

Board meeting | 30 November 2021

Public session

Venue	Via Microsoft Teams (due to Covid-19 restrictions)
Time	9.15am

Item	Spokesperson	Action sought	Supporting material
<b>1</b> <b>Opening karakia</b>	Board		
<b>2</b> <b>Meeting administration</b>	Chair	For discussion	Verbal update
2.1      Apologies	Chair	Record apologies	Verbal
2.2      Quorum	Chair	Four directors required	Verbal
<b>3</b> <b>Minutes of previous meeting</b>	Chair	Approval of minutes of the meeting of 28 October 2021	Minutes of the meeting of 28 October 2021
<b>4</b> <b>Public deputations</b>	Chair	For information	Verbal
<b>5</b> <b>Chief Executive's report</b>	Jon Lamonte	For discussion	Report
<b>6</b> <b>Health, safety and wellbeing report</b>	Bronwyn Struthers	For discussion	Report
<b>7</b> <b>For discussion</b>			
7.1 <a href="#">Central Interceptor report</a>	Shayne Cunis	For discussion	Report
7.2 <a href="#">Water resources update</a>	Mark Bourne	For discussion	Report
7.3 <a href="#">CCO review recommendations – full update</a>	Rob Fisher	For discussion	Report
7.4 <a href="#">Our performance under the 2020–2023 Statement of Intent</a>	Rob Fisher	For discussion	Report
<b>8</b> <b>Governance</b>			
8.1      Board Committee updates	Committee Chairs	For discussion	Verbal
8.2 <a href="#">Board planner</a>	Chair	For information	Report
8.3 <a href="#">Directors' appointment terms and committee memberships and meeting attendances</a>	Chair	For information	Report
8.4 <a href="#">Disclosure of Directors' and Executives' interests</a>	Chair	For information	Report
<b>9</b> <b>General business</b>	Chair	For discussion	Verbal update

Date of next meeting	Tuesday 8 February 2022
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**Board meeting | 30 November 2021**  
**Public session**



## Opening Karakia

E te katoa

Toia mai ngā mahi

Ki te awatea

Haumi e, hui e, tāiki e

To all

bring forth our aims and objectives for today

Embrace, gather, anoint.



**Minutes**

<b>Board meeting</b>	Public session
<b>Date</b>	28 October 2021
<b>Venue</b>	Held via Microsoft Teams due to Covid-19 Alert Level 3 restrictions
<b>Time</b>	9.15am

<b>Attendance</b>		
<b>Board of Directors</b>	<b>Watercare staff</b>	<b>Guests</b>
Margaret Devlin (Chair) Brendon Green Nicola Crauford Hinerangi Raumati-Tu'ua Graham Darlow Dave Chambers Frances Valentine	Jon Lamonte (CE) Rob Fisher (Company Secretary and Acting Chief Officer Support Services) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for item 6) Shayne Cunis (Executive Programme Director CI, for item 7.1) Richard Waiwai (Poutiaki Tikanga Māori, Principal Advisor, for items 7.1 and 7.3) Mark Bourne (Chief Operations Manager, for item 5 and 7.2) David Moore (Manager of Improvements Programme, for item 7.2) Rachel Hughes (Communications Manager, for item 7.2) Brent Evans (Manager Local Board, Stakeholder Engagement, for item 7.2) Kui Paki (Senior Lead & Strategic Māori Advisor, for item 7.3) Amanda Singleton (Chief Customer Officer, for item 7.5) Jacky Simperingham (Co-Head of Governance) Jodie Atkin (Governance Coordinator) Pinaz Pithadia (Governance and Research Administrator) Paula Steinmetz (Project Manager, Construction Delivery – South)	Councillor Cooper (until 10am) Claire Gomas, Principal Advisor, CCO Governance and External Partnership, Auckland Council

1.	<p><b>Opening karakia</b></p> <p>The Chair opened the meeting with a karakia.</p>
2.	<p><b>Meeting administration</b></p> <p><b>2.1 Apologies</b></p> <p>No apologies were received.</p> <p><b>2.2 Quorum</b></p> <p>The Chair confirmed that quorum was established.</p> <p>The Chair welcomed Paula Steinmetz to the meeting. Paula attended the meeting because she developed an interest in governance as a result of meeting the Board members on their visits to the Waikato 50 project in June 2021.</p> <p>The Chair advised that item 7.4 on the agenda for today is to be deferred to the November 2021 meeting. This is due to advertising requirements, in respect of the public's opportunity to comment on Watercare's performance under the Statement of Intent, not having been met for this meeting.</p>
3.	<p><b>Minutes of meeting</b></p> <p><i>The Board <b>resolved</b> that the minutes of the public session of the Board meeting held on 30 September 2021 be confirmed as true and correct subject to the correction of the date at item 4 to "30 August 2021".</i></p>
4.	<p><b>Public deputations</b></p> <p>There were no public deputations.</p>
5.	<p><b>Chief Executive's report</b></p> <p>Jon Lamonte spoke to this report, which he took as read, highlighting the following:</p> <ul style="list-style-type: none"> <li>• Covid-19 has been the main issue. We have moved carefully into Alert Level 3 and have consulted with Council throughout.</li> <li>• The Lab has moved back to normal shifts in order to keep up with the demands of their work.</li> <li>• Consultation has commenced with staff regarding possible mandatory vaccination for all those entering Watercare sites. This is to include contractors, visitors and all staff.</li> </ul>



The Board confirmed that it had discussed this proposal earlier in the day and is supportive of the planned proposal. The Board confirmed that all Board members are fully vaccinated. It was noted that this proposal shows leadership and will assist with supporting and protecting our people and vulnerable communities.

Jon further noted:

- Further to the Watercare recommendations, Council approved the lifting of water restrictions. The Board noted that the papers provided to both the Board and to Council, which recommended the lifting of the restrictions, were very comprehensive, making it very easy to form a decision. It also provided a solid foundation for Council to make its decision to lift the water restrictions from 23 October 2021.
- The dams are now at over 95% capacity.
- On 27 October (the previous day), Minister Nanaia Mahuta announced that three waters reform will proceed, including economic regulation.
- Planning for the training facility at Māngere is underway and will be of benefit to the entire water industry in New Zealand, especially in the context of water reform.
- The total volume of the pipeline, and the value of individual projects included under the Enterprise Model are to be extended because the AMP has doubled. This will come to the Board next month for approval.

Councillor Cooper enquired about the resource consents not being met at Helensville. She accepted that this cannot be rectified immediately. Jon confirmed that any environmental damage is minimal, but we are taking action to address the issue. The Board noted that it is also concerned about Helensville.

Councillor Cooper also noted that once the medium density residential standards (MDRS) are implemented in Auckland it will be more challenging to find an appropriate site for any new treatment plants. Jon advised that he is aware of the new policy directive, and the impact of it will be dramatic. He said local networks in particular (for example, where individual houses are cleared, and numerous smaller townhouses are built on the block) are likely to be very exposed. All three waters will be affected, and we are talking with Healthy Waters about this.

The Board enquired about how our customer trust is faring and whether more customers are in financial difficulty. Jon advised that there has been no increase in requests for assistance from WUCAT (Water Utility Consumer Assistance Trust). He noted that we are seeing that people in Auckland are very weary of the lockdown, which is presenting challenges for our customer team. Council is experiencing the same issues. Our customer trust score is currently good, though it remains to be seen how this will fare over time.

The Board noted that given the announcement that water reform is to proceed, it will be important to work closely with Council as this is being implemented. The Board also noted that we will need to turn our minds to what WSP (water safety plans) reporting will look like.

*The Board **noted** the report.*

6.	<p><b>Health, Safety and Wellbeing report</b></p> <p>Bronwyn Struthers spoke to this report which she took as read.</p> <p>She highlighted the following:</p> <ul style="list-style-type: none"> <li>• Covid-19 is the big issue at present and is taking up significant time and energy.</li> <li>• Related to Covid-19, is people's mental health given we remain in lockdown.</li> <li>• In relation to non-Covid-19 work, the team is working to develop a picture of our workplace exposures. She noted that, worldwide, there are ten times more deaths in workplaces as a result of exposure to substances than from accidents.</li> </ul> <p>The Board and Management had a discussion regarding the need to continue to encourage people to take leave to rest, even if they cannot travel. Bronwyn noted that online sessions are being held to educate staff about ways to look after their wellbeing. Jon Lamonte continues to provide weekly addresses to staff. These regularly emphasise the need to accept that when working from home under our current circumstances, it is normal and okay, not to be as productive as one would be in the office and under normal circumstances. The Board also noted that it is important to reassure people that it is normal for them to be feeling fatigued, and to be less productive, and that we are all in this together. Jon and Bronwyn advised that people are being encouraged to take leave, and think of different ways to do so (e.g. half-days for a couple of weeks, taking extra-long weekends by taking Mondays and Fridays off). Staff are also being reminded of the activities they can do within Auckland that will give them a good break from work.</p> <p><i>The Board <b>noted</b> the report.</i></p>
7.	<p><b>For discussion</b></p> <p><b>7.1 Central Interceptor report</b></p> <p>Shayne Cunis spoke to the report which he took as read.</p> <p>He presented a photographic tour of the project given that the Board cannot attend in person due to the current Covid-19 restrictions. (Attached as attachment 1).</p> <p>Shayne noted that:</p> <ul style="list-style-type: none"> <li>• Tunnelling has recommenced. The Western Interceptor has been passed without any issues.</li> <li>• A positive Covid-19 test was recorded at the Māngere construction site last week as a result of testing being done on site. As a result, work was stopped over the long weekend. There have been no further cases.</li> <li>• Projects such as relocating skinks is continuing during lockdown.</li> </ul>

- A 3-million-year-old great white shark's tooth was found in the sand pit by palaeontologists, which will be donated to the museum. Many other items have also been found, including a sperm whale's tooth.
- Monday 1 November will be an important milestone as the laundry built by the GAJV will be handed over to Makaurau Marae to run.

Richard Waiwai (Richie) acknowledged the work that had been done by Shayne to get this project to this point.

The Board thanked both Richie and Shayne for getting this project done.

Shayne went on to note that:

- The AMCC (Asset Management and Major Capex Committee) will receive comprehensive dashboards going forward, including social outcomes.
- Covid-19 testing is being conducted weekly on CI sites.
- 95% of people on the project are vaccinated.
- The issue around ex-pat GAJV staff returning home overseas at Christmas time remains a risk.

*The Board **noted** the report.*

## **7.2 Water Resources report**

Rachel Hughes and Brent Evans were asked to join this item of the session. The Board formally thanked them both, as well as Mark Bourne's team for the huge amount of work they put into the recommendation to Council to lift water restrictions. The Chair noted that Council had also told her that the communications provided to them were of a high standard.

David Moore spoke to the updated Water Resources report, which had been circulated to the Board the day before the Board meeting. He noted in particular that:

- Dams are now at over 95% capacity and some are spilling.
- Demand is at 379MLD, well below the target.
- The latest forecast indicates that we will be just within the drought response range at the end of the summer, but we should not be in the range at which restrictions would be triggered.
- The Customer team are doing great work on ongoing initiatives around ongoing water awareness.

Mark noted the report would be updated to include all water sources, not only the dams. One of the Board members suggested that the report include which water sources are being prioritised.

Jon advised that Aurecon will review our drought management. He also noted that he and Mark have discussed how to depict the sources being used.

Mark advised that the team will continue to report the status of our water resources weekly.

The Board stressed the importance of giving as much attention to demand as to supply.

*The Board **noted** the report.*

### **7.3 Māori Outcomes Plan – update**

Richie spoke to the report which he took as read.

Richie noted that:

- The Māori Outcomes Plan (the MOP) has evolved since it was last presented to the Board in February 2021.
- His team is now spending time with the Executive team to work through what the plan means and how to progress it.
- A report on what is being done will be provided to the Board on a quarterly basis. The Board also advised that there was a need for prioritisation.
- The challenge is to identify the budget for Māori Outcomes.

The Board were pleased to see a comprehensive MOP, including the performance measures that have now been included. It was noted that some clarification would be helpful as to which performance measures apply to Watercare, and which apply to Council. The Board also requested that some of the wording be changed.

The Board expressed that it is good to see that Richie now has a team and the resources to enable the MOP to be implemented; and that it was important to ensure that he also has the budget.

The Board also noted that it needs to look at its relationship with iwi once our strategy is done. A governance-to-governance relationship needs to be established with all key iwi.

*The Board **noted** the report.*

### **7.4 Our performance under the 2020–2023 Statement of Intent**

This item was deferred until the 30 November 2021 Board meeting.

### **7.5 Measuring customer experience for infrastructure projects**

Amanda Singleton spoke to this report, which she took as read.

	<p>Amanda explained that the Customer team had done an NPS (net promoter score, which captures customer satisfaction) survey in Mairangi Bay.</p> <p>Good feedback was provided by the community and NPS surveys that target surrounding suburbs will now be rolled out across other projects. In response to a question from the Board, she noted that the result was good, but the focus was to be on engaging and addressing with customers' comments. Amanda also noted that survey respondents found Watercare staff and contractors on the project to be pleasant and engaging. They also said they would like more updates against progress and milestones. This feedback has been well received by the teams and measures have been put in place to communicate more regularly.</p> <p>The Board enquired how local boards are feeling about this customer interaction. Amanda advised that her team works with Brent Evans ahead of projects to ensure they are informed ahead of time.</p> <p>Amanda also advised that a Customer Charter is currently being developed. The team is looking at Customer Charters from other utilities, such as the electricity industry, as well as how they are done in Australia and in the UK, to inform our work.</p> <p><i>The Board <b>noted</b> the report.</i></p>
8.	<p><b>Governance</b></p> <p><b>8.1 Board committee updates</b></p> <p>There have been no sub-committee meetings since the last Board meeting, so there were no updates.</p> <p><b>8.2 Board planner</b></p> <p>The Board noted that site visits will need to be arranged as soon as Covid-19 Alert Levels allow, which is likely to be next year.</p> <p><i>The Board <b>noted</b> the Board planner.</i></p> <p><b>8.3 Directors' appointment terms and committee memberships and meeting attendances</b></p> <p>The Chair advised the preferred interview list for a new Board member will be finalised on Thursday 4 November 2021. She also advised that she had engaged with Council as to whether a new member should be appointed in light of the imminent water reforms. As we expect to be busy preparing for the transition over the next three years it was agreed that it would be useful to have a new Board member appointed to help with the transition.</p> <p><i>The Board <b>noted</b> the report.</i></p>

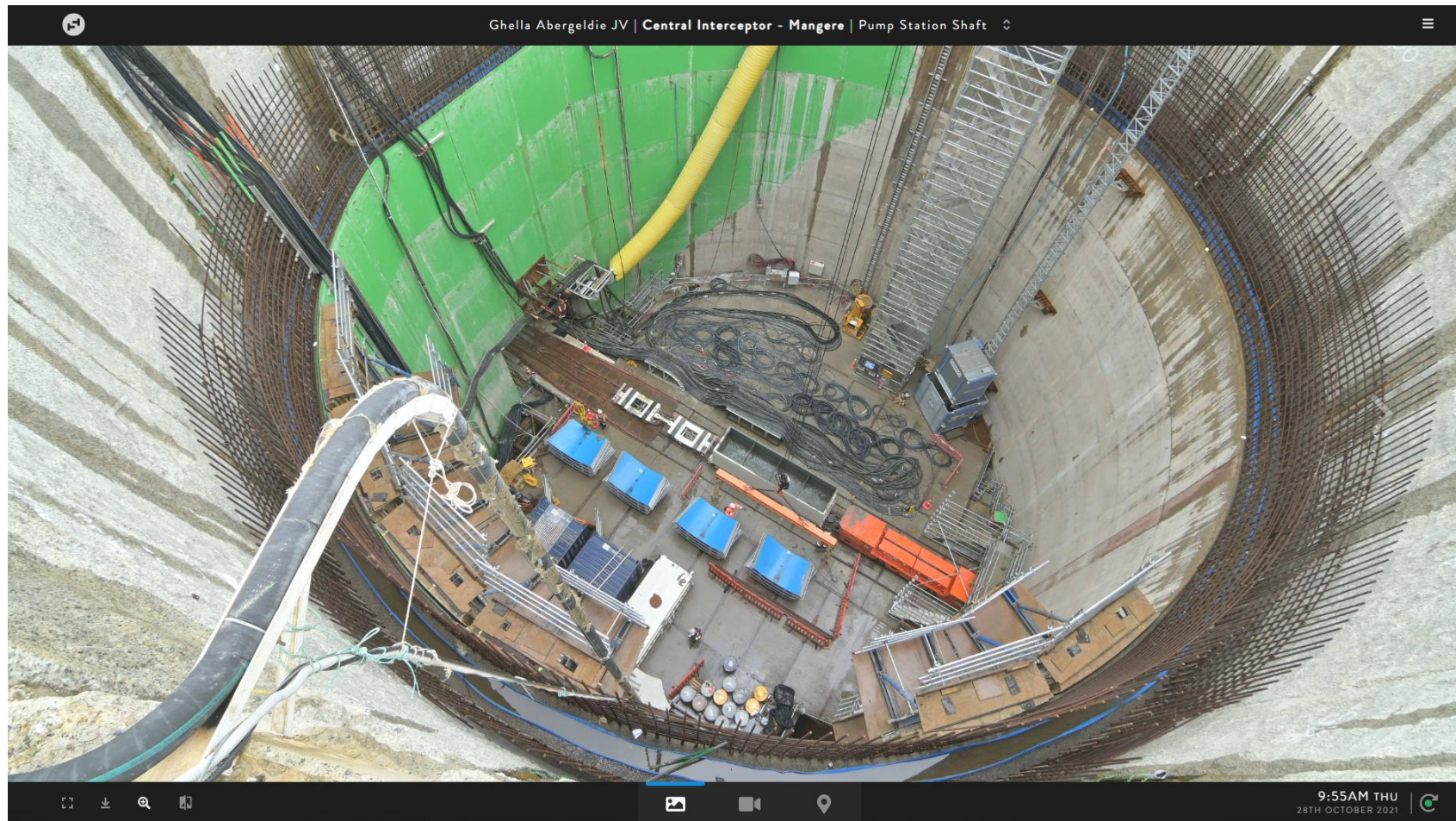
	<b>8.4 Disclosure of Directors' and Executives' interests</b> <i>The Board <b>noted</b> the report.</i>
9.	<b>General business</b> <p>There was no general business.</p> <p>Paula thanked the Board for allowing her to attend the meeting. She also provided insight from the perspective of operational staff, including:</p> <ul style="list-style-type: none"> <li>• That staff appreciate and value Board site visits.</li> <li>• Staff value and enjoy Jon's weekly addresses as they feel they are getting to know him.</li> <li>• The need for staff to take leave, which she herself has recently done.</li> <li>• The consultation session on Watercare's Covid-19 vaccination policy has enabled staff to have conversations within their own teams. As a result, the issue has become less adversarial.</li> <li>• The wellbeing sessions have also been valuable, and staff have been taking part in those.</li> </ul> <p>The Board thanked Paula for being a fantastic host when members visited Waikato 50 recently.</p> <p>The meeting closed at 10.45am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

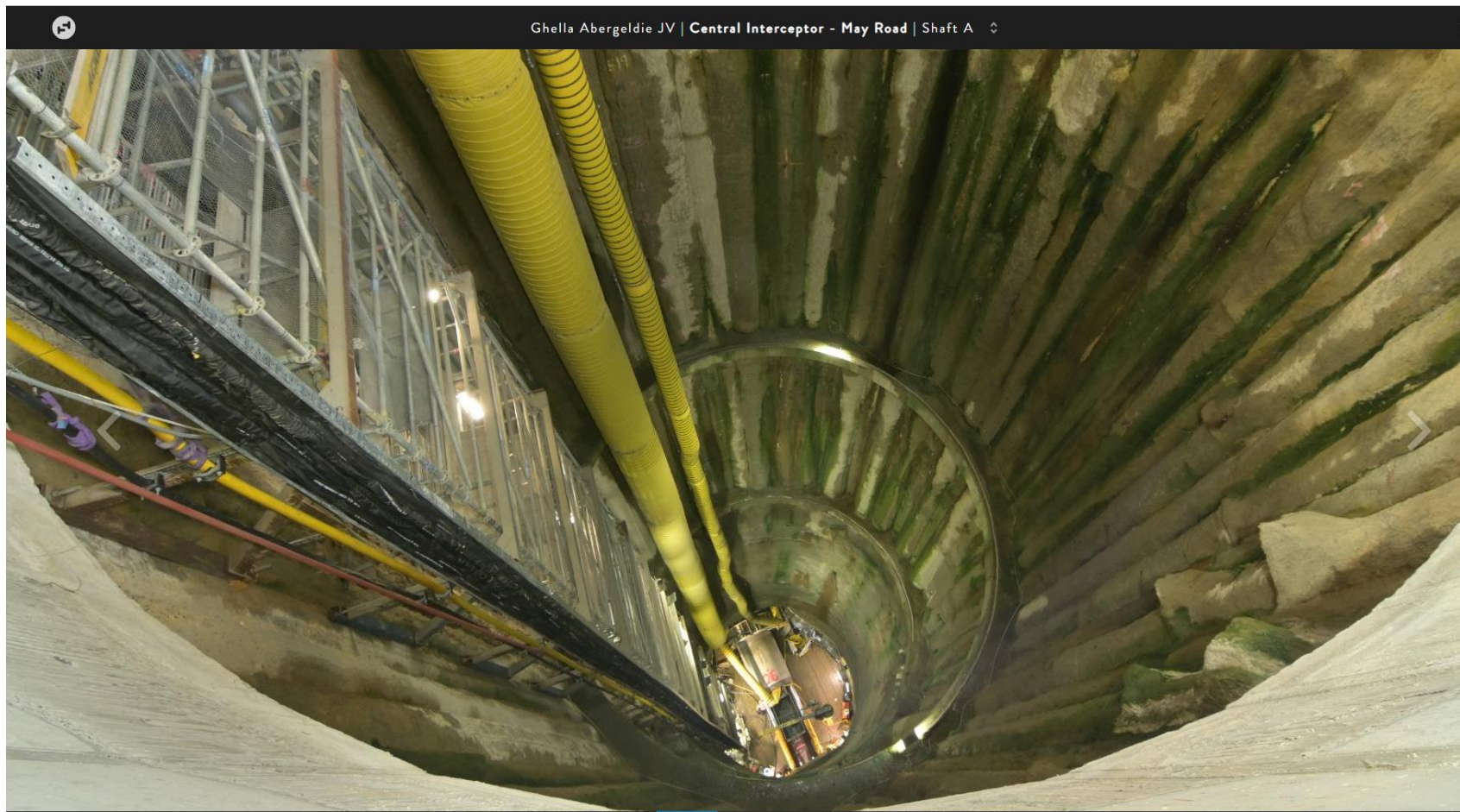
.....  
 Margaret Devlin, Chair

Attachment 1

3.1















# Chief Executive's report – November 2021

*Presented by: Jon Lamonte*



5



## 1. Ngā take matua o te wā/ Current significant issues

The removal of water restrictions by the Council Governing Body at its extraordinary meeting on 21 October recognised the efforts of Aucklanders to reduce demand, the achievements of Watercare in delivering projects to diversify the portfolio of sources, and the work done on reducing leakage in the network. Although this was discussed at the last Board meeting, this is included here for completeness in reporting.

Covid-19 continued to dominate October, with an increasing number of cases amongst contractors and, as at 23 November, one case in Watercare. The effects of continued lockdown added pressure on teams and especially managers. Gradual relaxations in restrictions have certainly helped, and with the possibility of further removal of restrictions around the end of November, there is light at the end of the tunnel. The consultation on mandatory vaccination ended on 1 November and I announced the implementation of the policy on 8 November. Changes from the consulted policy were the extension of dates for first vaccination to 1 December; and second vaccination to 14 January; with confirmation of special leave arrangements for getting the vaccination, any side effects, or subsequently contracting Covid-19. This is in line with the Council's approach. Consultation by Council started on 1 November.

The continued lockdown, and reactions to the mandatory vaccination policy, almost certainly contributed to the eNPS score for this quarter which dropped from +36 last time to +11 this time. Whilst disappointing, it was an inevitable reaction, reflecting the sort of mood seen outside the company as well. That said, giving gift vouchers to those who have provided outstanding support in a range of ways, from food parcels to the operational sites, to handling the vaccination plan, to supporting the Board of Inquiry (BOI) process, provoked some very touching responses from recipients. In planning how we deal with the remuneration review currently ongoing, and the issue of gift vouchers at Christmas, it will be important to emphasise the many benefits we do have working for Watercare.

