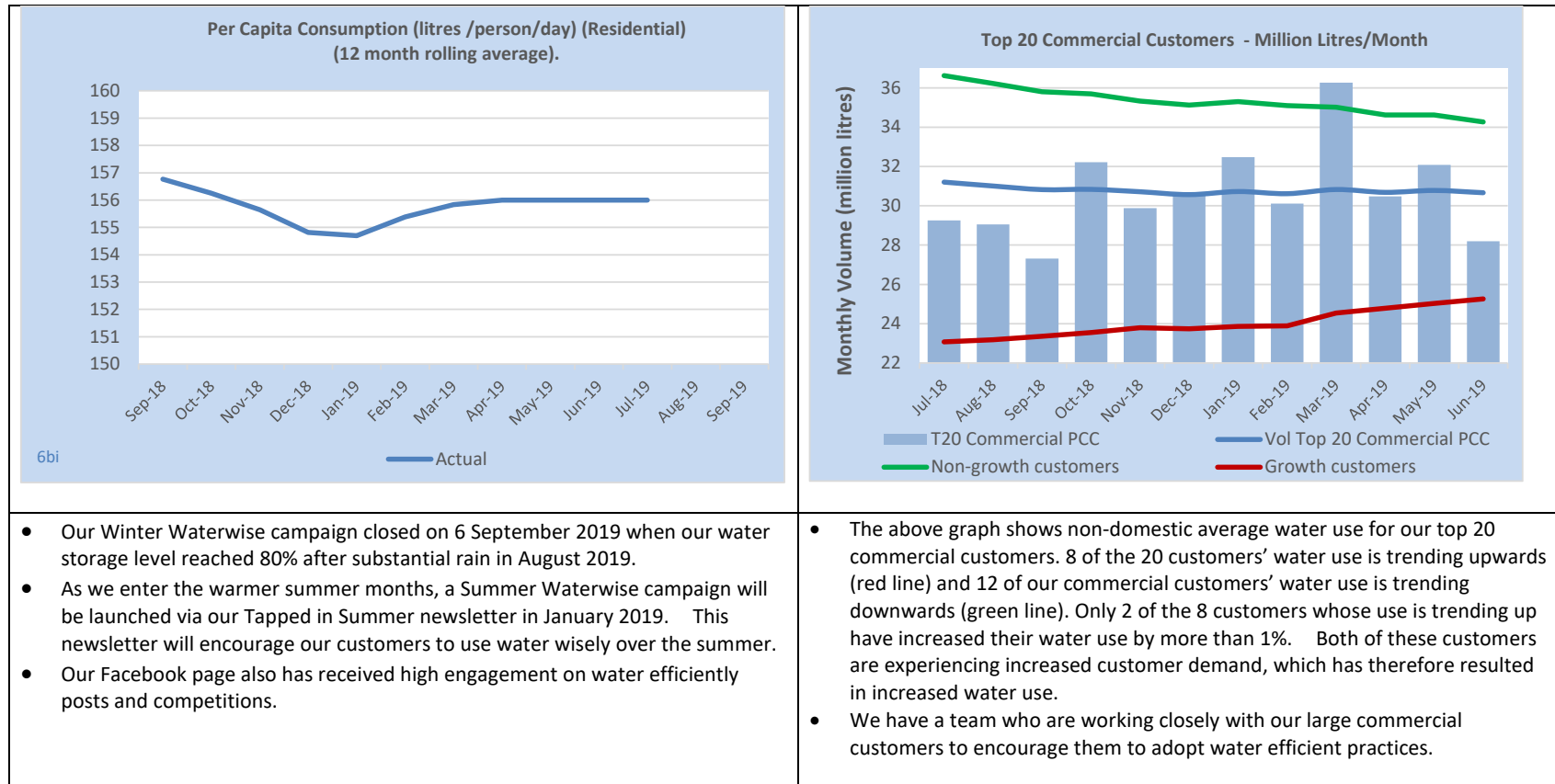
Total system storage



Watercare

NATURAL ENVIRONMENT continued

DOMESTIC AND COMMERCIAL WATER USE



RESOURCE MANAGEMENT ACT COMPLIANCE



September 2019	Compliance proceedings	Nil	Environmental incidents of significance	Nil
Summary	Category 4 non-compliant consents	Nil	Category 3 non-compliant consents	2

17 of our 475 active consents were technically non-compliant. Half of the non-compliances related to late reports to Council or delays in environmental monitoring. Two non-compliances were Category 3, no non-compliances were Category 4.