The BOI commenced its work on Monday 11 October and heard evidence from Watercare, Hamilton City Council, and Waikato Regional Council. Two irrigators gave evidence supportive of the Watercare application. The BOI then adjourned to hopefully give iwi a chance to present in person, with the balance of the hearing to be conducted on 16 to 19 November by virtual means if necessary, which was the case. Although the Board has until 7 January 2022 to submit its report, there is still an expectation that this might be achieved before the Christmas break.

Senior level engagement was conducted in October with the parent company executives of the Central Interceptor JV partners. We discussed people issues, shipping issues and raw materials pricing. A further meeting is planned for early December.

## 2. He kōrero hou mō te whakatinanatanga o te māhere rautaki/ Update on strategic plan implementation

The Board and the Executive had a successful strategy half-day session on 9 November. Management is currently progressing the actions that came out of this session, including updating the summary and detailed slides for each of the strategic pillars. The Board will wish to review its forward work programme to see how best to keep an eye on progress on each area.

## 3. He kōrero hou mō te kokenga whakamua o nga taunakitanga/ Update on progress on recommendations

The table set out at Attachment 1 provides an update on Watercare's progress against the recommendations it has received from various reviews, including the Aurecon review. A full report updating progress on the CCO Review recommendation will be given at item 7.3 on the public agenda for today's meeting.

## 4. Te tangata/ People

Current staff numbers are 1,181 full time equivalents (excludes contractors filling full time positions).<sup>1</sup> Sick leave for the month of October was 3.5%, which is up slightly from September. The rolling 12-month turnover as at October was 9.3%, a marginal drop from last month. Our average leave liability reduced 12% to 183.79 hours which reflects the concerted efforts to reduce leave liability made during October. We will continue our efforts in this area as we move into the Christmas period.

As the lockdown in Auckland has continued, we have observed that the impact of lockdown has affected employees differently depending on their circumstances. Our People team are working closely with people leaders to provide welfare support and respond to individual and collective needs. Early on in lockdown, a group of employees from across the business moved quickly to organise a logistics team to deliver food supplies to workers at our operational sites due to closure of food venues and supply difficulties in supermarkets. The team also delivered office equipment to home workers across Auckland to ensure they could work from home comfortably and onboard new starters throughout lockdown.

We have run several virtual wellbeing events throughout lockdown both internally and in partnership with external specialist agencies such as Umbrella. These have included Mental Health awareness week, webinars covering resilience, 5 Ways to Wellbeing, mindfulness and breathing techniques.

Despite high levels of support, many of our employees have indicated weariness at the extent of lockdown. In addition to lockdown many areas of Watercare are continuing to deliver essential pieces of work despite restrictions. As we move into the Christmas break, we are ensuring all non-critical workers will take leave during the shutdown period. People leaders will ensure operational teams have leave planned whilst maintaining essential services.

<sup>1</sup> Please note, this number is *full time equivalents* and differs from the *number of employees* in the HSW Report. The HSW Report uses the number of persons, whether part-time, full-time, directly employed or contracted.

## 5. Nga Tohu Matua Takinga Mahi/ Major Key Performance Indicators (KPIs)

Watercare has a number of performance indicators set out in our Statement of Intent. Attachment 2 sets out Watercare's performance against the current Statement of Intent measures for October 2021. A report and presentation will be provided in today's public session detailing our performance under the SOI for the financial year 2020–2021 (item 7.4).

Our trust score reached an all-time high of 62% in October, with the strongest improvement in our ability to safeguard Auckland's water future for future generations. This has increased the 12-month rolling average to 55% in line with our target for FY22. The negative impacts from the drought as a theme is reducing. Maintaining this trajectory will hinge on our ability to manage leaks promptly over summer as this is a strong driver of Aucklanders' perception of us. A summer leak management plan is in place to mitigate the impact.

From customer feedback on touch-point surveys, our ability to resolve issues promptly, our friendly staff and the ease of dealing with us have the strongest influence on our NPS score, now tracking at a 12-month rolling average of 51. The agent satisfaction score is well ahead of target at 81.

The wet weather during October did result in several sewer overflows. Managing customer expectations and communication on these more complex jobs can still be improved.

Front-line staff, especially those on the phones, are bearing the brunt of emotionally strained customers during the on-going lockdown. We are providing specialist training to support our staff with those challenging conversations.

## 6. He kōrero hou mō ngā raru tūpono me te āheitanga/ Risk and compliance update

### 6.1 Update on risk and compliance management

Our updated Risk Management and Incident Management Policies will be presented to the Board for approval in the confidential session of this meeting. Additionally, simplified enterprise risk reporting will be shared in early 2022 (calendar year).

A refreshed Watercare organisational plan is being developed in conjunction with Watercare's Risk Appetite statement to ensure alignment. A finalised Risk Appetite statement will be presented to the Board for approval in early 2022 (calendar year).

### 6.2 Risk and compliance incidents

#### Health, safety and wellbeing

Health, safety and wellbeing incidents are reported separately.

**Non-compliance with resource consents**

There were 17 resource consents with non-compliances in October, down from 26 in September. Attachment 3 sets out Watercare's consent compliance. Covid-19 restrictions continue to affect resource consent compliance, but these issues are technical.

Auckland Council has issued an Abatement Notice for the Helensville Wastewater Treatment Plant. To remove the notice, Watercare must present a detailed methodology outlining solutions by 6 December and revise the treatment plant's management plan by 7 February.

As of December, Watercare will start using Lutra's Infrastructure Data (ID) platform for resource consent compliance management. Consents that Operations manage will go live first, with Central Interceptor and Infrastructure moving to the system at the start of 2022. The change will make for better integrated and more efficient compliance monitoring and reporting.

**Water quality**

Attachment 4 sets out the Water Quality Report for October 2021.

All water quality parameters have been met for the month.

Taumata Arowai (TA) commenced its role as the Water Services Regulator on 15 November. TA released Draft Drinking Water Standards, Drinking Water Quality Assurance Rules and Aesthetic Values (the Drafts) on 26 October 2021. The likely date for these to come into effect is 1 July 2022. TA recommended that competent water suppliers should demonstrate compliance with the Drafts at least three months in advance of the implementation to ensure they can be achieved.

A review of the Drafts is currently being undertaken to determine the changes between current drinking water standards and water safety plans and the Drafts. Any impact and associated risks of these changes will be reported next month.

**LGOIMA requests**

In October, we received three requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Two of these requests were forwarded to us by Auckland Council. Watercare responded to all three requests within 20 working days (in accordance with the Act). The transfer of one of the requests reported in the previous month was withdrawn by Auckland Council.



**Legal action**

- RMA related:  
Huia Water Treatment Plant: The Environment Court this month directed that all parties enter into mediation via zoom calls. However, the immediate neighbours who have appealed the decision have requested that the mediation be undertaken in a face-to-face situation. Watercare has advised the Court that we are neutral on the matter. It is anticipated that any face-to-face mediation would be held in February.
- Non-RMA related:  
There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain.

**Whistleblowing**

There have been no disclosures made through the PwC whistle-blower service since the last Board meeting. All disclosures are reported to the Audit and Risk Committee on a quarterly basis.

**7. He kōrero hou mō nga wāhanga pakihi/ Update on business areas****Customer experience**

To build trust with customers, our approach is to work collaboratively with all customer segments to secure Auckland's water future, while delivering more personalised day-to-day experiences. To this end, we have developed a segment-specific servicing model for commercial customers, with an initial focus on our top 100 customers, Auckland Council, Kāinga Ora and schools. The roll-out of smart meters is key to the achievement of this objective. To date around 1,600 smart meters have been installed for commercial customers and nearly 400 schools now have the benefit of insights from smart meter data. The Commercial Customer team is now also equipped to offer water efficiency audits to help key customers identify further opportunities for water savings.

Our focus for residential customers continues to be effortless engagement through digital transformation and improved, more proactive outbound communication. We have recently added multi-lingual functionality through our increasingly popular chat channel. In terms of water efficiency, our residential segment focus is on dwellings with large gardens and property managers who can directly influence the consumption behaviours in tenanted properties.

Our continued focus on establishing a culture of extreme ownership is resulting in much improved metrics across the board.



**Stakeholder engagement**

Our stakeholder management plan seeks to align key stakeholder conversations with our strategic intent. Our relationship with Local Boards, iwi and the communities in which we operate are more structured and deliberate. We now also measure how effective they are. Our aim is to have our engagements much earlier in the planning process for projects and investment decisions. Current examples include a workshop with the Waitakere Ranges Local Board in December to talk about the start of the process to consider replacing the raw water network pipes in the Waitākere Ranges and a to-be-decided bespoke engagement approach for the upcoming Network Discharge Consent Strategy.

Our engagement with a cross section of Aucklanders on the challenge of alternative water sources beyond 2040 is well on track and delivering great insights even at this very early stage. The plan is to facilitate a citizens' jury with broad-based participation towards the middle of next year.

**8. Ngā take me whakaaro/ Matters for noting****Hūnua 4 grout removal**

Removal of the grout was completed in mid-November and the cause of the spill has been ascertained. Repairs will begin in November and the pipe is forecast to be in service in May 2022. The in-service date is inclusive of Alert level 4 and Alert Level 3 extensions of time.

**Significant meetings**

CEO Fulton Hogan, CCO Oversight Committee, Mayor, Auckland Council CEO, Vector CEO, Hugo Group/Adrian Orr, DPIE NSW, GAIJ CEOs, Bush Tramways, WICS, Ngāti Te Ata, Ngāti Tamaoho, Ngāti Maru and Te Akitai Waiohū (SWWWTP consent), Ngāti Whātua Ōrākei (water efficiency partnership), Mana Whenua Kaitiaki Forum (Three Waters, vaccination policy), Mana Whenua and Northern District Council (Three Waters).

On 10 November, the Chair and I attended a workshop with the Governing Body to discuss the upcoming Letter of Expectation. Ahead of the meeting the Chair sent the attached letter (Attachment 5) to the Mayor and Deputy Mayor of Auckland Council.

## 9. Te Mana kua Tuku ki te Tumu Whakarae/ Delegated authority to Chief Executive

The delegations of the Chief Executive that have been exercised this month are set out in Attachment 6.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line and a loop.

Jon Lamonte  
**Chief Executive**

## Attachment 1

## Update of progress against various recommendations – October 2021

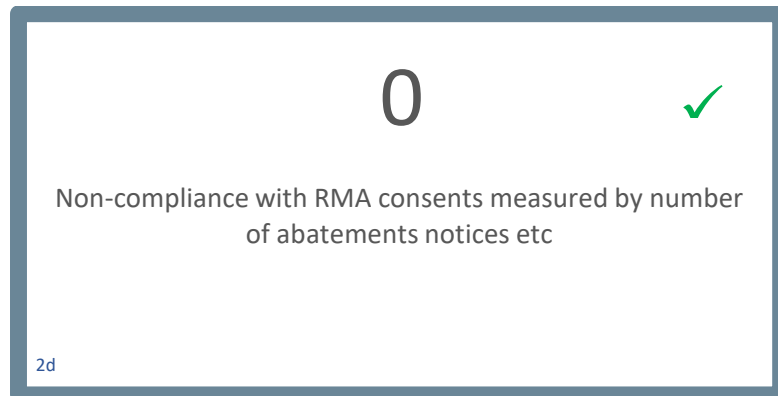
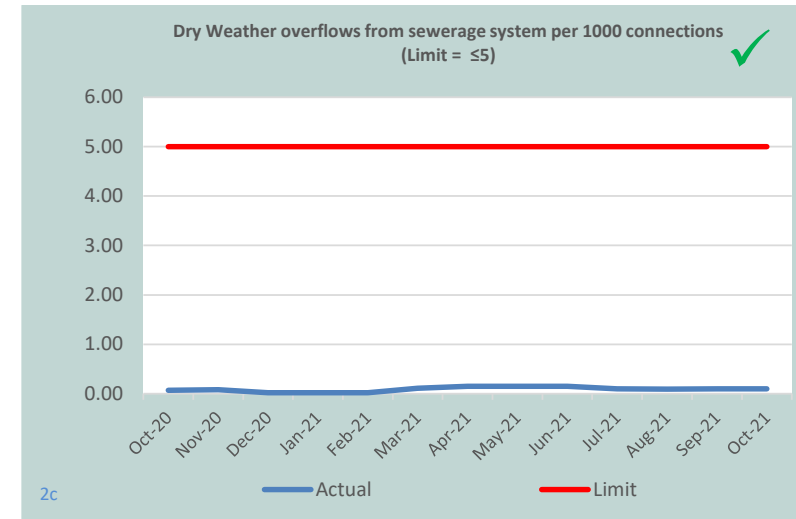
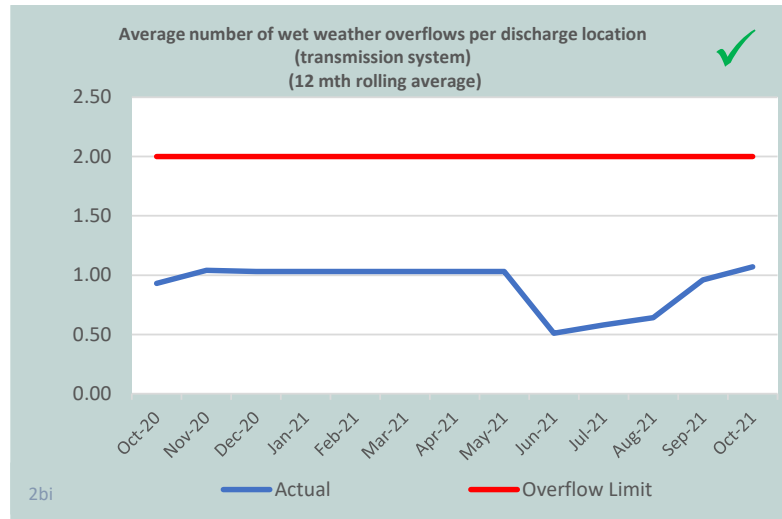
Recommendations		Status	Commentary
<b>AURECON</b>			
The Aurecon report set out a number of recommendations. As reported at the 28 October Board meeting, a number of the recommendations have been addressed and completed.		Ongoing.	Progress will be reported on a quarterly basis.
<b>PROPERO</b>			
<b>Recommendations – in progress for completion</b>			
Setting up the new CE for success	The Board is to provide a key support role – providing clarity of expectations around strategy and management interaction and setting a framework for this engagement	In progress.	Regular conversations are being held between the Chair and the CE. The organisational plan was agreed at the 9 November Board planning meeting. The final organisational plan will be circulated for sign-off in late 2021, with a view to launch the final organisational plan in early 2022.
Focus on core performance	Ensure clarity on the 'golden metrics' – the most critical performance objectives	In progress.	The organisational plan was agreed at the 9 November Board planning meeting. The final organisational plan will be circulated for sign-off in late 2021, with a view to launch the final organisational plan in early 2022.
Shift to a thought partnership update	Clarify key goals and align on the company's core focus	In progress.	The organisational plan was agreed at the 9 November Board planning meeting. The final organisational plan will be circulated for sign-off in late 2021, with a view to launch the final organisational plan in early 2022.
	Set clear, aspirational, and realistic goals	In progress.	The organisational plan was agreed at the 9 November Board planning meeting. The final organisational plan will be circulated for sign-off in late 2021, with a view to launch the final organisational plan in early 2022.
<b>Recommendations – ongoing and completed</b>			
Setting up the new CE for success	Ensure the CE has clarity on the Board's view of critical / priority areas of focus	Completed.	Conversations have been held between the CE and Chair as well as with Board members.
	Keep providing feedback to the CE on what is working well, areas of continuing concern, etc.	Noted and ongoing.	
	Reduce management presence (in some areas of Board meetings) to assist the lift in strategic focus and ability to hold candid conversations with the CE	Completed.	There was reduced management presence at the 5 July Board meeting, and this has continued since then.
	Work with management to build greater insight in customer reporting	Completed.	Customer monthly dashboard shared with Management.
	Jon is to immerse himself in the company and industry to quickly develop his operational knowledge and awareness of stakeholder and customer needs	Completed.	Key focus has been 'business as usual' with initial focus on customer facing roles and interactions, visiting main sites, customer groups, Auckland Council and the Local Boards.
	The Board is to provide a key support role – providing clarity of expectations around strategy and management interaction and setting a framework for this engagement	Completed.	Regular conversations are being held between the Chair and the CE. The organisational plan was agreed at the 9 November Board planning meeting. The final organisational plan will be circulated for sign-off in late 2021, with a view to launch the final organisational plan in early 2022.
	Regular feedback (and small 'course corrections' as needed) is required early in his tenure as his key strategic, personal, interpersonal, and operational capabilities develop	Noted and largely completed.	
Focus on core performance	Reset the CE performance evaluation, and clarify KPIs (especially early in his tenure)	Completed.	Conversations have been held between the Chair and CE.
	Continue streamlining reporting – address the concern of a bias towards 'good news', use an excellent CE report to frame meetings with a depth of strategic insight	Completed and ongoing.	Both the CE's Report and the standard Board report template have been reformatted to ensure completeness of reports and consistency.
	Increase visibility of risk and performance, especially around H&S	Completed and ongoing.	Since the 1 June Board meeting, Management have reported all the relevant information in one agenda item at the Board meeting. Watercare is focusing on lead indicator reporting. Each month since 1 June, Management have been receiving feedback from the Board on the updated HS&W report and have been updating it accordingly.
	Build future meeting agendas around the "big rock" areas of strategic focus to carve out high-quality focus / dialogue on these key topics. Seek to streamline public meeting time to support this rebalancing of time	Completed and ongoing.	This is partially complete, for example, Fulton Hogan and Fletcher Building have presented to the Board regarding the Enterprise Model, and Ghella JV on the Central Interceptor project. The areas of strategic focus were agreed at the 9 November strategy meeting. Future meeting agendas will include deep dives on the strategic pillars every quarter.

## Board - Public Session - Chief Executive's report

Continue the rebuild of relationships and perceptions of Watercare	Develop a stakeholder engagement plan to track relevant groups and clarify the Board and management's role in leveraging and strengthening these relationships	Completed and ongoing.	A board paper on 'Rebuilding Trust', which is largely about stakeholder relations, was in the 1 June Board pack. An iteration of this board paper is being worked on, and following the Board and Executive meeting, this was presented to the Board at the 9 November Board planning day. A draft forward engagement plan was presented at the 5 July Board meeting and has been progressed since then.
	Maintain communication with the Council through regulatory reforms for clarity on shareholder expectations, potential changes in strategic direction, and upcoming risks and opportunities	Ongoing.	Watercare is working with Auckland Council as required. Watercare continues to engage in fortnightly steering group meetings with Auckland Council.
	Engage with Council around future capability needs (led by the Chair)	Ongoing.	The Watercare Board and Management met with the CCO oversight committee for a tour of the Māngere wastewater treatment plant and Puketutu Island. The visit also provided a less formal opportunity for open discussion between the Councillors, Watercare Board, and staff.
Step out of 'activist mode' and shift to 'thought partnership mode'	With the CE, reset the Board-management relationship – clarify Board expectations and priorities, reduce management's defensiveness, and build greater collaboration and transparency	Completed and ongoing.	
	Management to ensure they are adopting an open stance and sharing a "warts and all" view with the Board	Completed and ongoing.	
	Board members to focus on constructive challenge / inquiry / debate and ensure they provide a safe environment for management to openly share their challenges	Completed and ongoing.	
	The Chair-CE relationship will be critical to frame the wider dynamic, and both report a commitment to 'setting a tone from the top'	Completed and ongoing.	
	Board to demonstrate confidence and provide clarity around expectations to the team	Noted and ongoing.	
	Board and management commit to providing clear feedback on what is / is not working, increasing transparency and open communication, and decreasing defensiveness	Completed and ongoing.	This is being done via: i) Board and CE only session at each Board meeting, and ii) CE and Chair meeting regularly.
Shift to a thought partnership update	Board and CE-only time	Completed.	This is being done via: i) Board and CE only session at each Board meeting, and ii) CE and Chair meeting regularly.
<b>CCO REVIEW</b>			
A number of recommendations as set out in the bi-monthly Board update		Ongoing.	Continue to work on the actions that come out of the number of recommendations from the CCO Review. CCO Review update reported to the Board bi-monthly by exception. A full report on all of the 64 recommendations will be given at item 7.3 on the public agenda for today's meeting.
<b>SENATE</b>			
Roadmap for implementation		Completed.	The roadmap was discussed at the 5 July Board meeting. The progress made was set out in the Board paper and will be reported on quarterly. The last update was in October 2021, and the next update will be at the February Board meeting.

## Attachment 2 – Performance against Statement of Intent measures

## SOI Measures — Natural Environment



## SOI Measures — Assets and Infrastructure



100%



Volume of water complaint with standards

1a

100%

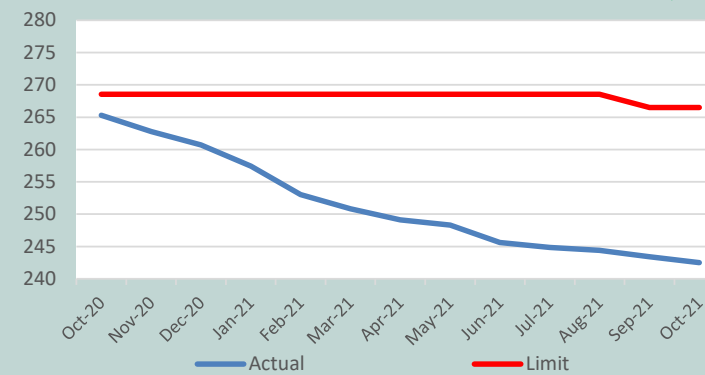
Compliance with Part 4 of the Drinking Water Standards  
(bacterial)

1a

100%

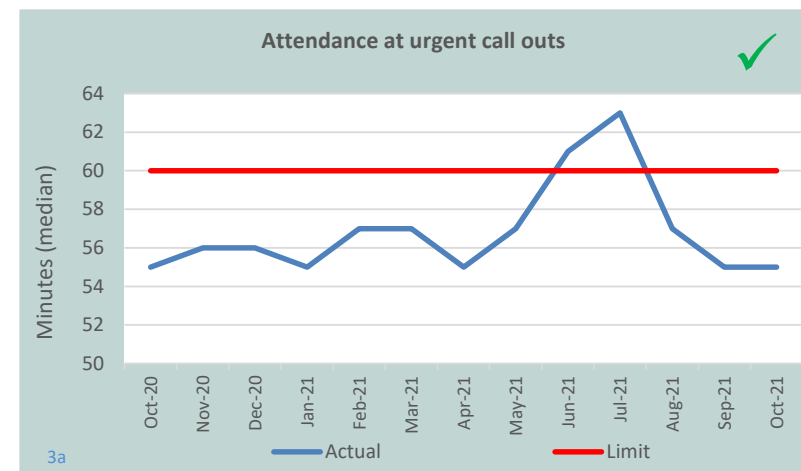
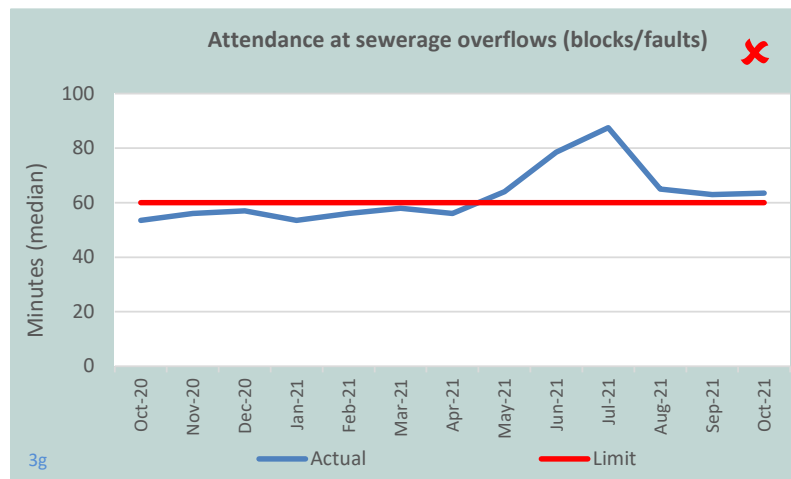
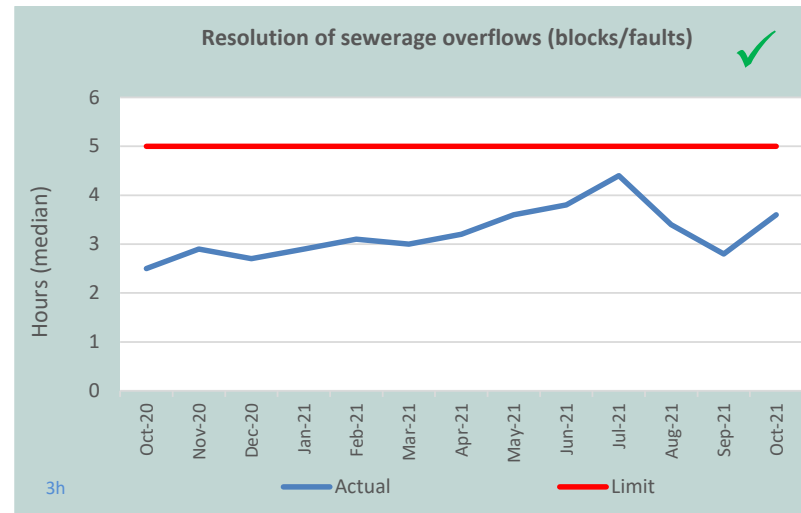
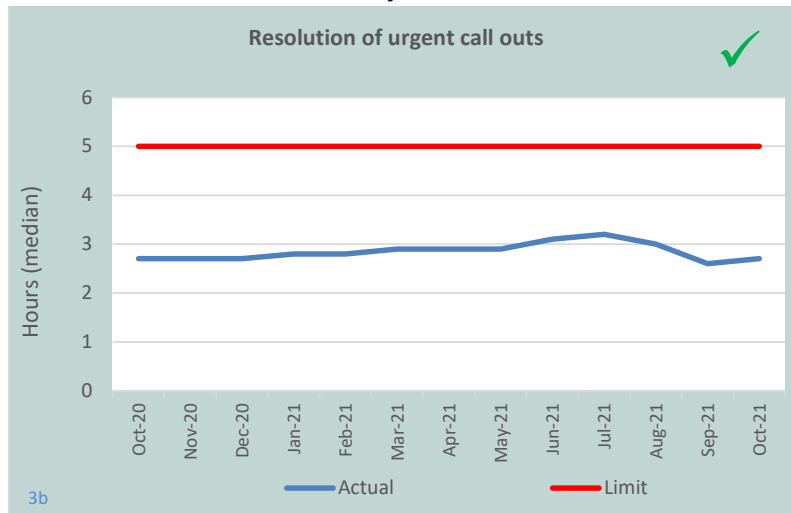
Compliance with Part 5 of the Drinking Water Standards  
(protozoal)

1b

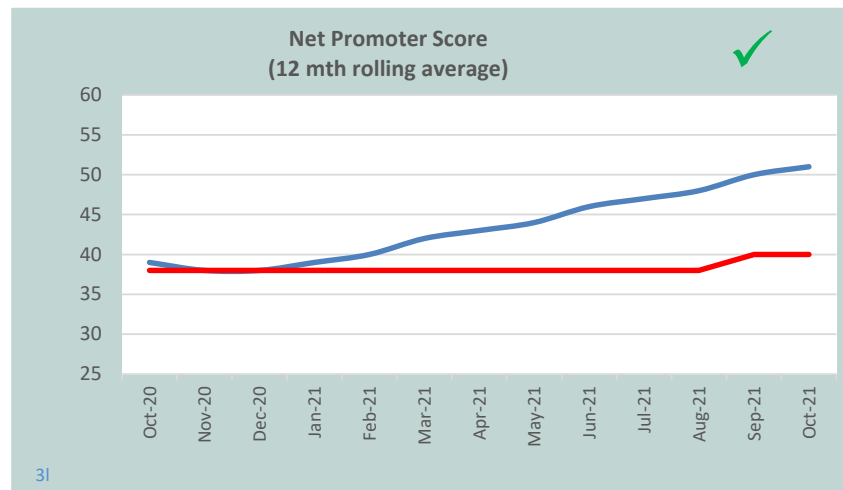
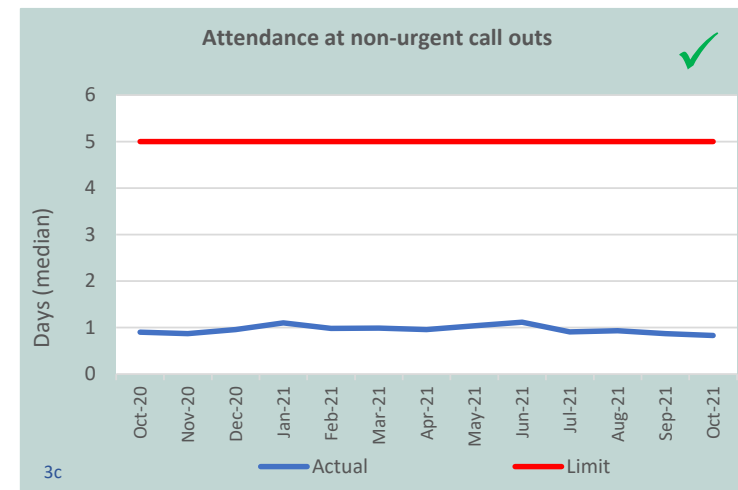
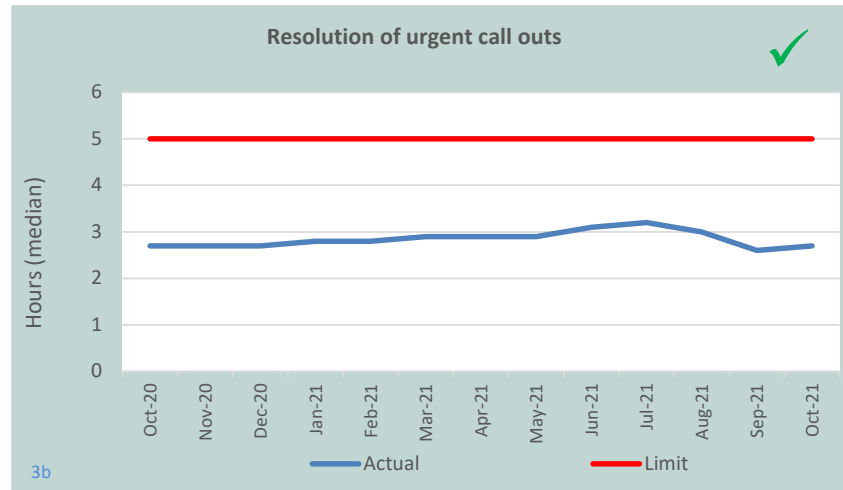
Average consumption of drinking water per day (gross)  
(12 mth rolling average)

6a

## SOI Measures — Community and Stakeholder Relationships

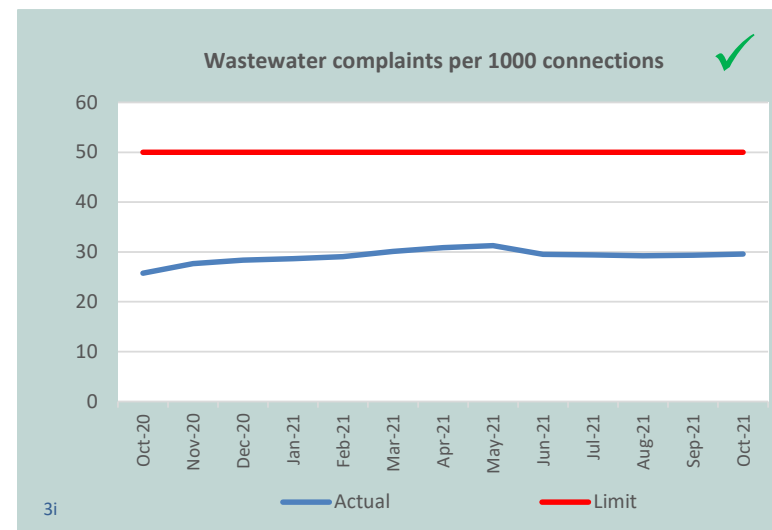
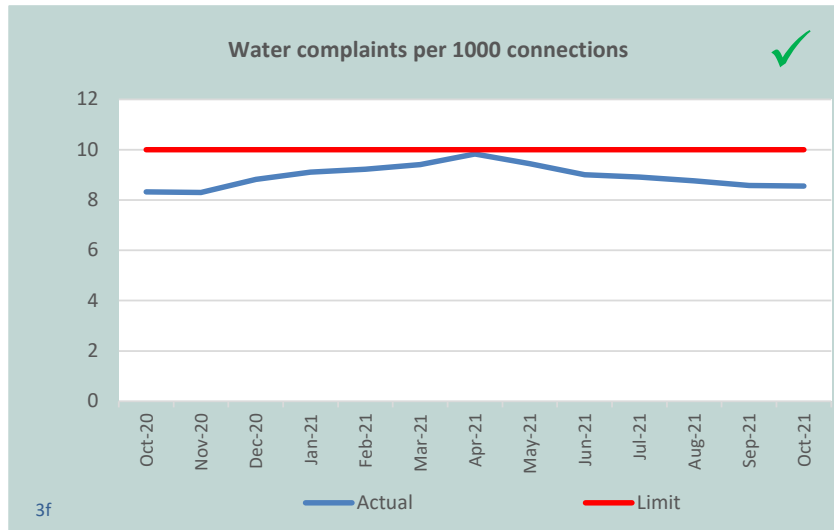


## SOI Measures — Community and Stakeholder Relationships





## SOI Measures — Community and Stakeholder Relationships



5.2

**Watercare performance measures (unaudited)**

No.	Measure	Target	Actual			Commentary
			October	September	August	
1.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	≤2 ≤2 ≤2 0	0 0 0 0	0 0 0 0	0 0 0 0	
2.	The average consumption of drinking water per day per resident (gross PCC) (12-month rolling average)	>260	242.50	243.42	244.40	
3.	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	
4.	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	
5.	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 60 mins	55	55	57	
6.	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 5 hours	2.7	2.6	3.20	
7.	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 5 days	0.83	0.87	0.91	

No.	Measure	Target	Actual			Commentary
			October	September	August	
8.	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 6 days	1.0	1.0	1.1	
9.	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average)	≤ 10	8.56	8.58	8.91	
10.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 60 mins	63.5	63	65	The figure has been decreasing from July onwards. Further decrease is likely to happen over the following months with further improvement in crew training, fleet vehicle management and increased manning and fleet.
11.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 5 hours	3.6	2.8	4.4	

No.	Measure	Target	Actual			Commentary
			October	September	August	
12.	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average)	≤ 50	29.6	29.34	29.41	
13.	The percentage of real water loss from the local authority's networked reticulation system (12-month rolling average)	≤13	-	-	-	Not measured for the period. Insufficient data: meters not read during lockdown restrictions. Non-revenue Water loss can be reported for September on the 4 December.
14.	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (12-month rolling average)	≤ 5	0.10	0.00	0.1	
15.	Average number of wet weather overflows per discharge location (transmission system) (12-month rolling average)	≤ 2 overflows per year	1.07	0.96	0.58	
16.	Employee net promoter score (eNPS)	≥20	35 (June figure)	35 (June figure)	35 (June figure)	No change as next survey due November.
17.	Gender workforce ratio	Improve on prior year	2% (June figure)	2% (June figure)	2% (June figure)	No change for October 2021 (36%) compared to the baseline from FY20/21 (34.0%). The average trend continues of around 2-3 males hired per female hire.
18.	Total recordable injury frequency rate per million hours worked (12-month rolling average)	<20	15.55	15.79	16.41	
19.	DUEs (domestic unit equivalent) measured through IGCs	TBD	1132	1225	2370	Baseline to be established.

No.	Measure	Target	Actual			Commentary
			October	September	August	
20.	Average asset age	Reduce on prior year	New measure	New measure	New measure	Not measured for the period. This is a long-term measure and will be reported every six months to give an indication of how this is tracking.
21.	Debt to revenue ratio	3.54	2.58	2.6	-	
22.	Percentage of household expenditure on water supply services relative to average household income	≤ 1.5%	0.79%	0.77%	0.86%	
23.	Formal engagement with mana whenua of Tāmaki Makaurau	100%	63%	53%	New measure	This measure will be reported on at year end. We are continuing to meet with the mana whenua of Tāmaki Makaurau. Year to date we have met with 12 of the 19 iwi this includes senior members from both sides formally meeting.
24.	Ratio of procurement sourced through Māori owned businesses	1%	0.57%	0.38%	0.5%	Up to October figures are direct spend only. We expect to be able to start adding indirect spend from EM, valued networks and CI suppliers starting November.
25.	Percentage of customer complaints resolved within ten days of notification	≥95%	98.3%	98.3%	98.4%	
26.	Net promoter score (NPS)	≥40%	51%	50%	48%	
27.	Community trust score	≥55%	55%	52%	52%	

## Attachment 3 - Resource consent compliance

## Resource consent compliance – Watercare (Auckland populace)

Arrows indicate changes from the previous month (- indicates no change)



**Non-compliances for October 2021**

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
<b>Auckland-wide Network Discharge Consents</b>	R/REG/2013/3743 R/REG/2013/3755	48	Not all inflow and infiltration remedial works completed within two years from being identified.	Ongoing issue. The I&I programme is continuous, and Watercare must prioritise work to meet budgeting and resourcing constraints.	<b>Moderate:</b> Increasing number of community groups monitoring and critiquing Watercare's performance against this consent.
		50	Not all pump station engineered overflow points (EOPs) that could potentially scour during discharges have documented erosion control.	Ongoing issue. Submission is being made to include scour requirement in new pump station design standards. Extent of problem requires a review of as-builts and completion of annual inspections (refer Condition 51)	<b>Minor:</b> Assuming EOPs are not scouring, this is a technical matter.
		51	Not all pump station engineered overflow points (EOPs) have had scheduled routine inspections	Historical data capture problems and more recently Covid-19 restrictions mean some EOPs are overdue for inspection. Inspections to resume from December 2021.	<b>Minor:</b> Covid-19 restrictions outside of Watercare's control.

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Helensville WWTP	22225	17	Ongoing issue. High ammoniacal nitrogen in the discharge (above consented limit). Historical high <i>e. coli</i> .	Business case for additional ultrafiltration train and front-end treatment (MABR) in preparation for approval by early December.	<b>Realised:</b> Council issued abatement notice on 8 November 2021.
Kingseat WWTP	24255	21	Historical results for ammonia were high which means exceedance of rolling 12-month consent limits.	The ultimate solution is Southwest WWTP. However, WWTP will need a new consent in 2022. Routine annual problem – WWTP performance compromised in wetter, colder conditions.	<b>Moderate:</b> Repeat annual non-compliance. The ultimate solution (Southwest) is four to five years away.
Māngere WWTP	30962 (groundwater)	11	Flowmeter for a groundwater take requires replacement.	Action underway. Due to be installed in November, Covid-19 restrictions permitting,	<b>Minor:</b> Procedural issue
		14	Samples were not collected because of Covid-19 restrictions on laboratory resources.	None. Covid-19 related	<b>Minor:</b> Council aware of Covid-19 related limitations
	33167 (closed landfill)	25, 29, 31	Samples were not collected because of Covid-19 restrictions on laboratory resources.	None. Covid-19 related	<b>Minor:</b> Council aware of Covid-19 related limitations



Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
		37,39,40	Results for monitoring of the former Pond 2 landfill monitoring have not been reported since 2017.	Action paused at Covid-19 Level 3 Reports will be submitted to Council in December 2021	<b>Moderate:</b> Potentially had non-compliances not sent to Council.
	41392	36	Biofilter media sampling not possible due to CO-ovid-19 restrictions on laboratory resources.	None. Covid-19 related	<b>Minor:</b> Caused by Covid-19 restrictions.
Omaha WWTP	DIS60050490 DIS60050606	24	Applied UV dose rate not approved. A minimum treatment dose requires approval by an independent expert.	Action underway. External review by independent microbiologist has commenced with expected delivery to Council in December.	<b>Minor:</b> Procedural issue
Orakei wastewater pumping station No. 64	29011	18 20	No odour walkovers or visual inspections were possible due to Covid-19 restrictions on laboratory resources	None. Covid-19 related	<b>Minor:</b> Caused by Covid-19 restrictions.
Rosedale	30249	45	No odour walkovers were possible due to Covid-19 restrictions on laboratory resources	None. Covid-19 related	<b>Minor:</b> Caused by Covid-19 restrictions.
Waikato WTP	AUTH141825.01.01	11,12,15	Raw and discharge flows calculated not directly	Action underway. Alternative reporting mechanism agreed with WRC. Meters likely	<b>Minor:</b> Manual workarounds in place.

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
	AUTH142090.01.01	14,18	measured, so they cannot be telemetered.	to be installed in 2022 contingent on timing of ongoing capital works.	
<b>Waiuku WWTP</b>	DIS60334129	14	High inorganic nitrogen concentration in discharge in October.	Repeat non-compliance affects the rolling consent limit. Winter/spring issue – a lack of light and low temperatures limit treatment efficacy. A known problem of aging treatment technology. The ultimate solution (Southwest) is four-five years away.	<b>Moderate:</b> Repeat annual non-compliance.
<b>Warkworth WWTP</b>	REG-67905	10	Rolling median total suspended solids limit exceeded	Actions underway to improve WWTP performance.	<b>Minor:</b> Very low risk of adverse environmental effects.
<b>Wellsford WTP</b>	36244	A	Maximum discharge limits exceeded	Consent renewal process underway, includes proposal to increase the discharge limit.	<b>Minor:</b> Very low risk of adverse environmental effects.

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions	Potential consequence
Wellsford WWTP	DIS60068492	24	Historical high faecal coliforms in discharge during winter because of bottle neck at ultrafiltration step forces bypass to wetlands. WWTP compliant for October.	Planning assessment underway. WWTP upgrades deferred, but a replacement ultra-filtration train may need to be fast-tracked.	<b>Moderate:</b> Current WWTP at capacity.

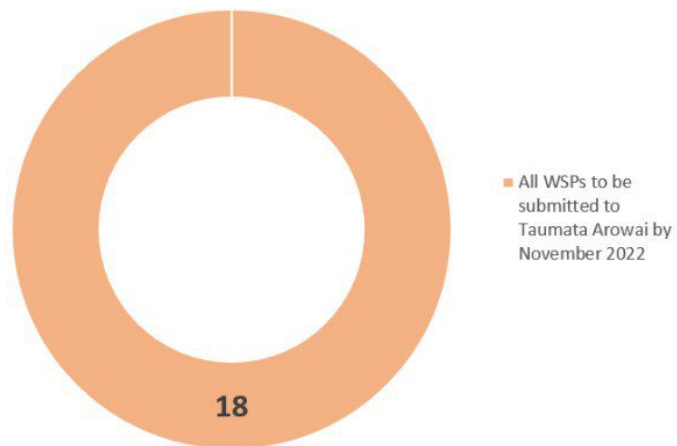
## Attachment 4 – Water quality report October 2021

# Water Quality Report – October 2021

## Scorecard

5.4

### Status of Water Safety Plans



### Compliance Summary

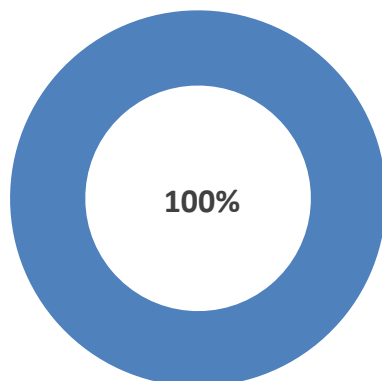
#### WTPs (17 total)

Microbiological	100%
Protozoal	100%
Chemical	100%
Cyanobacterial	100%
Radiological	100%

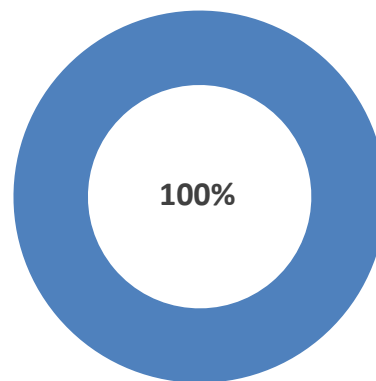
#### Distribution Zones (40 total)

Microbiological	100%
Chemical	100%

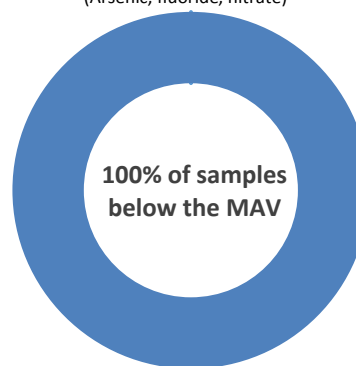
#### WTPs: *E.coli*\* Compliance

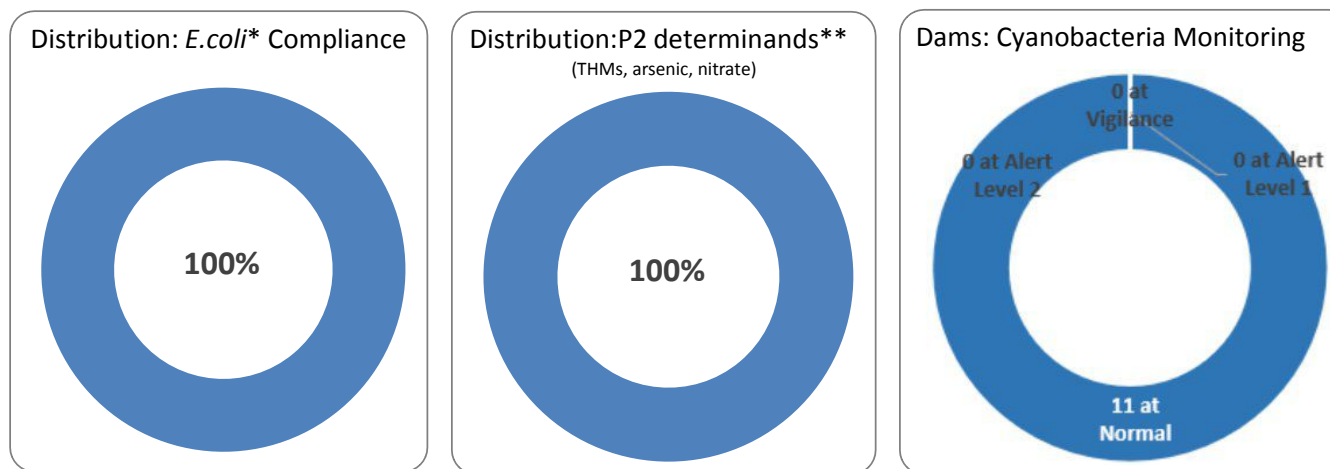


#### WTPs: Protozoal Compliance



#### WTPs: P2 determinands\*\* (Arsenic, fluoride, nitrate)





\**E.coli* – an indicator organism to demonstrate bacterial compliance. *E.coli* is monitored to indicate the probable presence of bacterial contamination of water supply.

\*\* P2 determinands - one of three classes of determinands defined in the DWSNZ. Priority classes are ranked according to the potential impact on public health if present in excess of its Maximum Acceptable Value (MAV) in drinking-water. Priority 2 (P2) are chemical determinands.

### Spotlight On: Legislation and Compliance

Taumata Arowai commenced its role as the Water Services Regulator on 15 November. Draft Drinking Water Standards, Drinking Water Quality Assurance Rules, and Aesthetic Values have been released. The intended date for them to come into effect is 1 July 2022 but with the strong expectation that all responsible water service providers are embracing the rules and preparing for their implementation immediately. The anticipated reporting frequency for them will be monthly. As the new reporting content and frequency is different to current practices the Water Quality Science team will review and recommend any planning and resourcing.

### Spotlight On: Water Safety Plan (WSPs)

Taumata Arowai is now an established body and has expressed its expectation that Watercare will continue to implement and update its water safety plans so that they remain operative, managing all identified risks accordingly, until the requirements of the Water Services Act prevail. The submission of plans, commensurate with the Water Services Act is by mid-November 2022.

### Spotlight On: Internal Audit Report to the Audit and Risk Committee

Watercare's Internal Audit Manager will now address the internally audited non-conformances that remain outstanding working with the Integrated Quality Systems Manager. Liaison with the Executive Team and the Audit and Risk Committee will now be via the Internal Audit Manager and the Chief Operations Officer.