	Apr	May	June	July	Aug	Sep
Number of total active consents	495	490	482	484	474	475
Number of non-compliant consents ¹	15	9	10	21	12	17
Number of non-compliant category 3 conditions² <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	3	2	2
Number of non-compliant category 1 or 2 conditions² <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>	18	14	15	16	17	18

Notes: 1 – excludes trade waste consents; 2 - Excludes conditions duplicated across consents

	Background and Reason for Non-Compliance	Summary of Current Actions	Current Self-Assessed Council Compliance Rating
WATER TREATMENT			
Huia Village	Long-term issue. Consent has a condition for some recycling of process discharges back to the dam, but this recycling has not been possible given the existing infrastructure at site. Instead, all discharges go direct to Huia Stream. Monitoring shows no adverse environmental effects.	Consultant ecologist has been to put on hold while we test a potential engineering solution. Testing is scheduled to occur over the first two weeks of October. A decision on whether to implement the engineering solution or seek a consent variation with ecological support will be made after testing has been completed.	3 – Ongoing issue (negligible environmental impact)
WASTEWATER TREATMENT			
Helensville	On-going water quality issues at the compliance point.	Upgrade works are on schedule (commencing November) and remain on track to be completed in March 2020.	3 – Ongoing issue (negligible environmental impact)

NATURAL ENVIRONMENT continued...

WATERCARE'S CARBON REDUCTION JOURNEY TO BE A CASE STUDY AT UK FORUM

- Next year, the Green Construction Board (an organisation formed between UK Government and Industry) the UK Department of Business and Energy and the Industrial Strategy (BEIS) will be hosting a forum showcasing industry progress six years from the inception of the Infrastructure Carbon Review (a report that linked the carbon and cost reduction argument and which pushed infrastructure sectors to reduce carbon and cost).
- Watercare has been invited to provide a case study for the event, which describes Watercare's current carbon reduction journey to date, and explains our aspirations for the future (e.g. our 40:20:20 Vision).

1/3 OF WATERCARE'S PASSANGER FLEET IS ELECTRIC

- In September, we added three new Hyundai Kona and 22 Hyundai Ioniq EV cars to our passenger fleet.
- This now means that more than 33% of Watercare's entire passenger fleet are EVs.
- The old Watercare petrol vehicles, some of which are over ten years old, will be sold.
- The old vehicles would use 40,000L of petrol per year, which cost around \$95,000/year. EV's cost around 30c/litre to fully charge on a slow charge, so we will be reducing our fuel costs by more than 600% and not releasing 45 tonnes of CO₂e into the environment.
- New EV charging points have been installed at Newmarket, Pukekohe and Māngere Wastewater Treatment Plants. Rosedale Wastewater and Ardmore and Warkworth Water Treatment Plants will also have chargers installed shortly.



NATURAL ENVIRONMENT continued..

<p>SOLAR ARRAY PARTNERSHIP WITH VECTOR</p> <ul style="list-style-type: none"> • In September 2019, Watercare and Vector entered a partnership to build New Zealand's largest solar array and float it on our Rosedale Wastewater Treatment pond. The project is being funded and hosted by Watercare and delivered by Vector PowerSmart. • The array is expected to be installed in March 2020. • It will be New Zealand's first floating solar as well as the first megawatt-scale solar project. • The array will generate enough power over a year to run the equivalent of 200 New Zealand homes. • The array will be used to supplement the energy the Rosedale plant uses from the grid, as well as cogeneration the plant already uses from biogas. 	<p>KEY FACTS</p> <ul style="list-style-type: none"> • The array will include more than 2,700 solar panels and 3,000 floating pontoons • It will be visible to road users heading north along State highway 1, which is adjacent to the site • It will be the largest solar project of any type so far confirmed in New Zealand, and more than twice the size of the country's current largest solar array • Reduction of 145 tonnes of CO2e each year – equivalent to the emissions from driving 66 cars in NZ.
<p>NEW REGION WIDE TREE CONSENT</p> <ul style="list-style-type: none"> • A Watercare Region-Wide Tree consent was granted on 14 August 2019. • This replaces the three existing global tree consents for the Central, Isthmus and Northern-Western areas and also incorporates the Southern Area (where there was previously no global tree consent). • The consent covers pruning, works within the root-zone (including Notable trees), and removal of trees (excluding Notable trees) on all land governed by the Auckland Unitary Plan (Operative in Part), where such work is required to facilitate the operation, use, maintenance, repair and minor infrastructure upgrade of Watercare's water and wastewater networks. • Watercare achieved a 20 year consent term (previous global tree consents had 10 year durations) by demonstrating a good compliance record under previous tree consents. • The new consent will ensure that Watercare has a consistent approach across Auckland. 	

NATURAL ENVIRONMENT continued..

CLIMATE CHANGE RISK ASSESSMENT FRAMEWORK

Minister Shaw, via MfE, recently released the “*Climate Change Risk Assessment Framework*”. The focus of this framework is primarily on climate change risks at a national scale. However, it also covers significant risks at a regional scale.

The framework will also be useful to local government, such as Watercare, iwi/hapū and other organisations in performing their own climate change risk assessments or procuring new evidence on climate risks.

- “Risk” is framed as elements of “hazard”, “exposure” and “vulnerability” and will be assessed for the time periods:
 - Present day (past 10-20 years)
 - Thirty years (around 2050)
 - By 2100 (around 60-80 years).
 - For coastal hazards (100years+)
- The risk assessment will be completed through analysis of existing data and literature and collaboration with iwi/hapu, and key stakeholders including government departments and other custodians of those risks.
- This resulting framework will:
 - enable a broad range of risks to be systematically compared in a manner consistent with the values of New Zealand; and
 - be used to develop a “**National Climate Change Risks Assessment**” (NCCRA) which will help to answer the question “What are the risks we face?” This Assessment is due for completion in mid-2020.
- From this, a “**National Adaptation Plan**” will be developed (in around 2022), which will set out how the Government will respond to these risks.

AUCKLAND COUNCIL’S “COASTAL COMPARTMENT PLANNING”

- **Sea level rise and storm surge mapping:** Council has recently revised all its +1.0m Sea Level Risk and 100-year return storm surge maps. This revision of these maps will be completed late this year, early 2020, and will eventually result in a Plan Change to the Auckland Unitary Plan.
- **Coastal erosion study:** Council will “erosion map” five differing scenarios based on differing time horizons and climate change related Representative Concentration Pathways.
- **Coastal risk assessments (Whangaparaoa Peninsula):** The above two projects will contribute to Council’s coastal risk assessments, which will be rolled out for the Auckland region. Whangaparaoa Peninsula will be first. We have requested that Watercare be involved in this work.

6. ASSETS AND INFRASTRUCTURE



HUIA WATER TREATMENT PLANT REPLACEMENT PROJECT – CONSENT APPLICATION

- Council received over 497 submissions to the notified application - 8 are neutral, 20 are in support and 469 are in opposition.
- None of the submissions raised issues that our experts have not addressed in the Assessment of Environmental Effects and supporting reports.
- A number of environmental groups have opposed the application. However, they have provided conditions should the Commissioners decide to grant the consent.
- The Hearing to consider the application is tentatively scheduled for the last week in February 2020. Three weeks have been set aside to hear the application. This timetable will allow Watercare time to liaise with key submitters in the meantime, and where possible reach a consensus.

ENTERPRISE MODEL FRAMEWORK CONTRACT SIGNED WITH FULTON HOGAN AND FLETCHER CONSTRUCTION

- On 26 September 2019, Watercare signed a 10 year, \$2.4 billion contract with Fulton Hogan and Fletcher Construction for the delivery of water and wastewater infrastructure for Auckland.
- We will work collaboratively with Fulton Hogan and Fletcher Construction to plan and deliver a programme of work – rather than discrete projects – in order to drive greater cost-efficiency and innovation. We're calling this way of working the Enterprise Mode
- The long-term and collaborative nature of the contract is a first for New Zealand.
- The contract is also consistent with the Construction Sector Accord the government signed in April 2019
- Watercare's current design partners BECA, Stantec and GHD will also be involved in delivering the new contract.



AWARD WINS

ARMY BAY PROJECT WINS MAJOR AWARD AT THE NO-DIG INTERNATIONAL AWARD

- The Army Bay Wastewater Project won the Project of the Year 2019 award at the No-Dig International conference in Florence earlier this month.
- The conference focuses on trenchless technology involving the installation, replacement or renewal of underground utilities with minimum excavation and surface disruption. This technology ranges from small diameter (100mm) to large diameters in excess of 5 metres.
- The Army Bay project was recognised for the innovation, success, world record drive and the support Watercare gave enabling this technology to be used for the first time in New Zealand.