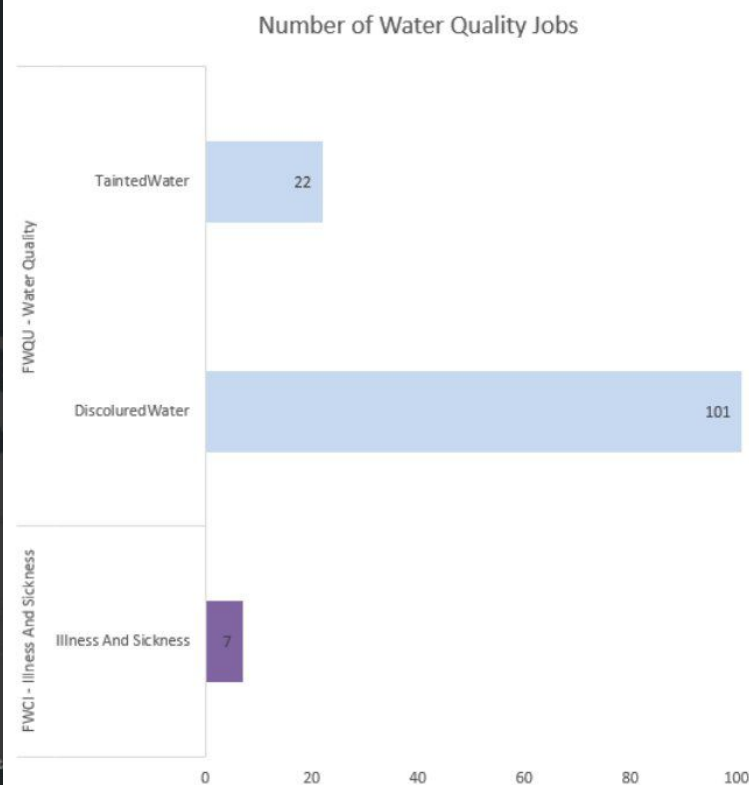
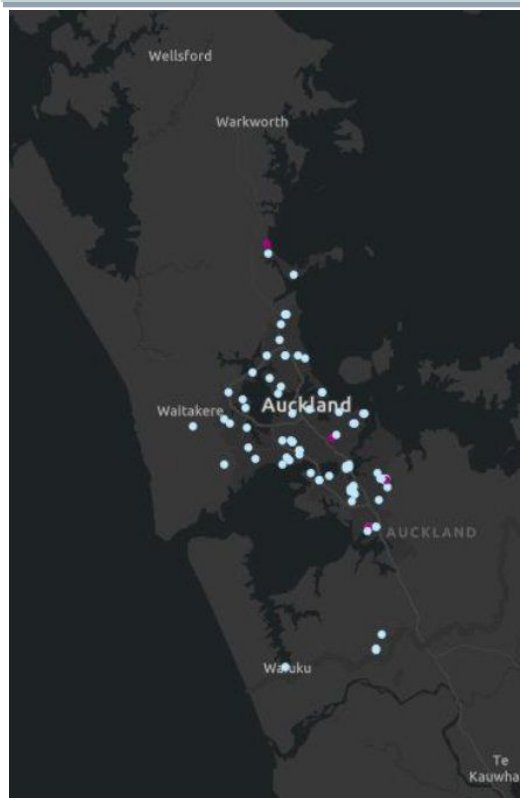
## Spotlight On: Water Quality

**Total Coliforms Investigation** – Good trending continues for reduced total coliforms across Watercare's water supply operations following the delivery of several improvements at the laboratory and across the wider water supply system. The target of <2 % in the network is being achieved, with October at 0.54%. These will continue to be monitored with the upcoming warmer months a greater risk for total coliforms growth.

**Disinfection By-products (Trihalomethanes (THMs)) Investigation** – The region wide monitoring programme is highlighting several results over 50% of the MAV during winter and spring and it anticipated there will be elevated results over summer. Taumata Arowai's Draft Drinking Water Quality Assurance Rules, which are expected to be operative July 2022, require initial monitoring to be undertaken followed by implementation of an ongoing monitoring programme, shaped by the initial monitoring. A working group will be formed to assess our response to any increased THMs over 50% of the MAV.

**Investigations into Emerging Contaminants** – Microplastics, PFAS, nematodes, nitrates, viruses including Covid-19 – new research highlights new areas for investigation will be required. The Water Quality Science team looking into global trends and learnings that Watercare should be aware of.

## Customer Complaints



### Actions Taken

**Illness Complaints\*:** Network flush and sampling  
Main cause: private plumbing issue / lack of customer education.

**Tainted Water:** Network Flush  
Main cause: chlorine complaint.

**Discoloured Water:** Network flush  
Main cause: mineral build up.

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

## Attachment 5

**Watercare Services Limited**73 Remuera Road, Remuera,  
Auckland 1050, New ZealandPrivate Bag 92521, Victoria Street West,  
Auckland 1142, New Zealand

Telephone +64 9 442 2222

[www.watercare.co.nz](http://www.watercare.co.nz)

27 October 2021

Mayor Phil Goff and Cr Bill Cashmore  
 Mayor of Auckland and Chair of the CCO Oversight Committee  
 Private Bag 92300  
 Victoria Street West  
**Auckland 1142**

**5.5****BY EMAIL**

Tena koe Mayor Goff and Cr Cashmore

### **Watercare's input regarding the 2022-2025 Letter of Expectation and associated workshop**

I refer to the upcoming workshop to discuss the Letter of Expectation on 10 November 2021, which will be attended by the Governing Body, as well as the Chairs and CEs of the CCOs.

On behalf of the Board of Watercare Services Limited (Watercare), I would like to thank you for the opportunity to provide you with our input on what we would expect to see in the next Letter of Expectation and our thoughts on how the workshop will run.

#### **Letter of Expectation - Generally for all CCOs**

We anticipate that the Letters of Expectation for all CCOs will include some or all of the following points:

- A continued commitment to support the principles of partnership, participation and protection under Te Tiriti o Waitangi
- A continued commitment to addressing climate change and reducing emissions
- CCO review - continued collaboration with the Council family to implement the recommendations of the Independent Panel
- A continued commitment to working together with the Council family to efficiently plan for the growth and intensification expectations for Auckland
- Water quality – working together to achieve good, quality environmental outcomes, and ensuring the benefits/realisation of the Water Quality Targeted Rates are defined for Aucklanders
- Working collaboratively with our communities in the decision-making processes, including keeping those lines of communication open through the investment and implementation phase of projects
- Keeping our people and communities safe in general, and in particular as the Covid-19 pandemic continues. Further, in light of the current lockdown, and the nationwide push for high vaccinations rates, a commitment to work with the Council family on operating in a Covid environment, including developing an agreed set of protocols for the Council family
- In light of continued effects of Covid-19 lockdowns (e.g. high inflation, a tight labour market, increased cost of supplies, construction delays etc), carefully managing costs, expenses and community expectations, whilst also supporting our Council family members and people, as well as the people of Tāmaki Makaurau
- A commitment to the health, safety and wellbeing of all staff and contractors
- A commitment to employing a diverse and inclusive workforce.

### Watercare specifically

- Continued implementation of the Watercare's Auckland Water Efficiency Plan (2021-2025) across the four pillars (focus on non-revenue water; pressure management; smart networks; educational awareness across customer segments)
- Continued work with Auckland Council on the development of the overarching long-term Auckland Waters Strategy; and following adoption in 2022, implementation of this Strategy, including driving efficiency, to meet the new agreed targets (e.g. new per capita consumption targets)
- Finalise the review and update of the Auckland Metropolitan Drought Management Plan
- Water Reform, including implementation of any decisions made by Central Government and Auckland Council, whilst at the same time:
  - continuing to achieve the new drinking water standards, as well as environmental and service level standards; and
  - working with Council to manage Council's debt constraints
- Delivery of the AMP – providing greater network reliability and resilience
- Continued implementation of Watercare's Māori Outcomes Plan and the investment in initiatives that support Māori economic and social wellbeing.

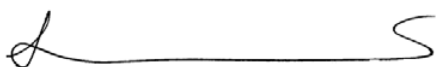
### Workshop recommendations

In relation to the workshop itself, I suggest that the process should be a two-way process, with the Governing Body encouraged to articulate their expectations of Watercare from a strategic perspective rather than at a detailed level. Examples for consideration could include:

- Clear demonstration of the delivery of section 57 obligations (i.e. manage operations efficiently with a view to keeping overall costs of water and wastewater services to its customers (collectively) at the minimum levels consistent with the effective conduct of its undertakings and the maintenance of the long-term integrity of its assets)
- Resource management – covering drought management and the management of supply and demand (which would also address climate change mitigation and adaptation)
- Stakeholder engagement
- Innovation – how is Watercare including innovation across all aspects of their operation
- Customer strategy – clearly demonstrate how Watercare will ensure that the customer voice is heard.

If you have any questions in respect of our response, please let me know.

Yours sincerely



Margaret Devlin  
**Chair**  
**Watercare Services Limited**

*Copy to: Cr Linda Cooper, Watercare's Liaison Councillor; Claire Gomas, CCO Governance and External Partnerships*



**Attachment 6 – Delegated authority to the CE**

For the month of October 2021, in accordance with the authority delegated to the Chief Executive by the Board:

- There were no documents required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- There was one capex approval signed below a threshold of \$50m.
- There were four capex and opex contracts over \$100,000 approved. They are as follows:

Contract description	Successful supplier
Horotiu Ports of Auckland (POAL) WWPS	Spartan Construction Limited
Contract Maintenance for Centrifuges at Mangere WWTP, Huia WTP and Ardmore WTP	GEA New Zealand Limited
Provision of software upgrade services for the ISMM tool (Packages 2 and 3)	Tonkin & Taylor Limited
SoW for Click to Salesforce Discovery and Design Sprints	IBM New Zealand Limited

Board meeting | 30 November 2021  
Public session

## Health, safety and wellbeing report for October 2021

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Bronwyn Struthers  
Head of Health Safety and Wellbeing

**Recommended by**

Rob Fisher  
Acting Chief Officer Support Services

**Submitted by**

Jon Lamonte  
Chief Executive Officer

6

### 1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

### 2. Take matua / Key points

The key points are:

- Mandated vaccine policy – risks and implementation
- Increased tension and aggression faced by Customer team.

### 3. Ngā tuhinga ō mua / Previous deliberations

Date	Report title	Key outcomes
28 October 2021	Health safety and wellbeing report for September	This report was discussed and noted.

### 4. Whāinga / Purpose and context

This report provides a comprehensive overview of health, safety and wellbeing at Watercare for October 2021.

## 5. Kōrero pitopito / The details

### 5.1 What we've seen this month

As Covid-19 cases have increased in the community, we have seen 13 cases in total within our business. All but one of the cases were in our contractor group and led to some disruption to work while workers were stood down, pending test results. The one Watercare employee was admitted to hospital and remains off work. Nine of the contractors have now recovered and have returned to work. Three contractors remain off work. All sites put planned protocols in place but of concern was the inconsistent advice received from Healthline. We are developing a guidance document for the business based on MoH and CHASNZ advice.

Pleasingly, none of the cases were contracted through contact at work and there was no spread into work groups from the identified cases.

The two cases at Central Interceptor were picked up in regular surveillance testing and other business groups are being encouraged to participate in this process.

There is an increasing level of tension and distress in our customers (as a result of Covid-19 and the associated restrictions) which is leading to our customer team being on the receiving end of heightened levels of aggression, abuse and anger.

There have been acts of physical aggression towards field teams who have effectively used their de-escalation training to stay safe.

The customer agents are managing high volumes of phone calls and e-mails that are angry and abusive e.g.:

Contact name: Far Too Patient for stupidity!

Contact number:

Contact email address: getsomeworkethic@selfrespect.com

Other details: You stupid XXXX need to sort your XXX XXX out! If it's not you dumb XXXX it's either power or the XXX council with pot holes the size of XXX craters on our roads. But.. alas you bottom dwelling XXXX still expect money from us for your XXXX service! Fix the XXXX issue! Stop hiring cheap foreigners!

Working from home appears to increase stress because agents feel more isolated, and the high volume of traffic can be overwhelming. Support and training is being provided to the team to build skills in managing emotional boundaries. Leaders are working closely with their teams and are also receiving specific training.

## 5.2 Current activities

Current work centres around the implementation of the mandatory vaccination policy. We are developing procedures to manage records and to monitor vaccination statuses of those on sites. A review of risks associated with the implementation of the policy has been developed and discussed with the executive and we are working closely with Stuart Bird to ensure supply chain can deliver to the new requirements.

**Central Interceptor** held a full project safety stand down following several incidents in the first half of the month. Trend analysis showed key areas of concern were:

- Working at Height
- Housekeeping
- Traffic Management
- Lifting and Rigging
- Permits and SWIMS

Activities were focussed around improving these areas. Material was presented in small groups by supervisors supported by the leadership team.

## 5.3 Looking ahead

Planning is underway to understand the application of the Covid-19 traffic light system to the business. We hope to be able to move away from A-B roster splits as this is causing fatigue and means some groups cannot take leave.

We have ordered a supply of Rapid Antigen Tests to add to our Covid-19 risk mitigation and have regular communication with Fulton Hogan about its trial.

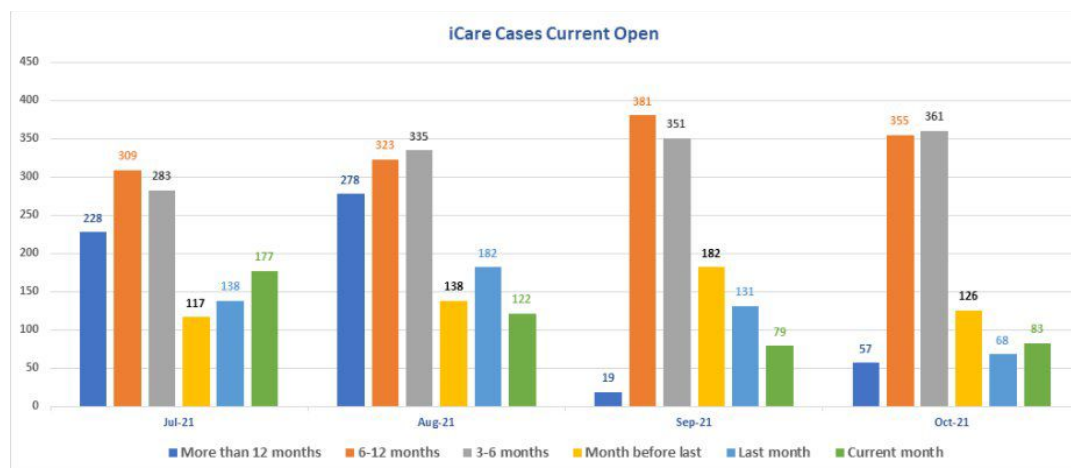
## 5.4 HSW metrics October 2021

### 5.4.1 Context

No. employees & contractors		Total Hours worked	No. days overtime	Leave liability
1417		255,711	891 days (3.6%)	183.79 hours
		(24.5% decrease on previous month)		on average per employee
Employees	1197	WC 77%	Customer 441 days (3.6%)	
Contractors	220	Contractor 23%	Operations 425 days (4.0%)	

### 5.4.2 iCare

Average days to incident completion – iCare	15 days	This is an improvement from last month (22 days)
Average time between event and reporting	2.5 days	This is an improvement from last month's 4 days
Current no. of open cases longer than 3 months in iCare	769 cases	In September the number of cases reported was incorrect. There were 751 cases open longer than 3 months in September 2021.



The number of open cases, particularly those over three months, is not acceptable. We note that we:

- Are now confident we can correct the number of the open cases
- Have worked with the Digital team to try to streamline the close-out process and have published an updated step-by-step guide
- Have sent individual reminders are being sent to owners of all open cases

#### **5.4.3 H&S representative numbers: 37**

- HSW site committee meetings continue to be conducted virtually. There have been no significant issues raised.
- We are looking forward to returning to face-to-face time with teams on site. HSW is difficult to do remotely, and group work, training and consultation is more effective when conducted together, face-to-face.

#### **5.4.4 Senior Leadership Site Visits**

Senior Leadership site visits have not been scheduled due to Covid-19 restrictions. However, Jon has visited some of our dams and has made observations regarding access and use as a public asset.

#### **5.4.5 Number of people hurt: 7**

One Watercare injury resulting from a suspended load.

Six contractor injuries: three came from slips and falls, one from manual handling, one from exposure to chemicals and one from moving equipment.

#### **5.4.6 Critical risk exposures: 5 from 44 events recorded in iCare**

- Working at Height 2
- Fire 1
- Mobile Plant 1
- Chemicals 1

Ten of the 44 events related to manual handling and trips and falls; seven related to minor vehicle damage from low-speed events. There was one incident in which members of the public made threats of violence against our team whilst they were working in the community, and two site break-ins.

#### **5.4.7 Critical Events**

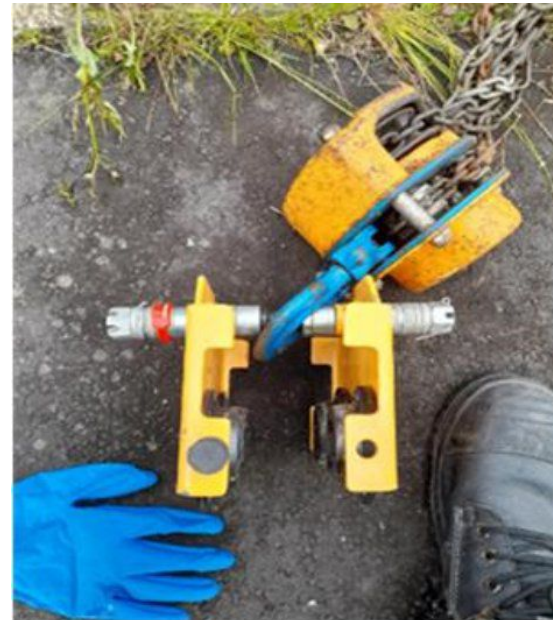
There was one significant event in October.

## Push trolley failure

- **Customer** MSN
- **Operations** Wastewater Pump Station, Sylvia Park
- **iCare number** HSW0006795
- **Critical Risk** Working with Suspended Loads

### What happened:

- Workers were using a monorail and push trolley fitted with lifting chains to raise a pump from the bottom of the pumpstation so it could be serviced. As the pump neared the second level of the pump station, it became snagged. Workers attempted to free the snag by moving the chains and in that process, the trolley came off the monorail and the trolley, chain and pump fell to the bottom of the pump station. As the trolley fell it struck one worker on the head and glanced the arm of another worker.
- The worker with the head injury received stitches and the other worker's arm was bruised.



### **Actions**

- Workers were treated by ambulance staff and then A&E at hospital
- The site was isolated, a full investigation was completed, and Worksafe notified
- The trolley has been sent for testing
- A Safety Alert was shared with all workers in the maintenance and operations teams
- A learning team is being assembled for December to review pump maintenance procedures and identify opportunities for improvement

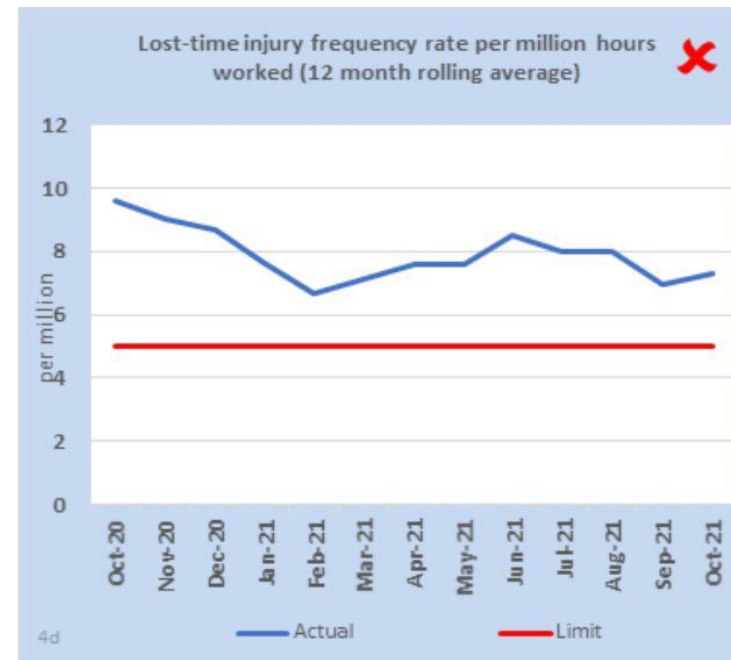
### **Our learnings**

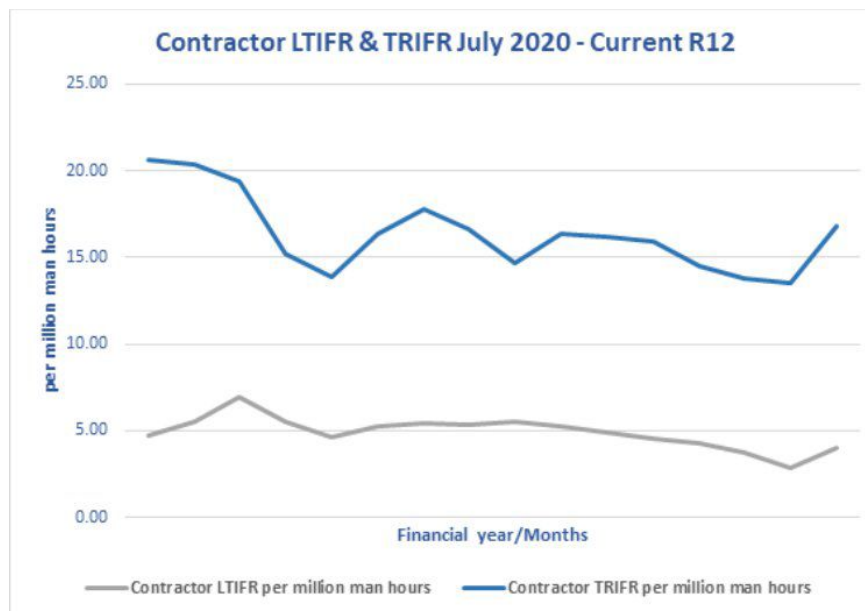
- Pump station maintenance is a very common task for the maintenance team. Habits and risk normalisation can occur so procedures and equipment must be regularly checked.



#### 5.4.8 LTIFR & TRIFR

##### Employee LTIFR & TRIFR October 2020 – Current R12


















Month	Financial year	LTIFR	TRIFR
July 2020	FY21	4.76	20.62
Aug		5.48	20.37
Sept		6.97	19.36
Oct		5.54	15.22
Nov		4.63	13.90
Dec		5.24	16.37
Jan 2021	FY22	5.47	17.77
Feb		5.33	16.67
Mar		5.50	14.66
Apr		5.29	16.39
May		4.92	16.22
June		4.56	15.94
July		4.26	14.50
Aug		3.77	13.83
Sept		2.86	13.51
Oct		3.98	16.82

## 5.5 Critical risks

Watercare's 13 critical risks are indicated in the table below. Every month the HSW team reviews one of these risks and updates the Board. The table indicates the schedule for the reviews.

		Review date			Review date
	Working in confined spaces	May 2021		Working with fixed plant and equipment	February 2022
	Working with mobile plant	June 2021		Working in or near live traffic (includes road corridors, construction and operational sites)	March 2022
	Driving / using vehicles	July 2021		Working at Height	April 2022
	Working alone or isolated	August 2021		Working around waterbodies	May 2022
	Working with hazardous materials	September 2021		Digging and working in excavations (includes tunnelling)	June 2022
	Working with suspended loads	October 2021		Working with flammables or in explosive/flammable areas	July 2022
	Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)	January 2022			

### 5.5.1 Critical Risk Review – Working with Suspended Loads

Lifting loads suspended from cranes or other machinery involves working with loads traversing at height.

Rigging refers to the use of certified lifting equipment to secure and lift the load.



#### Suspended Loads include

- **Mechanical lifting:** Cranes, telehandlers, hiab cranes, forklift trucks, jacks and gantries.
- **Critical lifting operations:** Tandem lift involve using multiple cranes.
- **Equipment, Plant and Lifting accessories:** Monorail beam and associated chain blocks and push trolley. The setup certification inspection and audit requirements are currently being reviewed for push trolleys in plant areas and pump stations.
- **Slings, lifting tackle:** (strops, chains, wire ropes, hooks, shackles, etc.) used in rigging a load.

#### Watercare examples include

- Loads suspended at height are performed on Watercare construction and infrastructure project sites
- At pump stations chain blocks, push trolleys and, monorails are used to raise, lower, and move heavy pumps and other equipment
- Deliveries and movement of equipment at all sites

#### What it looks like for Watercare

Cranes are used extensively in Watercare's construction projects. Across Watercare, construction and infrastructure project teams can be working with suspended loads at any given time.

Projects can operate in very restricted areas, near urban areas of the community, close to open excavations adjacent work parties, overhead power lines buildings and structures.