WATER NZ CONFERENCE AWARD WINS

- Watercare's Stephen Grace, Engineering Manager, CI, and Mark Bourne, Head of Servicing and Consents, both received awards for the best and runner-up papers of the year respectively.
- The Army Bay Outfall project, which was managed by John McCann and Dirk DuPlessis, won Project of the Year. This is a great achievement for the team and the third year in a row that Watercare has won this award. Hunua 4 won in 2017 and the Māngere BNR won in 2018.

WASTEMINZ AWARDS

- Rob Tinholt, Watercare's Resource Recovery Manager, won the Best written paper award (waste and recycling) at the WasteMINZ Awards for Excellence 2019 on 25 September 2019.
- Rob's paper was titled "The Potential value of biosolids in New Zealand – an industry assessment".



7. DIGITAL UPDATES



<p>STRATEGIC TRANSFORMATION PROGRAMME (STP) UPDATE</p> <p>RELEASE 8 WORK UNDERWAY</p> <ul style="list-style-type: none"> • STP continues to progress to programme with Release 8 delivery. • The new billing platform has been successfully moved into a parallel run with the squad identifying and resolving issues as they are uncovered, building confidence in the new solution and preparing to switch across to the new platform. • Work continues across the development of the faults and work order management work flow across Watercare, MSN and contractors. This is a challenging piece of work across multiple platforms and multiple organisations and includes a full upgrade to the existing field service management solution for MSN. • The Enterprise Asset Management solution continues to be rolled out across Watercare with successful go-lives at the Māngere WWTP, Southern Regional WWTPs, Central and Southern Networks (Transmission) and Northern and Southern Headworks. 	<p>STP AWARD WIN</p> <p>Watercare was a recent winner of the 2019 Infor Customer Excellence Awards.</p> <ul style="list-style-type: none"> • The awards recognise customers that drive innovation and showcase exceptional business results. • A panel of Infor solution and industry experts evaluated organisations globally across scope and depth of performance improvement, quantifiable business benefits, customer focus and satisfaction, and technology use and innovation. • The win was a good result out of the 68,000 customer around the world that use Infor.
---	---

8. DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

<p>In September 2019, Watercare processed two deeds, instruments or document, with the delegated authority provided to the Chief Executive by the Board.</p> <ul style="list-style-type: none"> • 1 x section 181 Local Government Act notice • 1 x section 17 Public Works Act notice 	<p>In September 2019, there were two Capex/Opex contracts, over \$100,000, approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board.</p> <ul style="list-style-type: none"> • Drury South Wastewater Servicing Package 3A (Dempsey Wood Ltd) • Drury South Wastewater Servicing Package 1 Construction (Fulton Hogan Ltd) 	<p>In September 2019, there were two capex approvals totaling \$19.5m 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.</p> <ul style="list-style-type: none"> • Network Watermain Renewals 2020 - \$6,300,000. • Kahika Rising Main Replacement - \$13,200,000
---	--	---