#### Potential harm

- Suspended loads falling from height are infrequent but have significant potential consequences.
- The consequence of a suspended load falling from height has the potential for plant and equipment damage, serious harm injuries, crush injuries or even a fatality.
- Failure of plant or equipment in suspended loads falling onto a worker in the absence of the required exclusion zones.

### **Controls currently in place**

- Before any lifting takes place a suitably qualified person creates a lift plan
- The lift plan is then reviewed and approved by a suitably qualified and authorised lift permit approver
- If applicable, a Temporary Traffic Management Plan (TMP) is completed and approved before lifting takes place
- Exclusion zones are put in place so no one can enter or work in proximity of the lift
- Before any lift commences a visual inspection of all lifting equipment is conducted by the rigger to ensure the equipment is tagged, in test, and there is no sign of any damage
- On a regular basis all lifting equipment undergoes testing by an external certifier and is tagged to confirm that is fit to use
- Toolbox meetings are held to communicate any new work that is about to take place and any actions workers need to follow.

### **Training & Competency**

- Hiab
- Sling Regular Loads Safely & Rigging and Slinging (Dogman)
- Overhead Gantry
- Spotter training.

### **Control of Work and PPE**

- Permits are required prior to work starting
- All staff working with suspended loads are required to have full personal protective equipment.

Following an incident, a thorough investigation is conducted, and a safety alert is created and shared with Watercare staff and contractors to keep them updated with current and prospective hazards and risks.



Board meeting | 30 November 2021  
Public session

## Central Interceptor report

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Michael Webster  
Contract Manager

**Recommended by**

Shayne Cunis  
Executive Programme Director CI

**Submitted by**

Jon Lamonte  
Chief Executive Officer

7.1

### 1. Te tūtohunga / Recommendation

We recommend that the Board notes the report.

### 2. Take matua / Key points

The key points are:

- The first Covid-19 positive case was reported for the project at Māngere Pump Station following mandatory weekly testing. The worker was fully vaccinated and asymptomatic. It resulted in 60 workers in the 'Surface Bubble' being deemed close contacts and required to self-isolate at home for 14 days. No further cases were detected in the month.
- The tunnel boring machine (TBM) successfully passed underneath the Western Interceptor at Māngere without incident during the month.
- A total of 59 rings have now been erected on the main tunnel and nine of the 18 gantries have now been successfully lowered into the shaft and commissioned.
- The contractor (GAJV) is now established at all sites along the link sewer C alignment with site establishment beginning at Pump Station 25 during the month.
- The operation of the laundry service at Māngere is set to transfer in November to Makaurau Marae. During Te Wiki O Te Reo Māori, a naming competition was held and the winning name is Te Whare Manaaki. This initiative is to ensure workers on the project are provided clean PPE each day, and negate the need for them to travel to and from work in dirty clothing, or having to wash it at home with their families' clothing.
- The quarterly employee engagement survey saw a drop in engagement scores across Watercare including the Central Interceptor project. Watercare's eNPS score declined 24 points to +11, whilst the Central Interceptor score declined by 23 to +20. We are working through these results to identify causal factors and ways to remediate the issues, if possible.

### 3. Ngā tuhinga ō mua / Previous deliberations

Date	Report title	Key outcomes
28 October 2021	Central Interceptor report for September 2021	The update of the project for September 2021 was noted and discussed.

### 4. Whāinga / Purpose and context

The report is the update of the project for October 2021.

### 5. Kōrero pitopito / The details

#### Project progress

##### 5.1 Health, safety & wellbeing

As highlighted earlier in the report, the GAVJ reported its first Covid-19 positive case at Māngere Pump Station on 22 October. No further cases have been detected in the month, neither new cases nor close contacts of the positive result. This event provided excellent testing of our Covid Management Plans, with a number of improvements made particularly in relation to bubble protocols. Mandatory Covid-19 testing is now required for all people working or visiting a project site.

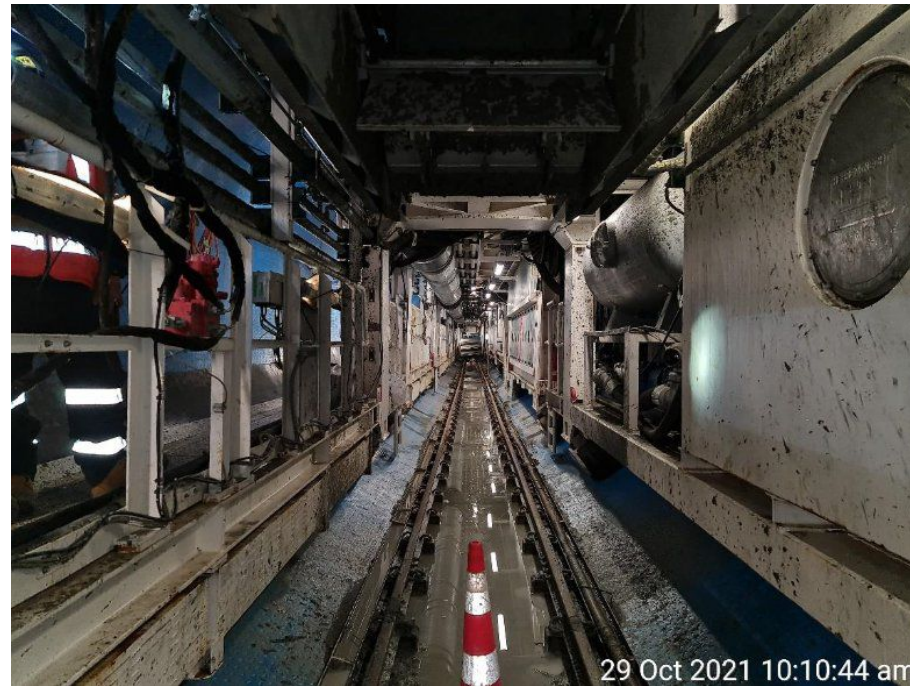
There were two lost time injuries (LTIs) for the month, both at Māngere. The first for a bruised foot during a lifting activity on 4 October. The worker has now returned to work. The second was incident was a crane operator falling while setting up, breaking a small bone in his elbow. Day surgery was required to correct and set. The worker is now recuperating at home.

The new GAVJ Health, Safety and Wellbeing manager arrived in Auckland on 30 October and is now in MIQ.

##### 5.2 Delivery

Due to delays, primarily resulting from Covid-19, there has been an agreed extension of time of 100 days to the completion of Section 1 (MPS operational – now 30 April 2024) and Section 2 (Southern system fully operational – now 12 October 2024). The current Covid-19 restrictions will further delay the completion of all sections of the project. The overall contract completion is now expected to be in the first quarter of 2026.

### 5.2.1 Main Tunnel



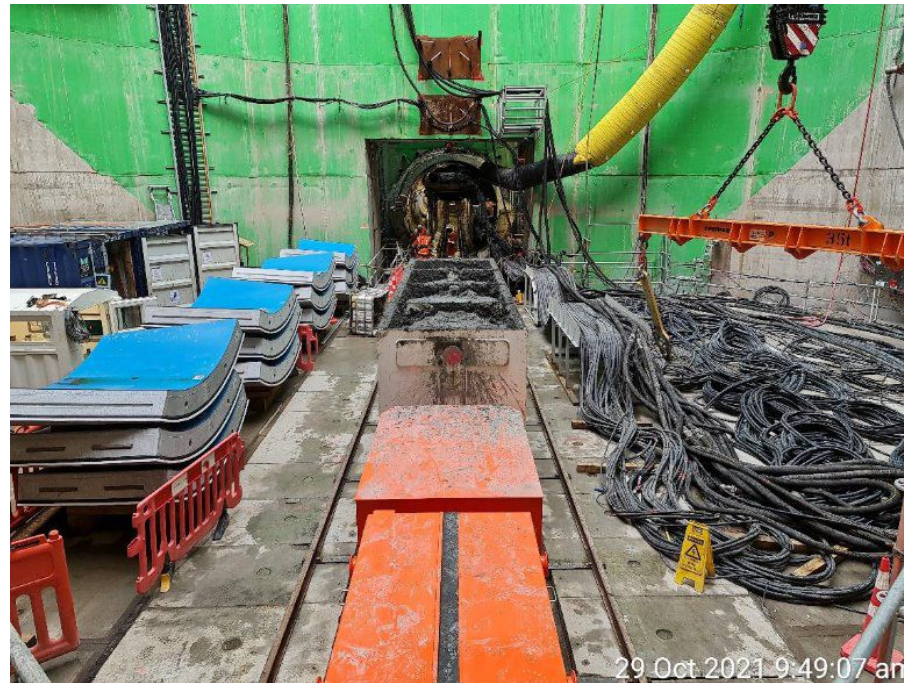
**Main Tunnel** – view through the gantries within the main tunnel

- 39 concrete segment rings installed during the month, with a total of 59 built to date. This represents 1.2% of the Main South tunnel (MPS to May Rd) having been installed.
- Crossing beneath the Western Interceptor was completed in the month with no settlement recorded, however frequent settlement monitoring will continue given operations are still in close proximity to the critical asset.
- Gantries 6 – 9 lowered into the shaft and installed. In total 18 gantries to be installed, after which uninterrupted tunnelling will commence.



### 5.2.2 Māngere pump station

- Shaft dewatering continues at a constant flowrate and with no evidence of environmental impact or to nearby infrastructure.
- Rising main construction and backfilling continuing. Reinstatement of Odour Bed 4 nearing completion.
- The construction of the wastewater reuse plant has continued with excavation and ground preparation ongoing.
- Confluence chamber service diversions and enabling works are underway and permanent works design activities continue.



**Māngere pump station** – view of tunnel from base of shaft

### 5.2.2 May Road

- mTBM tunnelling has now progressed 665m on the first drive from May Road to Haycock Ave (970m).
- Shaft B shaft excavation has continued and has reached a depth of 18m below ground level.



**May Rd B Shaft** – excavation in Tauranga Group continues.

### 5.2.3 Other sites

- Keith Hay Park – Investigation works on the diversion chamber settlement are ongoing. Preparation of the working platform for the shaft secant piling works has been completed.
- Haycock Avenue – Excavation has been completed facilitating the construction of chamber MH1A and enabling works have commenced for pipe jacking between MH01 and MH1A.
- Dundale Avenue – Preparation works for micro-tunnelling have been completed in the Dundale shaft, with construction of the launch eye, thrust wall and back shunt cavern now complete.
- Miranda Reserve – Shaft secant piling has now commenced.



**Miranda Reserve** – piling rig on site to install secant piles



- Pump Station 23 – Construction of the retaining wall has commenced.
- Walmsley Park – Preparation of the working platform for the shaft secant piling works has begun.
- Pump Station 25 – The contractor has taken possession of site and has commenced site establishment activities.



**Pump Station 23 – retaining wall construction underway**





7.1

**Māngere Pump Station – rising main / Odour Bed 4 Smoke Test**

## 6. Ngā ūpoko / The capitals

### 6.1 Natural Environment including Climate Change

- The Central Interceptor Project will improve the health of our waterways by reducing overflows into our streams and harbours by 80%.
- The Central Interceptor Project is the first Watercare project to seek an Infrastructure Sustainability Council of Australia (ISCA) rating in New Zealand, achieving a 'leading' rating on retrospective design. ISCA is an independent tool to guide and assess best-practice sustainability outcomes on infrastructure projects.

### 6.2 People and Culture

- The project aims to provide job opportunities for a wide range of individuals across many different positions while paying every employee above living wage.
- The Central Interceptor Project has become a foundation partner with Mates in Construction NZ, funding a full-time field officer to deliver a programme of suicide prevention and mental health awareness in the construction industry.

### 6.3 Customer and Stakeholder Relationships, including Māori Outcomes

- The project currently employs six small Māori businesses to provide a variety of services such as iwi liaison and stakeholder engagement services. We aim to increase this statistic over the life of the project through innovative and awareness programmes, such as engaging with Makaurau Marae Māori Trust to set up and run the project laundry facility.
- The Central Interceptor Project engages regularly with the 16 primary and intermediate schools along the route of the tunnel and a 'Wastewater Education' course for Year five-eight children has been developed in conjunction with Watercare's education advisor, featuring the Discovery Centre to educate pupils about wastewater infrastructure.

### 6.4 Asset and Infrastructure

- The project will enable Watercare to take critical infrastructure out of service for maintenance without impacting level of service.

### 6.5 Intellectual Capital

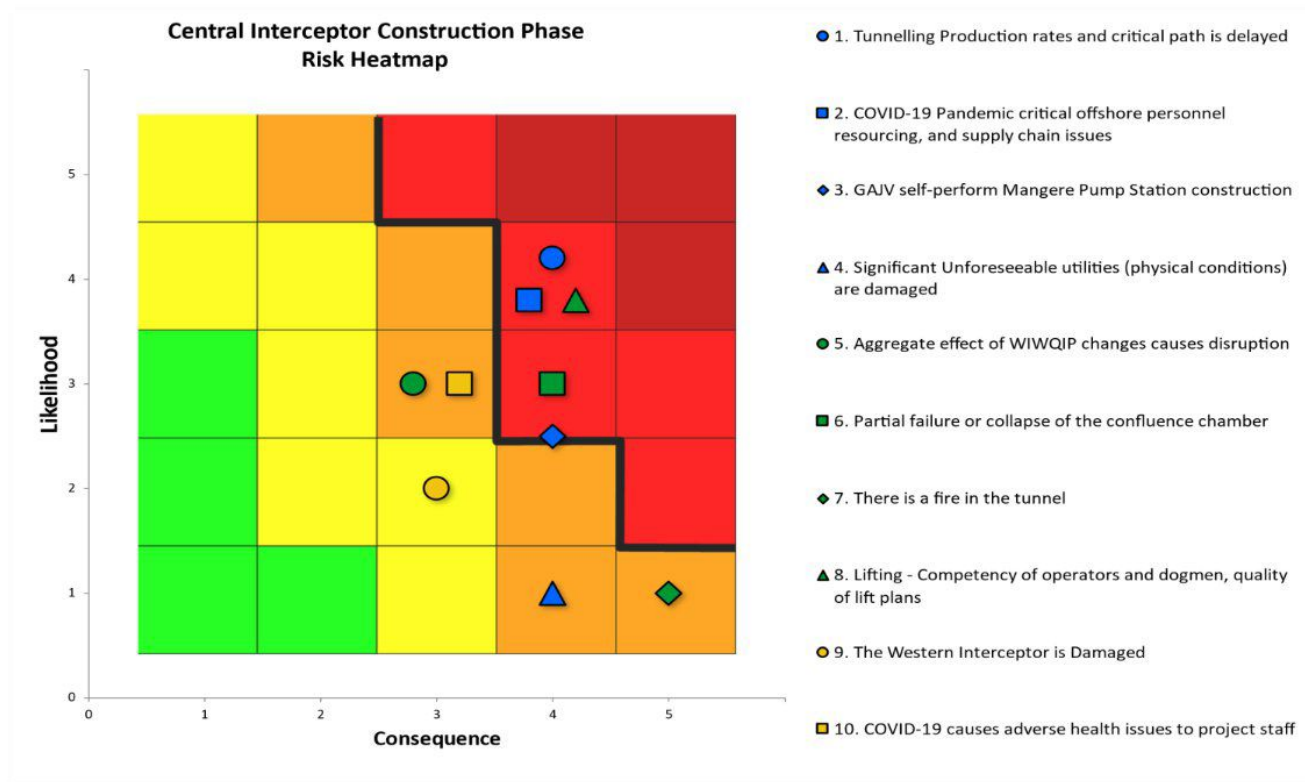
- In order to minimise the consumption of potable water as part our tunnelling and future operating activities at Māngere Pump Station, a pilot wastewater reuse plant is to be constructed at the site. This will be a first for Watercare and New Zealand and is anticipated to encourage further initiatives in the water reuse space. The contract has been awarded and construction is now underway.

### 6.6 Financial Capital and Resources

- Financials associated with the project now included in the Finance Report.

## 7. Ngā tūraru matua / Key risks and mitigations

- There has been no significant movement in risks this month.
- The first positive Covid-19 case was recorded in October. Site controls and response planning meant there was no further transmission on-site.
- Risk associated with tunnelling production rates continues to be a high risk as alert levels require social distancing and crew bubbles.
- Tunnelling under the Western Interceptor was completed in October, however increased monitoring to ensure early detection of any settlement will continue while work continues in the immediate area. To date no anomalies have been recorded.

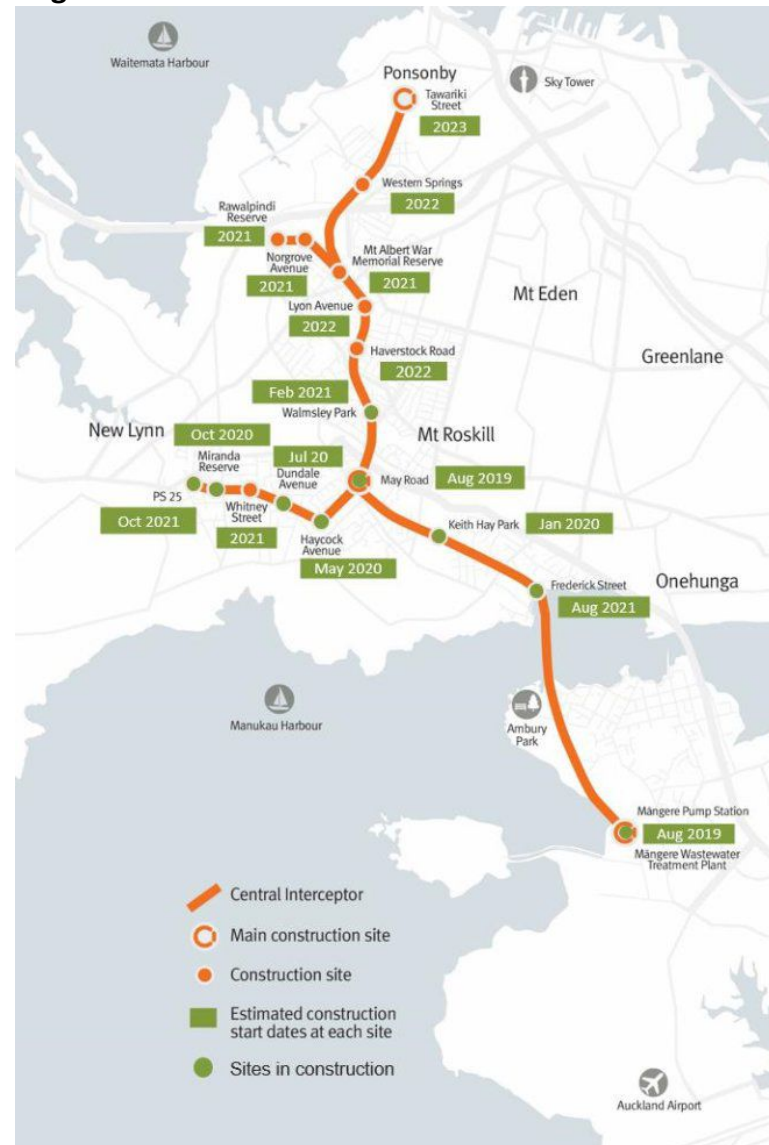


Risk description	Risk reduction actions
<b>Tunnelling production rates and critical path is delayed</b> Ground conditions are more adverse than baselined in the Geotechnical Baseline Report (GBR) resulting in delays to programme and additional costs.	Additional probe drilling for specific ground conditions. We will actively monitor ground conditions and tunnelling rates during operation. TBM has facility for real-time monitoring.
<b>Covid-19 impact on resource retention, supply chain and Watercare project costs</b> Sourcing and retention of critical staff for the GAJV is becoming more challenging and now presents a critical risk to the project. This is also impacting Watercare's and Jacobs' labour costs on the project due to Covid-19 delays and construction labour market influences.	Engagement with GAJV for critical resourcing requirements from overseas. GAJV have recruited a number of local resources for critical roles. Close monitoring of supply chain impacts due to Covid-19 including engagement with suppliers. Regular revision of Watercare construction management and design support service resourcing for the project and timely demobilisation of resources. Application of liquidated damages where appropriate.
<b>GAJV self-perform Māngere Pump Station construction</b> GAJV proposing to self-perform delivery of Māngere Pump Station works. Quality and/or commissioning issues arising from insufficient capability within the GAJV to successfully deliver works.	Interim approval to self-perform MPS has been granted following in-depth review of the GAJV capabilities. Engagement of appropriate sub-consultants where required.
<b>Significant utilities (unforeseeable physical conditions) are damaged</b> Utilities not shown on drawings or with visible evidence on site. Inadequate investigations.	Ensure services investigations are undertaken by the GAJV. Review the GAJV method statements and risk assessments for utility location.
<b>Aggregate effect of WIWQIP changes causes disruption</b> Sum of WIWQIP changes impacts GAJV scheme procurement activities.	Change management process in place. Considering all viable options for delivery of WIWQIP work, and impact of timeframe for delivery of works without impacting CI performance.
<b>There is a fire in the tunnel</b> Construction with pre-installed liner, some incident e.g., electrical fire causes the lining to catch fire. Fire in the tunnel impedes evacuation and rescue operations.	Tunnel management controls around ignition sources. Electric locomotive to reduce flammable risk. Detection and suppression systems. PHMPs being agreed with WorkSafe. Early engagement with mines rescue. AME system – real-time personnel tracking. Limiting visitor and personnel access to essential only.



Risk description	Risk reduction actions
<p><b>Partial failure or collapse of the confluence chamber</b></p> <p>A lack of understanding/underestimation/inaccurate assessment of the existing asset condition.</p> <p>The GAJV's methodology is unsuitable, or a deviation from the approved approach.</p>	<p>Provisional sum removes cost pressure for condition survey and investigation to provide the most appropriate solution. Work will proceed on least risk option.</p> <p>Shutdown works to be programmed for dry season/periods of low flow.</p> <p>Workshop between the GAJV, designers, and treatment plant to identify the most appropriate solution.</p>
<p><b>Lifting</b></p> <p>Suspended loads pose a risk of being dropped and causing injuries to staff.</p>	<p>Competent operators and dogmen, operating with high quality lift plans.</p> <p>Establishment of critical rules, with a specific rule to eliminate workers under suspended loads.</p>
<p><b>The Western Interceptor is Damaged</b></p> <p>Ground settlement due to tunnelling in proximity to WI. Tunnelling process being established.</p>	<p>Close monitoring of tunnelling conditions.</p> <p>Increased ground settlement monitoring.</p> <p>Contingency planning to limit service disruptions.</p>
<p><b>Covid-19 causes adverse health issues to project staff</b></p> <p>Staff catch the virus.</p> <p>Work continuing during level 4/community transmission.</p> <p>Focus on Covid-19 distracts staff (creates complacency) from other hazards.</p> <p>'Covid fatigue' – complacency increases as restrictions continue.</p>	<p>HSW Covid-19 response plan developed.</p> <p>Compliance with govt and industry guidelines.</p> <p>Check in/out monitoring systems.</p> <p>GAJV vaccination programme (WSL inclusive).</p> <p>Mandatory testing required for all workers and visitors to site.</p>

## 8. When is the Central Interceptor being built?



Board meeting | 30 November 2021  
Public session

## Water resources update

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

David Moore  
Manager of Improvements Programme

**Recommended by**

Mark Bourne  
Chief Operations Officer

**Submitted by**

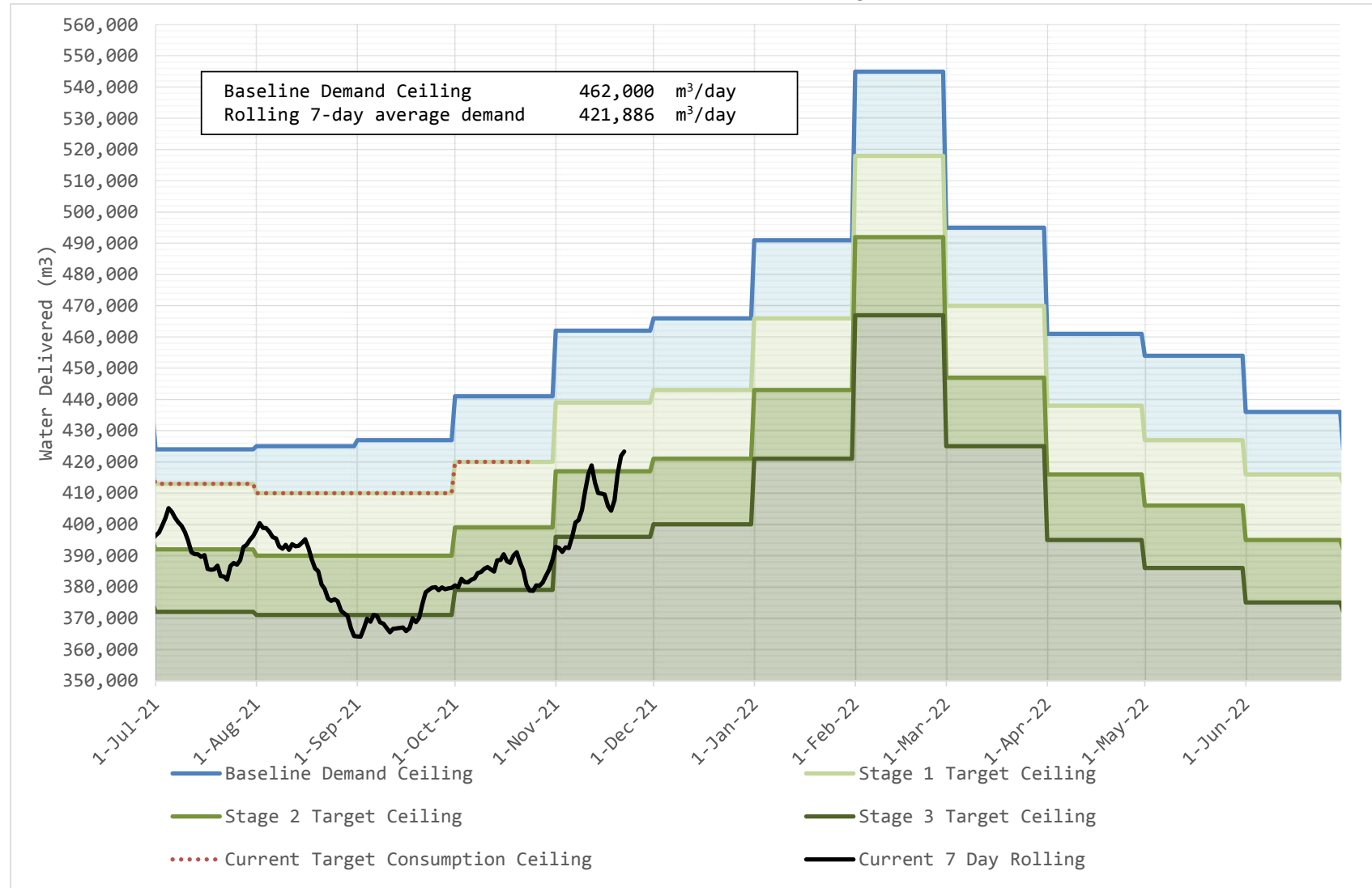
Jon Lamonte  
Chief Executive Officer

7.2

### Take Matua / Key points

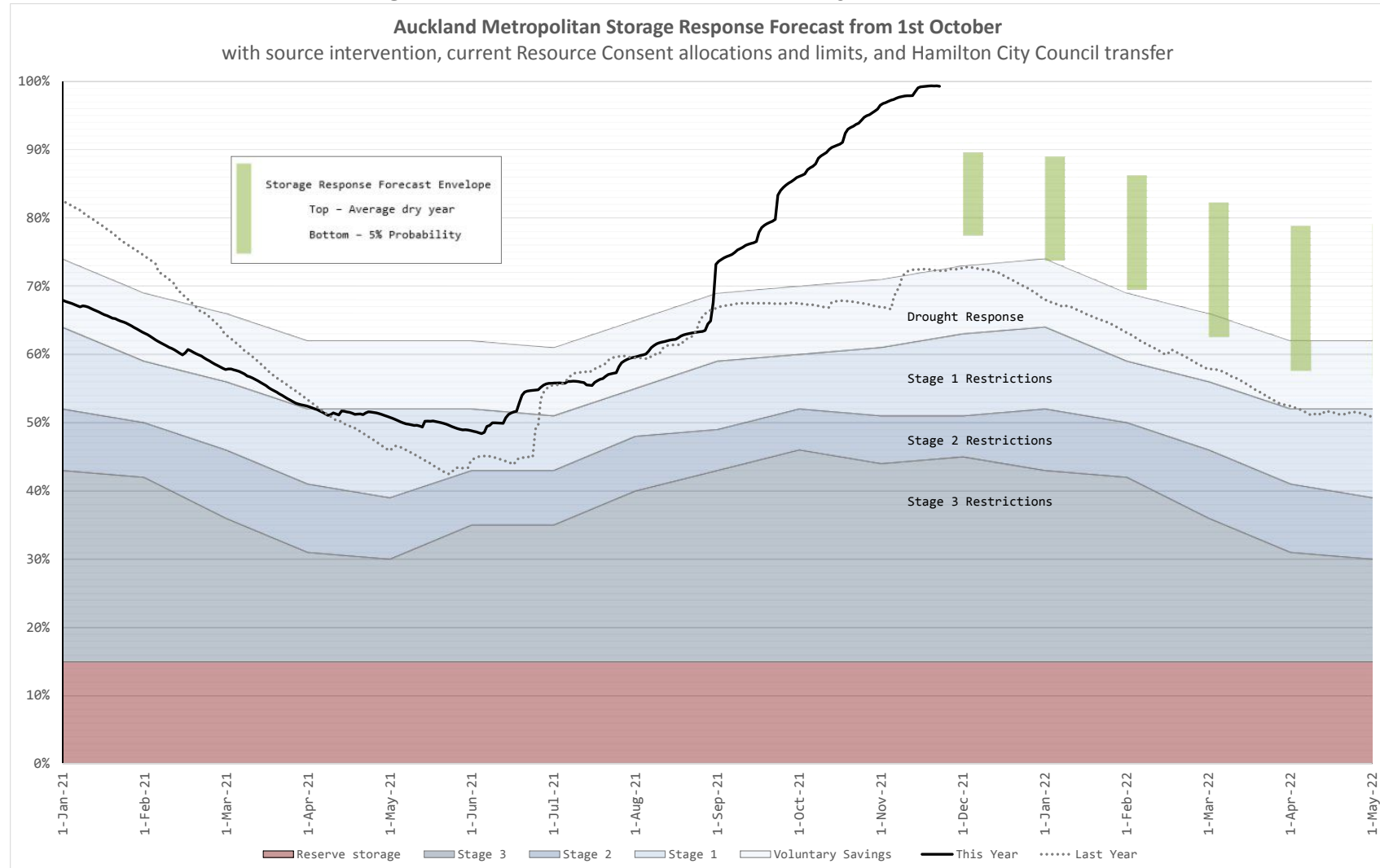
- Demand of 422MLD for the week was well below the target ceiling of 462MLD for November
- Remaining outdoor water restrictions were lifted from Saturday 23 October 2021
- Hamilton City Council has granted consent to Watercare to take 25MLD from the Waikato River between 1 October 2021 and 30 April 2022
- A new website focused on Watercare's Water Efficiency Plan 2021 – 2025, which marks the final stage of our commitment to the Auckland Three Waters Strategic Plan (2008)  
<https://waterefficiencyplan.watercare.co.nz/>

## Auckland Metropolitan Total Water Demand – week ended Sunday 21 November

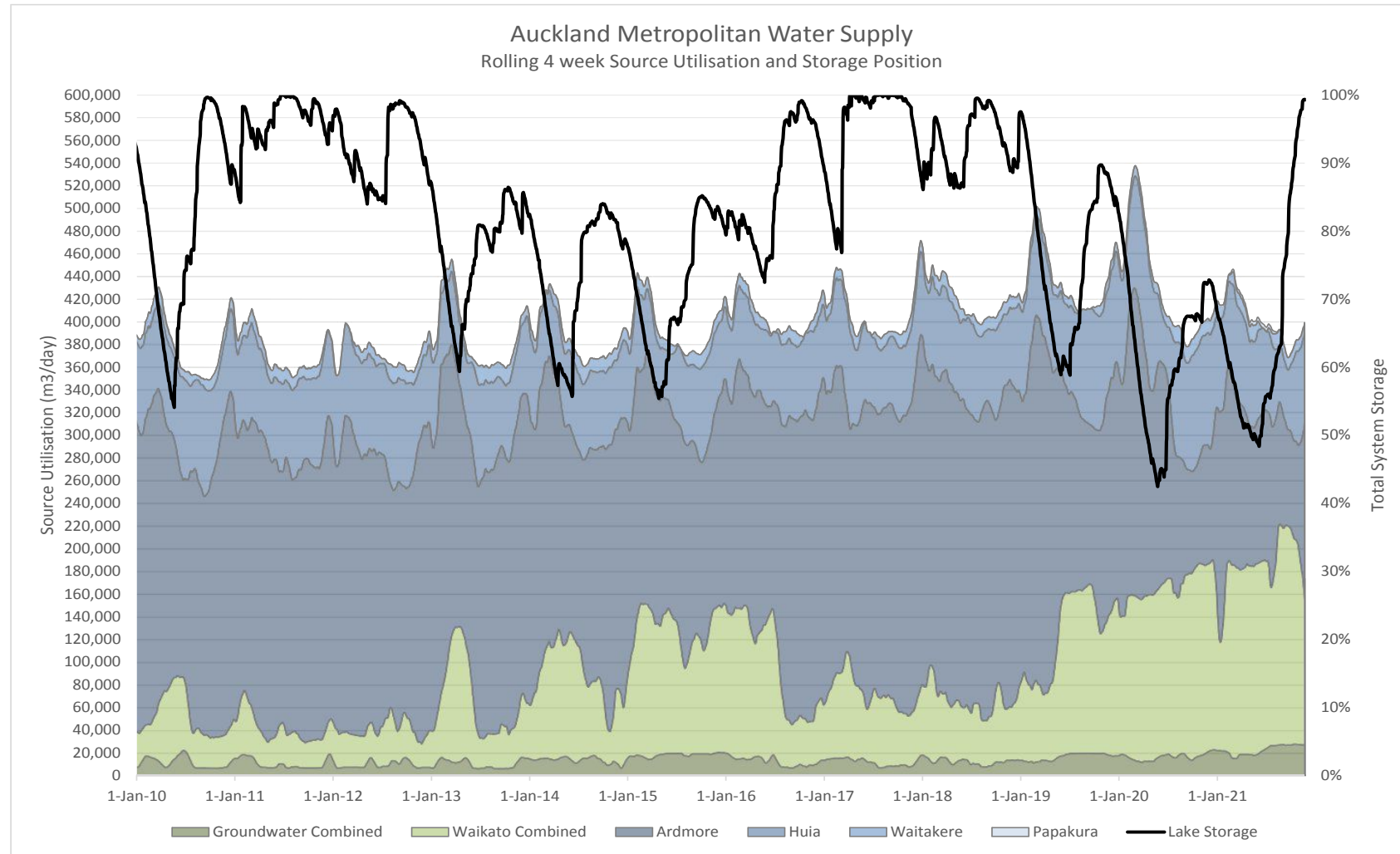


7.2

## Auckland Metropolitan Storage Response – week ended Sunday 21 November



## Auckland Metropolitan Source Utilisation – week ended Sunday 21 November



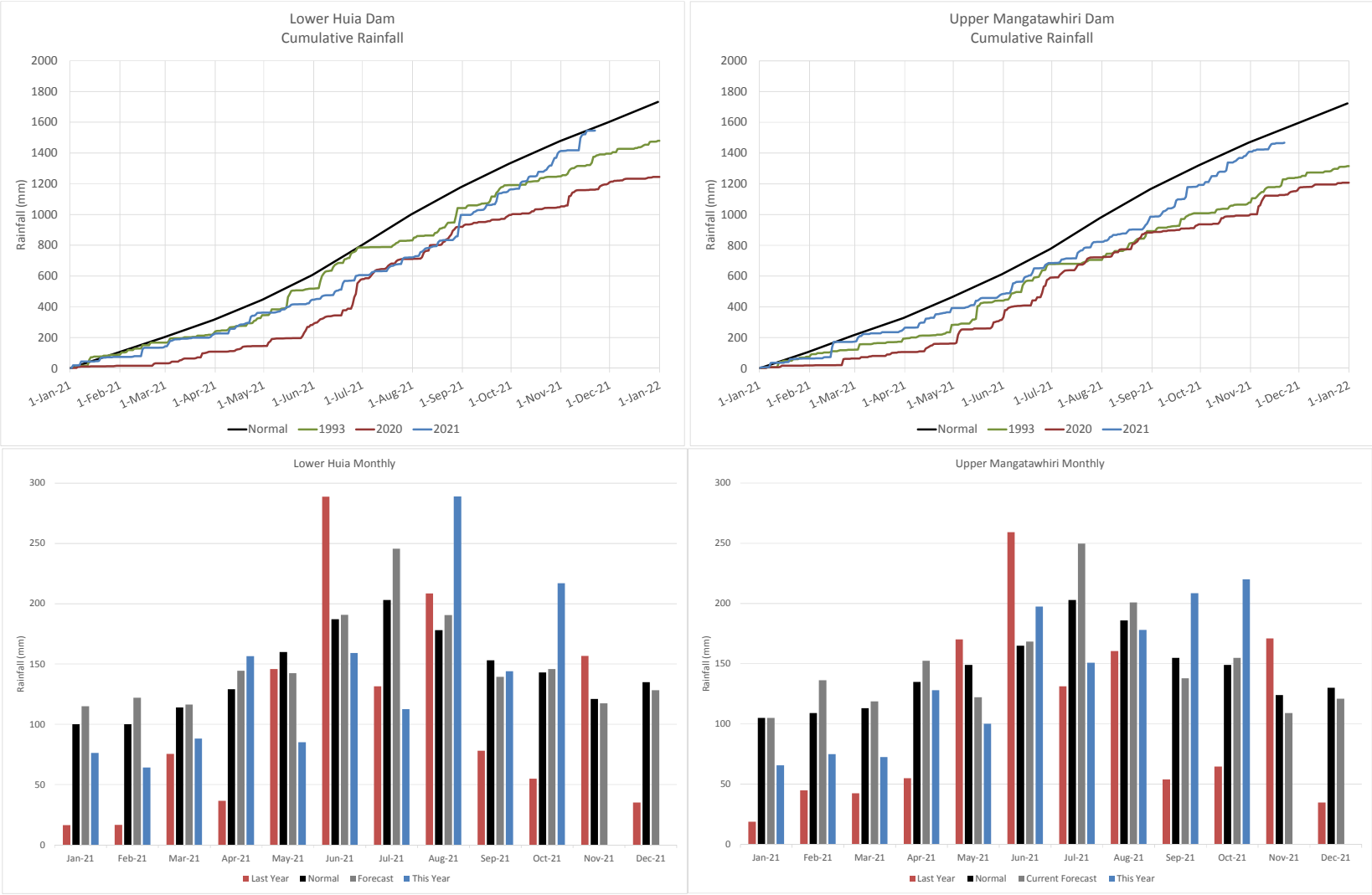
7.2

**Auckland Metropolitan Water Treatment Plant Availability – week ended Sunday 21 November**

Treatment Plant	Sustainable Peak (MLD)	Current (MLD)	Planned for coming week (MLD)	Comments
Ardmore	330	330	215	
Waikato	170	85	65	Combined output from both plants limited to 125MLD during extended maintenance period.
Waikato 50	45	35	35	
Huia	115	80	68	Capacity limited due to solid handling constraints and Upper Nihotupu OOS due to rock fall.
Waitākere	14	10	10	Constrained due to plant rehabilitation project.
Onehunga	25	25	22	
Pukekohe	5	5	5	
Papakura	3	0	0	New permanent plant being developed.
<b>Total</b>	<b>707</b>	<b>570</b>	<b>420</b>	

November Demands	Historical Max (MLD)	Last Week (MLD)	Last Month (MLD)	Last Year (MLD)
	487	430	397	418

Rainfall summary



7.2



**AUGMENTATION STATUS UPDATE**

Location	Pukekohe Bore	Hays Creek dam in Papakura	Waitākere Water Treatment Plant
On track			
Update	The Pukekohe WTP is operating reliably at a production output of 5.5MLD.	<p>Stage 1 = 5MLD out of service Stage 2 = 12MLD in-service is now due by April 2022, due to Covid-19 delays.</p> <p>Following the commissioning of the Waikato 50 WTP, the temporary Papakura WTP was shutdown to allow the development of the new permanent 12MLD Papakura WTP.</p>	<p>Increase peak production capacity by 8MLD during December 2021. Project delivery and supply chain disruptions due to Covid-19 restrictions have resulted in significant delays to the outcome of delivery date for the centrifuge, which will increase reliability of the plant. Based on current programming this will not be completed until June 2022.</p> <p>The production capacity of the Waitākere WTP has been reduced on a short-term basis (while water storage levels are in a strong position) to reduce the programme impact.</p> <p>A subsequent issue is emerging regarding the replacement of the filter floors at the Waitākere WTP. Filter 1 works progressed to programme, however during commissioning a significant issue (related to filter backwashing) was identified, which is currently being investigated. This issue may cause further delays in the delivery of the Waitākere WTP capacity uplift. The nature and impact of this issue will be confirmed within the next month.</p>

Location	Waikato Water Treatment Plant (existing plant)	Ardmore Water Treatment Plant	Onehunga Water Treatment Plant
On track			
Action	Peak capacity increased by 25MLD.	Low flow operation reconfigured to 80MLD – 250MLD.	The Onehunga WTP is operating reliably at a production output of 23MLD.

Location	Waikato 50
On track	
Action	<p>Waikato 50 plant has been in supply since 14 July 2021. 225MLD peak supply from the Waikato River was tested successfully and is available.</p> <p>Waikato No.1 watermain boost pump station is in service and operational.</p>

**NON-REVENUE WATER STATUS UPDATE**

Activity	Creating smaller District Metered Areas and pressure management
On track	
Action	<p>Target is to develop district meter areas with less than 10,000 connections for 65% of the city</p> <ul style="list-style-type: none"> <li>• Stage 1 Waitākere – rezoned from 6 DMAs to 24 DMAs. Changes to be made live on GIS from 15 December 2021.</li> <li>• Stage 2 Maungakiekie – complete rezone from 1 DMA to 4 DMAs. Civil work completed; zones being commissioned through December and January.</li> <li>• Māngere and Konini zones, studies being undertaken for future demand and growth including creating DMAs and pressure management.</li> </ul>

Activity	Leakage management
On track	
Action	<ul style="list-style-type: none"> <li>• Increase ground surveying of leak detection to 6,000kms a year</li> <li>• Total since start of the programme <ul style="list-style-type: none"> <li>○ Approximately 7100kms surveyed to date</li> <li>○ 4901 leaks found</li> <li>○ 10.66MLD saved</li> </ul> </li> <li>• Total since July 2021 (works were suspended during Alert Level 4 Covid-19 restrictions) <ul style="list-style-type: none"> <li>○ Approximately 1700kms surveyed to date</li> <li>○ 719 leaks fixed</li> <li>○ 1.52 MLD saved</li> </ul> </li> <li>• 95% of leaks are responded to within KPI and fixed all moderate to major leaks detected within five days.</li> </ul>

Activity	Meter replacements
On track	
Action	<p>Improve accuracy of bulk metering</p> <ul style="list-style-type: none"> <li>• 208 BSPs (bulk supply points)</li> <li>• 18 BSPs – currently damaged/returning false readings. Values for these BSPs are being assumed based on a 14-day averages.</li> </ul> <p>Improve accuracy of customer meters</p> <ul style="list-style-type: none"> <li>• 2000 domestic meters replaced YTD, target 30,000. Program has been affected due to lockdown and Watercare suppliers are having problems sourcing smart meters.</li> <li>• 1,530 commercial customer smart meter loggers installed to date, target of completing 2,000 in August 2021 has now delayed due to Covid-19 restrictions.</li> </ul>

Activity	Non-potable and reuse
On track	
Action	<ul style="list-style-type: none"> <li>• Currently there are four non-potable sites.</li> <li>• Lake Pupuke, Western Springs, Halls Farm and the Hugo Johnston non-potable filling stations are now open again during standard business hours.</li> <li>• Lake Pupuke non-potable site will be closed at the end of November.</li> </ul>

Board meeting | 30 November 2021  
Public session

## CCCO review recommendations – full update

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Emma McBride  
Co-Head of Governance

**Recommended by**

Rob Fisher  
Acting Chief Officer Support Services

**Submitted by**

Jon Lamonte  
Chief Executive Officer

### 1. Te tūhunga / Recommendation

We recommend that the Board notes this report.

### 2. Take matua / Key points

The key points are:

- Reports are provided every two months to keep the Board updated on the implementation of the CCO review recommendations.
- The CCO CEs meet fortnightly to monitor and discuss progress.
- Ongoing engagement with the CCO Monitoring Group to scope and action recommendations continues.
- 17 recommendations are now fully implemented; 38 are underway; 6 require further work to establish scope and resources; 4 need to be scoped/require no work at this stage.
- Nil “red” recommendations impact Watercare.
- Six “amber” recommendations impact Watercare. However, Watercare has either completed its work on these recommendations, or the item is currently with council officers for next steps.
- 28 “green” recommendations impact Watercare. Apart from the water strategy (R-15), all other recommendations involve at least 2 or more CCOs. Watercare has completed its required work on many of these recommendations and is awaiting further guidance from council officers on others. A number of these “Green” recommendations will be completed before by 31 December 2021.

### 3. Ngā tuhinga ō mua / Previous deliberations

Date	Report title	Key outcomes
30 September 2021	CCO Review Recommendations	Update on progress implementing CCO review recommendations

### 4. Whāinga / Purpose and context

The purpose of this report is to update the Board on Watercare's contribution and progress regarding the implementation of the CCO review recommendations.

To date, the Board has been provided regular updates by exception, where notable progress has been achieved or where progress is slower than expected.

As this is the final board meeting on the year, this paper provides a full status report on all 64 of the CCO review panel recommendations.

### 5. Kōrero pitopito / The details

#### 5.1 Overall status update

For reporting purposes, there are 65 recommendations (with recommendation 3 split into two recommendations). 17 recommendations are now fully implemented; 38 are underway; six require further work to establish scope and resources; four need to be scoped/ require no work at this stage.

- **Attachment 1** sets out the recommendations with a red and amber status. Six of the nine recommendations (all amber) on that list involve or impact on Watercare. Most are amber due to completion now being in 2022 rather than 2021.
- **Attachment 2** sets out the recommendations with green status. Twenty-eight of the 39 recommendations on that list involve or impact on Watercare.
- **Attachment 3** sets out the 17 completed recommendations.

Detailed updates follow on the amber and green recommendations that involve or impact on Watercare.

## 5.2 Amber Recommendations that involve Watercare

### R-15: The Council formulates a three waters strategy.

- Work on the water strategy is underway. As elements of the strategy are completed, they are brought to the Environment and Climate Change Committee. In April 2021 this Committee adopted per capita water consumption targets for 2030 and 2050.
- Auckland Council hosted an international benchmarking exercise on 12–13 October 2021 'Water sensitive cities'. Watercare and Auckland Transport participated. The outcome of this benchmarking was positive, and Auckland scored well against its international peers. We were determined a 'Waterway City', which is within the fourth of six categories. To enable us to move up into the sixth category, being a 'Water Sensitive City', we would need to reduce our impact on natural resources, have diverse fit for purpose services, and greater resilience to climate change.
- Political workshops with Environment and Climate Change Committee began on 15 September 2021 and are continuing through November 2021. Political decision-making on strategic direction is expected December 2021 and the strategy presented for approval in early 2022. Watercare management will be involved in these workshops going forward, with our first participation being on 17 November 2021, at the request of Councillors.
- To date, the specific focus for Watercare has been in relation to the water supply and demand work streams, whilst actively contributing to the development of other work streams through regular working group meetings, and review of council papers. Work on economic level of leakage is being included in the Water Strategy, along with updated measurement targets (see below). The intention is to workshop the Drought Management Plan with councillors, which will inform the strategy.
- Watercare has committed to key investments towards the 2030 targets which are a residential smart meter programme and reducing leakage below 132 litres per connection per day (l/c/d), aiming for 123 l/c/d. It is important to note that these targets do not remove the need to secure additional water for Auckland, and therefore Watercare's 2020 application to the Board of Inquiry to take water from the Waikato Awa is still required in order to be a prudent water provider for the city of Auckland. Auckland Council is in support of this application.
- Council continues to focus on integrating Te Mana o te Wai (the importance of water) principles to ensure a deeper engagement with Mana Whenua.

### R-20: The Council establishes a small team to draw up detailed, implementable strategies that give CCOs more strategic direction, starting with strategies on water, economic development and stadiums.

- Cross-CCO strategic gaps that have been identified, which impact Watercare, are detailed in the table below.
- This first phase of the project, along with observations to inform phase 2, will be completed by December 2021. The project is scheduled for completion by June 2022.