Board - Public Session - Directors' Corporate Governance Items

Board Planner 2019 / 2020

	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December
Board	30 Oct	26-Nov	17 Dec (Teleconference)	28-Jan 11am-3pm	20-Feb 8.30am-12.30pm	No Board Meeting - CI induction and tour on 26 March 2020	28-Apr 8.30am-12.30pm	28-May 8.30am-12.30pm	29 workshops/ 30 June Board meeting	28-July 8.30am-12.30pm	25-Aug 8.30am-12.30pm	29-Sept 8.30am-12.30pm	27-Oct 8.30am-12.30pm Followed by Board Dinner to farewell retiring board members	24-Nov 8.30am-12.30pm	15-Dec 8am-11am (Teleconference)
	Audit and risk committee	29 Oct 3-5pm Followed by Board Dinner		28-Jan 8-10am				25-May 1pm-3.30pm		27-July 1pm-3.30pm	24-Aug 10am-12.30pm		27 Oct 1.30pm-4pm		
	People, Remuneration and appointments committee	29 Oct 1-3pm		29 Jan (8.30-10.30)			29-Apr 10-12am			29 July 8.30-10.30am	24 Aug 1-3pm			26 Nov 8.30-10.30am	
	AMP & Major Capex Committee		13 Nov 9.30am-12pm		TBC			TBC			TBC			TBC	
	STP Committee		25 Nov 3-5pm			TBC: Final close out meeting									
Events	Climate Action Committee						TBC			TBC			TBC		
	Community and Stakeholder Relationships			Congratulate 2019 Award Winners (After board meeting)	TBC: Meet the Diversity & Inclusion Committee	Governing Body Workshop TBC	TBC: Joint meeting with Wellington Water				Action 2030 Symposium TBC	Governing Body Workshop TBC			
	Charter reviews		Corporate Governance charter		PRAC charter	AMCC Terms of Reference		A&R Charter							
	Policy reviews	Tax Risk Management Policy Board Delegations to the CE	Fraud Policy				Good Employer Policy	Sensitive Expenditure Policy IGCs	Health, Safety & Wellness	Risk Management Policy (2021)					
	Risk report Due to Council	Risk report			Risk report		Risk report			Risk report			Risk report		
Governance	Enterprise Risk report to Board	Report to Board			Report to Board		Report to Board			Report to Board			Report to Board		
	Compliance	Statutory compliance			Statutory compliance		Statutory compliance			Statutory compliance			Statutory compliance		
	H&S Quarterly report	Jul-Sept 19 Report			Oct-Dec 19 Report		Jan-Mar 20 Report			Apr-Jun 20 Report			Jul-Sept 20 Report		
	Shareholder Interaction	Q1 quarterly report due 28 October (to be approved by Board at the October meeting).	Q1 briefing to F&P Committee TBC		Q2 quarterly report due on 24 February (to be approved by Board at January meeting)		Q2 briefing to F&P Committee TBC	Q3 quarterly report due on 30 April (to be approved by Board at April meeting)		Q4 quarterly report due on 30 July (to be approved by Board at July meeting)		Q4 briefing to the F&P Committee TBC	Q1 quarterly report due on TBC		Q1 briefing to F&P Committee TBC
	Site Visits	Newmarket site visit after Board meeting	Puketutu Site visit after Board meeting			CI Induction and site visit to CI sites	Site Visit		Site Visit		Site Visit		Site Visit		
Board Training	Board training & development	Board evaluation check-in	H&S Board Update & Personal Safety & Security		Board evaluation check- in	Climate Change and Director Duties	Board evaluation check-in	Compliance training	Board evaluation check-in	Privacy Law (once new laws are in place)	Board evaluation check-in	Culture and conduct/Future of work	Board evaluation check-in	Mental Health & Wellbeing in the workplace	H&S Board Update
	Strategic planning & Deep Dives				Deep Dive: Future water sources for a Growing Auckland	Strategy Day: 28 February Board Deep Dive: Price of Water		Deep Dive: Council Debt Ceiling/Risk Mitigation	Strategy Update:TBA		Deep Dive: TBA		Strategy Update:TBA		Deep Dive: TBA
Business strategy	Key finance and business decisions			Auckland Council Draft Annual Plan - approve Watercare input	Approve half year accounts Draft Auckland Council Annual Plan - approve Watercare input	a) approve financials for Draft SOI including projected 20/21 price increases, b) approve long term financials for Auckland Council modelling AMP (Final)		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 2020/21 Budget & updated SOI Financials Mayor's Treasury Guarantee Letter due by 30 June	Approve Auckland Council Reporting Pack	a) approve 2020/21 accounts, b) delegate final sign off of 2020/21 Annual Report	AMP		Auckland Council Draft Annual Plan - approve Watercare input
	Statement of intent	2018/2019 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2020/21 Letter of Expectation to be received	Draft 2020-2023 SOI for Board's review	Approval of Draft 2020-2023 SOI			Present shareholder SOI feedback at public meeting. Public Deputations received.	Final 2020-2023 SOI issued to shareholder		Final 2020/2023 SOI adopted by Auckland Council	2019/2020 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2021/22 Letter of Expectation to be received



Disclosure of senior executives' interests

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

7.2

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



Report to the Board of Watercare Services Limited
Prepared for the 30 October 2019 Board meeting

Directors' appointment terms and committee memberships

7.3

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram 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 seven directors of Watercare Services Limited
- details of the committees each director is a member of.

2. The details

Table 1: We have seven 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
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2021

Table 2: We have four 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	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	
Hinerangi Raumati-Tu'ua	✓			

**Board Chair attends in ex-officio capacity*