Area	Strategic gap	Urgency	Lead/Resourcing/Timeline
Managing growth: Alignment of Land Use, Infrastructure and Funding and Financing	Lack of a comprehensive and coherent process across the group to better understand how we will deliver growth in priority areas given our funding and financing constraints. Existing processes (see adjacent column) deal with parts of the issue, but do not provide overall understanding of costs or sequencing.	High	This is about establishing a comprehensive process for dealing with growth.
Risk	Considering and balancing risk appetite across the council group	Medium	CCO Oversight – June 2022
Property strategy or property ownership framework	High-level principles and objectives for holding and managing different classes of assets across the council group. Initial work indicated the need to move from a purely transactional focus for property to a wider view.	Medium priority – the CCO review identified the need for a property strategy to outline a coherent approach to owning and managing property as diverse as campgrounds, forests and marinas.	All CCOs have significant property and should be involved. No timelines agreed as yet
Auckland Story	What is Auckland's identity in the world from an economic and cultural perspective, and how do the investments and choices in cultural and economic life made by the Council support that identity? This then supports the attraction of people to live in and visit Auckland, and investment.	High, but a longer term priority	Proposal for this still being developed, including the lead.  Relates to the Koi Tū think piece already undertaken. Needs careful consideration how to take forward.

**R-21: The council establishes a strategic planning process in which CCO boards and the governing body hold workshops to discuss CCO work programmes and priorities, with the results fed into each CCO's letter of expectation and statement of intent, as well as into the annual budgeting and planning processes.**

- A workshop to support the development of letters of expectation was held with CCO chairs and chief executives and the CCO Oversight Committee on 10 November 2021. Margaret Devlin and Jon Lamonte attended the workshop. No further action required by Watercare on this recommendation.
- This action will be completed shortly and will become 'business as usual'.

**R-41: The Council and CCOs review the quality of the service their call centres provide, including by ensuring an up-to-date, group-wide phone directory is on hand containing job descriptions and contact details of all staff.**

- Watercare employee has been available to Council since July 2021 and is updated weekly via automated file transfer.
- Next step for Council to provide consolidated CCO contact information. Council's technology team is working on a solution.
- No further action required by Watercare on this recommendation.

**R-42 The council gives CCOs guidance on how to balance public and commercial interests and amends their constitutions to make explicit that each CCO must meet both objectives.**

- Not yet started. Further work needed by council officers to establish scope and resources.

**R-49 The quarterly meetings of council and CCO executive leadership teams have a formal agenda.**

- Regular meetings between council and CCO executives have been established and have an agenda. The most recent meeting took place in August 2021. No further action required by Watercare. This action will be completed shortly and become "business as usual".

### **5.3 Green Recommendations that impact Watercare**

**R-16: Watercare and Auckland Transport submit their asset management plans and detailed supporting information to the council every year so it can assess how well the plans give effect to its urban growth strategy.**

- Council has updated the CCO Accountability Policy through the LTP 2021–2031 requiring Watercare and Auckland Transport to submit asset management plans (AMPs) to Council annually.
- Auckland Transport and Watercare now have a common asset management system, and implementation will enable improved AMP development, sharing and reporting.
- Auckland Transport and Watercare have published their 2021 AMPs.



- A joint Council and CCO Asset Management Community of Practice has been established, convened by the Council. The purpose is to coordinate and advance joint asset management planning.
- The current focus to fully implement this recommendation is on agreeing the timeline and process for sharing of AMP information.
- Watercare has confirmed the next AMP update to Council will be by the end of June 2022.

**R-17 and R-18: Resolve consent processing delays (R-17) and clear measurable minimum performance levels when reviewing consent applications and formal mechanism for objections (R-18).**

- As a multi-faceted project that must align to the customer consenting journey, the project will be integrated into the Horizon 2 initiatives in Council's Regulatory Services' Kokiri Whakamua strategy. Forecast completion is the end of 2022, with co-governance from Council, AT and Watercare.
- Continuing to work closely as a council family on the 'Better Faster Consents Journey.' A collaborative effort between Council, Watercare and Auckland Transport investigated key drivers for change, specific problem areas, practices and recommendations for improvement. These centre around three themes – raise quality, clear roles and processes, and be accountable. The Council-CCO steering group remains in place.
- Council, Auckland Transport and Watercare have appointed a project manager to drive the Better Faster Consents project.
- An Asset Group Resolution Forum with key leaders and decision-makers from the council group has been established to resolve complex consent and engineering issues in a face to face, collaborative forum.
- Progress has been made on speeding up input into the approximately 3,500 consents where asset owner approvals are required through this work to date.
- Performance measures are to be addressed as part of recommendation 17.
- Code of Practice work is underway with new Resource Consent and Regulatory Engineering practice notes added to the website and communicated to customers and the Auckland Council family. Existing practice notes have been revised and updated and improved where necessary.

**R-19: Council reviews the way it requires CCOs to monitor and report on risks and risk mitigation measures.**

- A working group with representatives from all CCOs has been established and work is continuing.
- Working Group comprising representatives from all CCOs recommended focus areas for review and improvements, which were approved by CEs:
  - a) Review of current reporting from CCOs to Council, including Mayoral office and committees
  - b) Explore the opportunity for online reporting platform
  - c) Developing a group approach to climate change risk reporting.

- The action plan for the focus areas was reported to the council / CCO chief executives' group in October 2021. The plan includes the steps to explore, understand and establish a group approach for reporting on climate change risk management.
- A working group, including staff across the group's sustainability, risk and finance teams is being set up to undertake this work. The first phase of work is to develop group climate scenario parameters.

**R-26: Councillors have a day-long induction at the start of their three-year term on their responsibilities as CCO shareholders, the separation of governance from management, and how to best govern CCOs as arm's-length organisations.**

- Work on the approach for the induction programme, and the wider Kura Kawana 2022-2025 programme, started in September 2021.
- Watercare has provided feedback to council officers running the programme and requested that the councillors be given a deeper understanding on the role, responsibilities and liabilities of directors of CCOs.

**R-27: The governing body spends half a day each year visiting each CCO to better understand its business and culture and to informally build relationships (R-27).**

- Council Governing Body representatives attended Watercare Māngere WWTP on 10 August 2021. Guided tours were conducted of Māngere Wastewater Treatment Plant and Puketutu Island, with accompanying presentations on the Water Services Bill, Water Safety Plans and purified recycled water.
- This action will be completed shortly and will become 'business as usual'.
- Dates for 2022 visits to be scheduled shortly.

**R-28: The council reviews the liaison councillor role at the start of the 2021 financial year.**

- Review now being undertaken in 2022, in recognition of the impact of Covid-19 in the past year, just as these roles were established.

**R-31: The Council updates and clarifies it's no surprises policy.**

- Policy will expand on the no surprises principle in the new statement of expectations.
- It will incorporate protocols governing information requests between the Governing body and CCOs (R-32).
- Scoping workshop proposed for CCO Oversight Committee in December 2021.

**R-32: The council draws up a protocol governing information requests between the governing body and CCOs.**

- As part of the review of the Elected Members Code of Conduct, a policy and protocol has been developed for the sharing of confidential information between council and governing body members. The Elected Members Code of Conduct was approved by the governing body on 27 May 2021 and forms the basis of the protocol for CCOs. It is important to note that this is information that would be withheld from the public under the Local Government Official Information and Meeting Act. Remaining work required to develop protocol/rules for sharing and receiving information between CCOs, and between CCOs and council/elected members. A protocol for non-confidential information will be developed alongside the no surprises policy (R- 31).

**R-33: The council exercises its statutory powers under section 92 of Local Government (Auckland Council) Act 2009 if it has any concerns that a CCO is not acting consistently with any strategy.**

- This can occur when needed.

**R-34: CCOs and local boards reset how they engage with one another**

- The primary output is a combined engagement plan across the 4 CCOs for each of the 21 local boards.
- Staff are further developing a proposed reporting framework to local boards that will work across the CCOs.
- In the meantime, Watercare has created an information hub (the portal) on Watercare's website to improve information sharing and visibility.

**R-35: The council, working with the Independent Māori Statutory Board (IMSB), the Mana Whenua Kaitiaki Forum and CCOs, clarifies for CCOs what each of these three entities' respective roles are at the governance level, and how CCOs should engage with each entity.**

- IMSB and Tāmaki Makaurau Mana Whenua Forum secretariats are in the process of developing guidance material to explain their respective roles and instruments for the approval of the Board and Forum in November/ December 2021. Feedback will be sought from CCOs.
- Guidance material can be used as a basis for developing communications with CCOs (and the wider council) about how they should engage with each entity.

**R-36: The council urgently completes the Māori Outcomes Framework, which should include guidance on how CCOs engage with mataawaka, and afterwards CCOs update and align their Māori responsiveness plans accordingly.**

- The Council has completed the Kia Ora Tāmaki Makaurau – Māori Outcomes Framework.
- CCOs are providing information on their current engagements with mataawaka.
- Framework and guidance for council teams and CCOs on Māori responsiveness have been developed.

**R-37: CCOs use a template for their Māori responsiveness plans and collaborate with one another and seek input from Māori entities during the drafting process.**

- Watercare has completed a Māori Outcomes Plan aligned to the new outcomes' framework. Other CCOs are also working on their plans.

**R-38: CCOs continue to work with the IMSB to monitor and report more effectively on Māori responsiveness plans.**

- No further work required at this stage. Dependent on completion of Recommendation 37.
- CCOs report on Māori outcomes as part of their regular quarterly performance reporting to CCO Oversight Committee.

**R-39: CCOs engage directly and at a more senior level with the IMSB and the Mana Whenua Kaitiaki Forum to work on joint initiatives that benefit Māori.**

- CCO CEs met with Independent Māori Statutory Board chief executive on 27 May and 30 September 2021, with the next quarterly hui scheduled for 9 December 2021.
- This recommendation is scheduled to be completed by December 2021.

**R-40: Ngā Mātārae, the Mana Whenua Kaitiaki Forum and CCOs arrange a hui to establish a more co-ordinated and meaningful way of working together to reduce the number of meetings Māori entities are expected to attend and contribute to.**

- A preliminary hui has been held with the lead officer of the Mana Whenua Forum, and staff from the CCOs, Ngā Mātārae and the IMSB.
- Resolution of this recommendation is related to engagement work already underway.
- Note: more than one hui will be required to progress this recommendation.

**R-44: The council and CCOs have common values and expectations of staff and management behaviour that collectively set the tone for the broader culture of all council organisations.**

- Proposal to address in the next version of the Statement of Expectations. While the Statement of Expectation is from the Council as shareholder, it also identifies areas of focus for organisational culture in the council whanau, e.g. building and maintaining a culture of collaboration, active support of hauora / wellbeing of employees.

**R-45: CCOs appoint a lead agency when working jointly on projects.**

- The working group is identifying areas where a 'lead agency' role would be of benefit and further scoping on the lead agency role following consultation with CCO teams and will back report to the chief executives in November 2021.
- Terms of Reference are being drafted and Watercare has provided feedback. No further action required by Watercare at this stage.

**R-50: New council and CCO staff receive instruction during their induction on the need for CCOs to operate at arm's-length but also to be accountable to the council**

- Governance Fundamentals introductory modules have been launched. Modules are hosted on Auckland Council's L&D site, accessible by Auckland Unlimited and Eke Panuku staff and can be shared with Auckland Transport and Watercare.
- Work across the council family on a more advanced/ practical module for staff working with elected members will start in November 2021.

**R-51: CCO chief and senior executives' job descriptions include requirements about collaborating with the council, following council directions and meeting council expectations.**

- Completed and no further action required by Watercare.

**R-52: Job descriptions refer to the need to contribute to Māori outcomes.**

- Completed and no further action required by Watercare.

**R-53: CCOs make more effort to co-ordinate how they consult the community on and implement local projects.**

- CCOs and Council have shared current practice.
- CCO and council staff agreed in November 2021 a base template to use for reporting trends in the type of formal complaints, actuals for the Statement of Intent complaints KPI and insights to executive lead teams and/ or boards.
- The information can also be used in CCO quarterly performance reports.

**R-54: CCOs report regularly on the nature of the complaints they receive and how long they take to resolve them.**

- Cross-CCO workshop in May 2021 to share and assess current practices, with some notable similarities and differences identified. CCO and council staff agreed in November 2021 a base template to use for reporting trends in the type of formal complaints, actuals for the SOI complaint KPI and insights to executive lead teams and / or boards. The information can also be used in CCO quarterly performance reports.

**R-56: The council and CCOs explore options to give ratepayers a more effective voice in what happens in Auckland and also how, short of court proceedings, to challenge CCO or council decisions.**

- A brief has been provided to the Council's legal team for an overview of the current mechanisms available to ratepayers. This will be an input to identifying gaps and potential approaches.

**R-59: CCOs follow the council's quality advice standards and encourage staff to participate in its quality advice training.**

- Quick reference guide on embedding the Quality Advice Standards has been provided to CCO contacts to support their own actions.
- Watercare wishes to undertake tailored Quality Advice training in person, together with report writing training for those that attend Board and Committee meetings regularly. Given senior leaders' time constraints and Covid-19 restrictions, the training will be undertaken in early 2022, once staff can return to the office.

**R-60: The Council and CCOs work together to draw up group policies on shared services, the development of leadership talent and remuneration (R61).**

- **Shared services:** the proposed scope of the review has been developed and includes the following functions across CCOs; digital, finance, procurement, P&C, HS&W, legal, corporate property, communications, other corporate services, EPMO, corporate strategy, risk and assurance and rates, valuations and data management. The assessment phase is estimated to take four to five months with final approval of recommendations by the CCO boards. Engagement with Watercare is on hold pending decisions on the three waters reform.
- **Remuneration policy:** approved by the governing body in June 2021. Feedback was provided on the policy by all CCOs.

**R-63: CCOs discuss their proposed collective bargaining strategy with the council.**

- Approach is to be scoped with Watercare.

### **Monitoring and Implementation**

The CCO CEs meet fortnightly to monitor and discuss progress. To date, each meeting has focussed on a select few recommendations that need to be implemented. Currently, Terms of Reference are being drafted as the meetings have now been going for a year and require a "refresh". The Terms of Reference will ensure there is group ownership of the agenda, with discussions at a strategic level.

In the meantime, the CCO Monitoring Group continues to meet regularly as well to scope and action recommendations.

### **5.4 Covid-19**

Covid-19 restrictions are continuing to impact the speed of implementation and milestone timeframes for some recommendations. However, Covid-19 is not considered a significant impact across the review implementation programme.

## 6. Ngā ūpoko / The capitals

### 6.1 Natural Environment including Climate Change

One of the CCO recommendations (R-15) relates to completion of a Water Strategy, led by Council. Watercare's contribution takes into account the impacts of climate change.

### 6.2 People and Culture

Several recommendations require the CCOs and councils to become aligned and more connected, for example, increasing overall awareness of relationships and closer sharing of information. Overall, Watercare is gaining a further appreciation and insight into how the council family operates.

### 6.3 Customer and Stakeholder Relationships, including Māori Outcomes

Several recommendations relate to becoming more transparent and informative in the way we interact with customers and Local Boards.

### 6.4 Asset and Infrastructure

Not relevant in this instance.

### 6.5 Intellectual Capital

Organisational capability is enhanced and is improving as a result of regular dialogue and interaction with the CCO Monitoring Group.

### 6.6 Financial Capital and Resources

Not relevant in this instance.

## 7. Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Approach to shared services and procurement, while benefiting the council group, do not benefit Watercare.	CCO Board have right of final approval on shared services

## 8. Ā muri ake nei / Next steps

Updates, provided by exception, will continue to be provided to the Board every two months.

## 9. Ngā whakapiringa / Attachments

Attachment number	Description
1.	All recommendations with a red and amber status.
2.	All recommendations with green status.
3.	All completed recommendations.





## Attachment 1

## CCO Review implementation - Recommendations RAG status Red and Amber

Rec	CCO Review recommendation	Status	RAG	Progress % (est)	Next Milestone	Overall timeframe	November 2021 update
3a	The council explores with the <b>War Memorial Museum</b> and MOTAT bringing both institutions into the merged entity and seeks such legislative change as is necessary.	Further work needed to establish scope and resources	Red	<10%	Rangatira group meeting	2021-2022	It is the council's (not Auckland Unlimited) responsibility to lead the conversations with Auckland Museum on its legislative and governance settings, to seek change from that organisation, and from government. The Rangatira group of council elected members and Museum board members has thus far focussed on the annual plan process, and the Museum Board has not yet agreed to discuss legislative change. These conversations will be initiated at an appropriate time through the Rangatira group.
10	The council amends the Panuku constitution to make clear its twin purpose of redeveloping urban areas and managing the council's non-service property.	Further work needed to establish scope and resources	Amber	-	To scope implementation	To June 2022	To be scoped after other recommendations progressed concerning the property role of Eke Panuku. See also recommendations 11 and 14. RAG is 'Amber' because the recommendation was targeted for completion by June 2021.
11	The council assumes responsibility from Panuku for identifying and deciding which non-service properties to sell (excluding those in the CCO's own unlock-and-transform areas).	Underway	Amber	40%	Transitions completed within council organisation	Jan 2021- June 2022HI Riss	Council's ELT group decided in May 2021 that Community Facilities will lead property acquisitions, disposals and exchanges within the council organisation. Work is underway and once the transition is completed, responsibility for the process to support decision making by elected members on which non-service properties to sell (excluding unlock and transform areas) can then transfer from Eke Panuku to the council organisation. The recommendation is now scheduled to be fully implemented by June 2022. RAG is 'Amber' because the recommendation was targeted for completion by June 2021.
15	The council formulates a three-waters strategy and includes a reference in the strategy to Watercare's obligation to consult the council about the broad direction of pricing and water services.	Underway	Amber	40%	Nov 2020 ECC Committee report on water strategy scope set target for completion of strategy in October 2021; refreshed timeline extended to December 2021	2020 - December 2021 Formal adoption early 2022	Work on the water strategy is underway for the duration of the 2021 calendar year. As elements of the strategy are completed, they are brought to the Environment and Climate Change Committee. In April 2021 this committee adopted per capita water consumption targets for 2030 and 2050. Auckland Council hosted an international benchmarking exercise on 12-13 October 2021. Watercare and Auckland Transport participated. Political Workshops with Environment and Climate Change Committee began on the 15th of September and are continuing through November. Political decision-making on strategic direction is expected December 2021 and the strategy presented for approval in early 2022. Focus for Watercare has been on internal activities that contribute to the Water Strategy whilst also keeping abreast of developments across all relevant council work streams through regular working group meetings. Work on economic level of leakage will be included in the Water Strategy, along with updated measurement targets. Council continues to focus on integrating Te Mauri o te Wai principles to ensure a deeper engagement with Mana Whenua and an audit to benchmark Auckland against key criteria for Water Sensitive Cities, using subject matter experts in Watercare to contribute as required.

Rec	CCO Review recommendation	Status	RAG	Progress % (est)	Next Milestone	Overall timeframe	November 2021 update
20	The council establishes a small team to draw up detailed, implementable strategies that give CCOs more strategic direction, starting with strategies on water, economic development and stadiums.	Underway	Amber	60%	Prioritised topics where more strategic direction is needed by CCOs	November 2020 - December 2021	The group Economic Development Action Plan, jointly led by Auckland Unlimited and the council, was approved by the Parks, Arts, Community and Events Committee in July 2021 (PAC/2021/23). The water strategy and some aspects of the strategic stadium work (rec 2) are underway. Work on this recommendation is a project within the council's operating model portfolio. There has been further work across the group to identify and review prioritised topics where more strategic direction is needed by CCOs. This first phase of the project, along with observations to inform phase 2, will be completed by December 2021. RAG is 'Amber' as had been scheduled for completion by June 2021.
21	The council establishes a strategic planning process in which CCO boards and the governing body hold workshops to discuss CCO work programmes and priorities, with the results fed into each CCO's letter of expectation and statement of intent, as well as into the annual budgeting and planning processes.	Underway	Amber	20%	Design principles for group strategic planning processes	Multi year project under Operating model programme to Dec 2022	Future improvements to the group strategic planning function are being addressed as phase 2 of the group strategic planning project. A CCO-council group has worked through issues related to the effective collaboration, prioritisation, alignment and commissioning of strategic work. Improvements will be designed to align long-term plan and group planning processes and strategic direction setting. A workshop to support the development of letters of expectation is scheduled between CCO chairs and chief executives with the CCO Oversight Committee for 10 November 2021. This work links with recommendation 20. RAG is 'Amber' as had been scheduled for completion by June 2021 but will extend into 2022.
41	The council and CCOs review the quality of the service their call centres provide, including by ensuring an up-to-date, group-wide phone directory is on hand containing job descriptions and contact details of all staff.	Underway	Amber	20%	AT And Watercare staff contacts on Kotahi.	By November 2021	Work is underway for Auckland Transport and Watercare to share staff directories with Auckland Council, Auckland Unlimited and Eke Panuku on the intranet (Kotahi) and for Auckland Council to share their combined directory back with Auckland Transport and Watercare. RAG is 'Amber' as had been scheduled for completion by June 2021.
42	The council gives CCOs guidance on how to balance public and commercial interests and amends their constitutions to make explicit that each CCO must meet both objectives.	Further work needed to establish scope and resources	Amber	-	To scope implementation	Complete by June 2022	Not yet started. Further work needed to establish scope and resources. Has also been raised in the group strategy workstream. RAG is 'Amber' because the recommendation was targeted for completion by June 2021.
49	The quarterly meetings of council and CCO executive leadership teams have a formal agenda.	Underway	Amber	50%	Forward agenda programme to be developed for meetings	Through 2021	Regular meetings between council and CCO executives have been established and have an agenda. The latest meeting took place in August 2021. RAG is 'Amber' as had been scheduled for completion by June 2021.

## Attachment 2

## CCO Review implementation - Recommendations RAG status Green

Rec	CCO Review recommendation	Status	RAG	Progress % (est)	Next Milestone	Overall timeframe	November 2021 update
2	The merged entity explores, at the council's direction, the critical need for joint management and operation of the city's four stadiums with the Eden Park Trust.	Underway	Green	50%	Auckland Unlimited workshop with CCO Oversight Committee 15 December 2021	2021- June 2022	Following the workshop with the CCO Oversight Committee in September 2021, work has progressed into phase 3 of the programme. This next phase focusses on critical areas such as financials, structure and asset management. Collaboration continues with the parties, and momentum is being maintained because of the shared commitment of the parties to find the best solution for Auckland. The next update is planned for the CCO Oversight Committee at a workshop in December 2021.
3b	The council explores with the War Memorial Museum and <b>MOTAT</b> bringing both institutions into the merged entity and seeks such legislative change as is necessary.	Underway	Green	10%	Agreement with MOTAT	Process agreed December 2021	Auckland Unlimited is working with MOTAT to explore how this recommendation can be implemented in practice and have agreed a process to carry out an examination of the options and the matters to be considered, with an aim to have an appropriate model for council's consideration by the end of June 2022.
5	Auckland Transport and the council form a working group to clearly delineate their bylaw-making powers and formalise the result in a memorandum of understanding.	Underway	Green	40%	Drivers for change Actions	June - December 2021	Current and future state analysis identified three drivers for change. Some actions have been identified. These need more work over November. Some delay due to lockdown but expect to complete this recommendation by December 2021 as originally planned.
6	Auckland Transport urgently reviews how it designs, consults on, funds and implements minor capital works, including how it involves local boards in the design of its annual work programme.	Underway	Green	60%	A discovery workshop on 2 November to establish the core team for the design sprint and prepare for the next part of the process	2020- December 2021	Following the design sprint a way forward proposed which aligns internal approvals on projects from subject matter experts with AT's Traffic Control Committee approvals. It is noted that this will require additional resource and the task has been allocated to the office of AT's Chief Engineer. The design sprint with the Puketāpapa and Rodney Local Boards to progress how Auckland Transport engages and reports to Local Boards is complete. One of the opportunities for speeding up delivery and managing the effect on customers lies in temporary traffic management on construction sites. To that end Auckland Transport has been preparing to engage in a sprint process looking at these opportunities.

7	Auckland Transport and the council explore urgently with the Ministry of Transport and the New Zealand Transport Agency how to streamline funding processes.	Underway	Green	60%	Obtain programme-based funding approval for one of AT's programmes, possibly the safety programme.	2021-2022	The Waka Kotahi Board has approved an increase in AT's DFA to \$15m. The new Delegated Funding Agreement was signed in August 2021. Work is continuing on clarifying how the higher DFA will work. AT has requested that Point of Entry documents for projects less than \$15m also be approved under DFA, as we do not want to add unnecessary complexity back into the process. The Waka Kotahi Board has also indicated that it supports the proposal for programme-based funding approvals (e.g. for the safety programme, new public transport services). Work is underway on the details of programmes of work suitable for programme-based funding approvals. A draft MOU has been prepared to cover the process for ensuring AT receives its targeted-NLTF allocation, and for substituting projects if required.
8	The council identifies a more stable source of funding for Panuku during the preparation of the next long-term plan.	To be scoped/or no work required at this stage	Green	–	Can be considered in the next 10-year budget	Completed November 2020; Reconsider for LTP 2024-2034	The funding model for Eke Panuku was considered in a workshop for the long-term plan where it was decided to not change it in the LTP 2021-2031. This can be considered in the next 10-year budget. Work should start to support this is 2022 (including looking at medium term priority locations).
9	Panuku clearly outlines how its activities and investments contribute to meeting its performance targets.	Underway	Green	75%	Draft SOI 2022-2025	Jan 2021 - April 2021	Eke Panuku has addressed through the Statement of Intent (SOI) process. In responding to shareholder feedback on the draft SOI, the final 2021-2024 SOI provides more detail on activities, and links between investments, deliverables and performance targets. Further work will be undertaken for the 2022-2025 SOI. Eke Panuku notes as complete.
13	Panuku manages and develops the three city centre marinas until the waterfront redevelopment is complete.	To be scoped/or no work required at this stage	Green	–	Consider after the waterfront redevelopment is complete	Long-term	No work required at this stage.
14	Panuku continues to manage the council's non-service property until the council produces a property strategy and considers whether to combine all property services in one place.	Underway	Green	20%	Completion of Property Ownership Framework	By June 2022	The scope of a Property Ownership Framework was approved by council's Executive Lead Team in May 2021. The property ownership framework will clarify roles and responsibilities, data sharing and tools, property management approaches, and processes to support decision making by elected members. Alongside the development and finalisation of the framework, the role of Eke Panuku with regard to non-service properties would be considered and addressed. However no resource has been assigned to progress this work. It has been identified as a strategic gap in the group strategic planning project. Depending outcome, recommendation could be to update status to 'Amber'.

16	Watercare and Auckland Transport submit their asset management plans and detailed supporting information to the council every year so it can assess how well the plans give effect to its urban growth strategy.	Underway	Green	70%	Agree timeline and process for sharing of AMP information	TBC after process agreed	<p>Council has updated the CCO Accountability Policy through the LTP 2021-2031 requiring Watercare and Auckland Transport to submit asset management plans (AMPs) to council annually. Auckland Transport and Watercare now have a common asset management system, and implementation will enable improved AMP development, sharing and reporting. Auckland Transport and Watercare have published their 2021 AMPs.</p> <p>A joint council and CCO Asset Management Community of Practice has been established, convened by the council. The purpose is to coordinate and advance joint asset management planning.</p> <p>The current focus to fully implement this recommendation is on agreeing the timeline and process for sharing of AMP information. Watercare has confirmed the next AMP update to council will be by the end of June 2022 and work is progressing with Auckland Transport on its approach.</p>
17	The council, Watercare and Auckland Transport resolve consent processing delays and if this does not happen, the council assumes responsibility for assessing the water and transport components of consents.	Underway	Green	25%	Delivery milestones to be developed	Improvement Project: October 2020 - May 2021 Delivery to approx end 2022	<p>Continuing to work closely as a council family on the 'Better Faster Consents Journey.' A collaborative effort between council, Watercare and Auckland Transport investigated key drivers for change, specific problem areas, practices and recommendations for improvement. These centre around three themes - raise quality, clear roles and processes, and be accountable. The council-CCO steering group remains in place.</p> <p>Council, Auckland Transport and Watercare have appointed a project manager to drive the Better Faster Consents project.</p> <p>An Asset Group Resolution Forum with key leaders and decision-makers from the council group has been established to resolve complex consent and engineering issues in a face to face, collaborative forum.</p> <p>Progress has been made on speeding up input into the approximately 3500 consents where asset owner approvals are required through this work to date. However, this is a multi-faceted project that must fit into the end-to-end customer consenting journey therefore the project will be integrated into the Horizon 2 initiatives in Regulatory Services' Kokiri Wakame strategy. This Horizon 2 window will run until approximately end 2022.</p>
18	The council reaches agreement with Watercare and Auckland Transport on clear, measurable minimum performance levels expected of them when reviewing consent applications, and establishes a formal mechanism to allow objections to the way both CCOs enforce their codes of practice.	Underway	Green	20%	Performance levels and Code of Practice to be established	TBC	<p>Performance measures are to be addressed as part of recommendation 17. Code of Practice work is underway with new Resource Consent and Regulatory Engineering practice notes added to the website and communicated to customers and the Auckland Council family. Existing Practice notes have been revised and updated and improved where necessary.</p> <p>Auckland Transport is in the process of developing a Code of Practice to be included in the Council family Code of Practice.</p>

19	The council reviews the way it requires CCOs to monitor and report on risks and risk mitigation measures.	Underway	Green	30%	Group climate scenario parameters developed	Risk improvements agreed by June 2021; Action Plan will set timeframe	Group risk managers identified three focus areas for improvements which were approved by the council/ CCO chief executives group in June 2021: a. Review of current reporting from CCOs to council b. Explore the opportunity for online reporting platform c. Develop a group approach to climate change risk reporting The action plan for the focus areas includes the steps to explore, understand and establish a group approach for reporting on climate change risk management. A working group, including staff across the group's sustainability, risk and finance teams will undertake this work. The first phase of work is to develop group climate scenario parameters.
26	Councillors have a day-long induction at the start of their three-year term on their responsibilities as CCO shareholders, the separation of governance from management, and how to best govern CCOs as arm's-length organisations.	Underway	Green	<10%	Approach for new term induction developed by December 2021	Implementation 2022/2023 in next term of council	Work on the approach for the induction programme, and the wider Kura Kawana 2022-2025 programme, started in September 2021. Feedback on key areas to cover provided by the group chief executives 28 October 2021.
27	The governing body spends half a day each year visiting each CCO to better understand its business and culture and to informally build relationships.	Underway	Green	50%	Online session with AUL 8 November	August - November 2021	2021 visits scheduled: Watercare – 10 August. Visit to Mangere Treatment Plant and Puketutu Island rehabilitation Project - complete Auckland Transport – 19 October (complete - online) Auckland Unlimited – 8 November (complete - online) Eke Panuku – 16 November
28	The council reviews the liaison councillor role at the start of the 2021 financial year.	To be scoped/or no work required at this stage	Green	–	Review scope established	Feb - April 2022	Review delayed to early 2022, in recognition of the impact of COVID-19 in the past year. The review timing will better reflect the practices that have emerged and inform the approach for the next term of council.
31	The council updates and clarifies its no surprises policy by: ...	Further work needed to establish scope and resources	Green	<10%	Scope approved by CEs	July - December 2021 Formal adoption early 2022	It will expand on the no surprises principle in the new statement of expectations. Will incorporate protocols governing information requests between the Governing body and CCOs (recommendation 32). Proposed to hold a scoping workshop with the CCO Oversight Committee in December 2021.
32	The council draws up a protocol governing information requests between the governing body and CCOs.	Underway	Green	60%	Protocol approved by CEs	2020 - December 2021	As part of the review of the elected members code of conduct, a policy and protocol has been developed for the sharing of confidential information between council and governing body members. The Elected Members Code of Conduct was approved by the governing body on 27 May 2021 and forms the basis of the protocol for CCOs. It is important to note that this is information that would be withheld from the public under the Local Government Official Information and Meeting Act. Remaining work required to develop protocol/rules for sharing and receiving information between CCOs, and between CCOs and Council/elected members. A protocol for non-confidential information will be developed alongside the no surprises policy (recommendation 31).

33	The council exercises its statutory powers under section 92 of Local Government (Auckland Council) Act 2009 if it has any concerns that a CCO is not acting consistently with any strategy.	Underway	Green	–	N/A	Can occur when needed	Can occur when needed.
34	CCOs and local boards reset how they engage with one another, by means of: ...	Underway	Green	90%	Delivery of first round of joint quarterly update report across the four CCOs to December local board meetings	February 2021- September 2021	The primary output is a combined engagement plan across the four CCOs for each local board. Following workshops with senior CCO staff, all local boards have now formally adopted their engagement plans. Staff are further developing a proposed reporting framework to local boards that will work across the CCOs. Note, COVID-19 restrictions has meant the plan for CCO chief executives to attend the Local Board Chairs' Forum to formally sign the engagement plans has had to be cancelled.
35	The council, working with the Independent Māori Statutory Board, the Mana Whenua Kaitiaki Forum and CCOs, clarifies for CCOs what each of these three entities' respective roles are at the governance level, and how CCOs should engage with each entity.	Underway	Green	20%	Draft to IMSB CCO CEs Group	April 2021 - June 2022	Independent Māori Statutory Board and Tāmaki Makaurau Mana Whenua Forum secretariats are in the process of developing guidance material to explain their respective roles and instruments for the approval of the Board and Forum in November/ December 2021. Feedback will be sought from CCOs. It is proposed that the guidance material can be used as a basis for developing communications with CCOs (and the wider council) about how they should engage with each entity.
36	The council urgently completes the Māori Outcomes Framework, which should include guidance on how CCOs engage with mataawaka, and afterwards CCOs update and align their Māori responsiveness plans accordingly.	Underway	Green	50%	Guidance completed	August 2020 - June 2022	The council has completed the Kia Ora Tāmaki Makaurau - Māori Outcomes Framework. CCOs are providing information on their current engagement with mataawaka. Framework and guidance for council teams and CCOs on Māori responsiveness have been developed.
37	CCOs use a template for their Māori responsiveness plans and collaborate with one another and seek input from Māori entities during the drafting process.	Underway	Green	40%	Auckland Transport and Auckland Unlimited MOPs	By June 2022	Watercare has completed a Māori outcomes plan aligned to the new outcomes framework. Eke Panuku has an existing mana whenua three year plan and has also commenced work on alignment to the new framework. Auckland Unlimited has approved a new Māori responsiveness plan for the merged entity. Auckland Transport has aligned its Business Plan to Kia Ora Tāmaki Makaurau. The Māori Outcomes Plan is being drafted to align with the Kia Ora Tāmaki Makaurau. It will be completed once the guidance and templates are finalised.
38	CCOs continue to work with the Independent Māori Statutory Board to monitor and report more effectively on Māori responsiveness plans.	To be scoped/or no work required at this stage	Green	–	Following completion of MRPs	By June 2022	No further work required at this stage. Dependent on completion of Recommendation 37. CCOs report on Māori outcomes as part of their regular quarterly performance reporting to CCO Oversight committee.

39	CCOs engage directly and at a more senior level with the Independent Māori Statutory Board and the Mana Whenua Kaitiaki Forum to work on joint initiatives that benefit Māori.	Underway	Green	40%	Next IMSB CCO CEs meeting	April - Dec 2021	An invitation has been extended for a quarterly hui between the council, CCO Independent Māori Statutory Board chief executives that will focus on Māori outcomes and provide oversight of implementation of CCO Review recommendations 35-40, 52. Hui were held in May and September 2021, with the next planned for December 2021. Staff supporting the Independent Māori Statutory Board and the with Tāmaki Makaurau Mana Whenua Forum are scoping areas in their respective work programmes where they can work together and with CCOs. The Auckland Unlimited board recently met with the Tāmaki Makaurau Mana Whenua Forum. This recommendation is scheduled to be completed by December 2021.
40	Ngā Mātārae, the Mana Whenua Kaitiaki Forum and CCOs arrange a hui to establish a more co-ordinated and meaningful way of working together to reduce the number of meetings Māori entities are expected to attend and contribute to.	Underway	Green	<10%	TBC	TBC	A preliminary hui has been held with the lead officer of the mana whenua forum, and staff from the CCOs, Ngā Mātārae and the Independent Māori Statutory Board. Resolution of this recommendation is related to engagement work already underway. Note: more than one hui will be required to progress this recommendation
44	The council and CCOs have common values and expectations of staff and management behaviour that collectively set the tone for the broader culture of all council organisations.	Underway	Green	<10%	Implementation programme agreed	SOE Version 2 2022	Proposal to address in next version of Statement of Expectations. While the statement of expectation is from the council as shareholder, it also identifies areas of focus for organisational culture in the council whanau, e.g. building and maintaining a culture of collaboration, active support of hauora / wellbeing of employees.
45	CCOs appoint a lead agency when working jointly on projects.	Further work needed to establish scope and resources	Green	70%	Report back to CEs on areas and role	April 2021 - June 2022	Eke Panuku convened a group workshop in April 2021 on the current approach and areas for improvement, including better visibility of programmes across the group, processes for escalation and sequencing of activity and joint Local Board and community engagement. This work was endorsed by council/ CCO chief executives group in June 2021. The working group is identifying areas where a 'lead agency' role would be of benefit and further scoping on the lead agency role following consultation with CCO teams and will back report to the chief executives in November 2021.
50	New council and CCO staff receive instruction during their induction on the need for CCOs to operate at arm's-length but also to be accountable to the council.	Underway	Green	75%	Learning modules completed	2020-2022	Governance Fundamentals introductory modules have been launched. Modules are hosted on Auckland Council's L&D site, accessible by Auckland Unlimited and Eke Panuku staff and can be shared with Auckland Transport and Watercare. Places on the first cohort commencing in November 2021 (and ongoing cohorts) will be offered to CCO staff. Work across the council family on a more advanced/ practical module for staff working with elected members will start in November 2021.
51	CCO chief and senior executives' job descriptions include requirements about collaborating with the council, following council directions and meeting council expectations.	Underway	Green	80%	Work with council and CCO teams to close of recommendation	Council provided direction February 2021; CCOs implementation	The Mayor and Deputy Mayor have written to CCOs requesting that CCO chief executives' and executives' job descriptions include requirements about collaborating with council. CCOs have provided examples of executive positions descriptions.



52	Job descriptions refer to the need to contribute to Māori outcomes.	Underway	Green	80%	Work with council and CCO teams to support	Council provided template December 2020; CCOs implementation	The Mayor has written to CCOs providing the example from council job descriptions. Watercare has implemented the position descriptors across their organisation. Auckland Transport Māori outcomes position descriptors have been developed and implemented. The council's Group Services directorate is supporting the implementation of these position descriptors in the CCOs they support (Eke Panuku and Auckland Unlimited). CCOs have provided examples of positions descriptions.
53	CCOs make more effort to co-ordinate how they consult the community on and implement local projects.	Underway	Green	50%	Engagement sprint at Auckland Transport, 24-29 June Links to other place based recs, including R34, R45, R46	Jan- Dec 2021	Local board engagement plans are identifying CCO and local board expectations for where public consultation will occur. This practice will contribute to better alignment of CCO consultation activities. This practice will contribute to better alignment of CCO consultation activities and identify areas for public consultation opportunities and determine appropriate joint action as needed.
54	CCOs report regularly on the nature of the complaints they receive and how long they take to resolve them.	Underway	Green	60%	Improvements identified	March 2021 - December 2021	CCOs and council have shared current practice. CCO and council staff agreed in November 2021 a base template to use for reporting trends in the type of formal complaints, actuals for the Statement of Intent complaints KPI and insights to executive lead teams and/ or boards. The information can also be used in CCO quarterly performance reports.
56	The council and CCOs explore options to give ratepayers a more effective voice in what happens in Auckland and also how, short of court proceedings, to challenge CCO or council decisions.	Further work needed to establish scope and resources	Green	—	Initiate scoping	Complete by June 2022	A brief has been provided to the council's legal team for an overview of the current mechanisms available to ratepayers. This will be an input to identifying gaps and potential approaches.
59	CCOs follow the council's quality advice standards and encourage staff to participate in its quality advice training.	Underway	Green	80%	Quality advice workshop with Watercare if requested	March 2021 - Nov 2021	The Quality Advice Programme has provided summary collateral to CCOs on ways they can embed the Quality Advice Standards and what support the programme can offer. Quality advice workshop delivered to Eke Panuku staff on 20 May 2021. Watercare is investigating options for a tailored quality advice workshop.
60	The council includes a selection of CCOs' reports among its own selection for external review each year, and considers reviewing elected members survey questions to get a clear picture of satisfaction with CCO engagement and advice.	Underway	Green	90%	Quality Advice: NZIER report assessment  Elected Members Survey: Complete the research report	Quality Advice: March - Nov 2021 Elected Members Survey: Jan - Dec 2021	Quality Advice: NZIER assessment for Auckland Transport, Auckland Unlimited and Eke Panuku selection of report has been completed. This gives CCOs first-time feedback about papers going to council governing body, committees and local boards. CCO staff attended feedback sessions for authors and authorised scheduled in early November.  Elected Members Survey: Communication of the survey results is now complete. Analysis of the research findings from focus groups has been completed. The research report has been drafted and it is now in the first stages of review. The project timeframes have been slightly delayed due to COVID-19 alert levels and contingency timeframes have been activated.

61	The council and CCOs work together to draw up group policies on shared services, the development of leadership talent and remuneration.	Underway	Green	10% Shared Services  Rem policy complete	Feasibility completed	Feasibility to March 2022	The proposed scope of the review has been developed and includes the following functions across CCOs: digital, finance, procurement, P&C, HS&W, legal, corporate property, communications, other corporate services, EPMD, corporate strategy, risk and assurance and rates, valuations and data management. Overall direction is provided by a Shared Services Governance Group (SSGG) of council and CCO executives. The feasibility phase is estimated to take 4–5 months with final approval of recommendations by the CCO Boards and council executive. Through October there was good progress with functions at Eke Panuku, Auckland Unlimited and the council. Engagement starts with Auckland Transport in November. Engagement with Watercare is parked on agreement with the Watercare Board and the SSGG, pending decisions on the three waters reform.  An update of the remuneration policy was approved by the governing body in June 2021. Feedback was provided on the policy by all CCOs.
62	Shared services have formal supplier/purchaser agreements, with agreed service levels.	Underway	Green	40%	Catalogue completion	December 2021	For existing shared services provided by Auckland Council, a catalogue is being developed. This will include service owners, escalation processes and service level agreements. This will be completed in November 2021, with approval sought from the Shared Service Governance Group in December 2021.
63	CCOs discuss their proposed collective bargaining strategy with the council.	Underway	Green	50%		TBC	Auckland Unlimited and Eke Panuku discuss collective bargaining strategy with the council. Information is shared between Auckland Transport and the council. The approach is to be scoped with Watercare.

## Attachment 3

## CCO Review implementation - completed recommendations

7.3

Rec	CCO Review recommendation	Overall timeframe	Notes
1	The council approves the merger of the two CCOs and appoints a steering group to implement the change.	Completed December 2020	Merger completed legally 1 December 2020 to form Auckland Unlimited.
4	Auckland Transport and the council jointly prepare the regional land transport plan, the draft of which the council endorses before going to the CCO's board for approval.	2020- June 2021	The RLTP was endorsed by the Planning Committee on 24 June and approved by the Auckland Transport board on 28 June. The level of involvement of the council elected members through the process has been a major change. There will be further refinements to the way the group supports the development of the RLTP in future iterations.
12	Panuku cuts its overheads and adopts a more focused approach to redevelopment.	Completed October 2021	Eke Panuku undertook work in response as part of the Emergency Budget and 10-year Budget 2021-2031. A peer review by the council's Finance team alongside annual reporting was also completed.
22	The council prepares a statement of expectation setting out its expectations of each CCO and of CCOs generally.	Dec 2020- June 2021	The statement of expectations (SoE) covers how CCOs interact with council, statutory obligations and other Auckland Council specific expectations. It was approved by the CCO Oversight Committee on 22 June 2021. (CCO/2021/26) Governance manual was reviewed alongside the development of the SoE. (R29). No surprises policies to be updated afterwards. (R31)
23	The council develops a template CCOs must use when drafting their statements of intent, as well as a set of common key performance measures they must include, to ensure consistency in length, detail, presentation and benchmarks.	Template completed by council December 2020	A template has been circulated by council for use in 2021. Part 1 provides the strategic overview and Part 2 the annual statement of performance expectations. CCOs have prepared SOIs for 2021-2024 using the new template.
24	CCOs' first and third quarterly reports concentrate more on any emerging risks or any developments that may require CCOs to adjust their priorities.	Nov 2020 to 8 July 2021	The council has advised CCOs on the focus for risk reporting in their first and third quarterly reports and presentations to the CCO Oversight Committee. The performance quarterly reports have been provided for 2020-2021. The council/ CCO chief executives group approved the completion of this recommendation on 8 July 2021 as now 'business as usual'.

25	The council creates a senior position responsible for day-to-day management of council-CCO relationships to take some of the load off its chief executive.	Completed November 2020	Establishment of Governance and CCO Partnerships Director role in the council executive team. Phil Wilson appointed November 2020.
29	The council rewrites its governance manual so the focus is squarely on its expectations of CCOs, removing policies to a separate document and requiring incoming directors and senior managers to read the manual.	May - June 2021	The Governance Manual was reviewed alongside the development of the Statement of Expectations (R22). Relevant aspects from the manual have been included in the new SOE. With the removal of policies, the manual is no longer required as approved by the CCO Oversight Committee June 2021. (CCO/2021/26)
30	The council gives its CCO governance and external partnership unit more resources to strengthen monitoring of CCOs.	December 2020 - June 2021	Additional positions have been approved for the council's CCO Governance team. Recruitment started in April for two additional principal advisors. One appointment has been made.
43	CCO boards have a more ethnically diverse membership and include more individuals with relevant subject matter expertise and public sector experience.	Ongoing activity as part of BAU	This is included in the CCO board member appointment criteria. Recent board appointments include directors with strong Māori and Pasifika connections, relevant specialist backgrounds and public sector experience. It is part of the ongoing appointment programme under the Appointments and Performance Review Committee. Approved as complete by council/ CCO chief executives group on 8 July 2021.
46	The council, Auckland Transport and Panuku jointly communicate to the public about urban development and transport infrastructure matters.	Ongoing activity as part of BAU	A working group of the three communications and engagement leads at Eke Panuku, Auckland Council and Auckland Transport has been established. Joint engagement and communication is now embedded and has been demonstrated in recent place-based projects. This work has also been supported by the collaborative group wide development and understanding of the brand strategy and guidelines. Work on the CCO recommendations has also driven closer day relationships including, for example, support at senior levels on recruitment panels. Links to other place based recommendations, including R53
47	CCO chief executives establish a group, led by the council's chief executive, that meets monthly to deal with any common or significant problems, risks or developments.	Completed	CCO chief executives and the council's chief executive are meeting on group wide issues and to oversee the implementation of the CCO review.

48	CCO chairs meet four times a year to strengthen relationships, build trust and generally provide a forum to share information and views.	February, April, July, October	Support is being provided for discussion of strategic issues by chairs at quarterly meetings. Opportunity to discuss chairs agenda at CEs meetings. Approved as complete by council/ CCO chief executives group on 8 July 2021.
55	CCOs' statements of intent contain a key performance indicator on complaint-handling.	March 2021 - July 2021	Cross council working group has proposed a KPI for complaint resolutions in Statements of Intent. All statements of intent now include a complaints resolution KPI.
57	The council updates its brand guidelines to ensure the pōhutukawa logo is used in a clear, consistent and flexible way on all council-funded services, activities and facilities, including when used alongside CCO operational brands.	September 2020 – August 2021	The updated group brand guidelines, developed collaboratively with the CCOs, were approved by the CCO Oversight Committee on 24 August 2021. (CCO/2021/32)
58	The council monitors CCOs' compliance with its brand guidelines.	August 2021 onwards	CCOs are required to comply with the updated group guidelines. Updates on compliance will be reported to CCO Oversight committee annually. (CCO/2021/32)
64	The council makes compliance with the procurement policy mandatory on all CCOs to reduce costs and minimise duplication.	Jan - June 2021	Procurement policy has been updated led by Steerco from council, AT (Andy Richards, GM Procurement, Mark Laing, CFO) and Watercare (Stuart Bird, Head of Supply Chain). CCOs boards endorsed policy. Finance and Performance Committee approved the policy in June 2021. Group CFOs will be accountable for policy implementation.

Board meeting | 30 November 2021  
Public session

## Our performance under the 2020–2023 Statement of Intent

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Emma McBride  
Co-Head of Governance

Jacky Simperingham  
Co-Head of Governance

**Recommended by**

Rob Fisher  
Acting Chief Officer Support Services

**Submitted by**

Jon Lamonte  
Chief Executive Officer

7.4

### 1. Te tūhunga / Recommendation

We recommend that the Board notes this report and the presentation attached to this report.

### 2. Take matua / Key points

The key points are:

- The Annual Report 2021, which includes our performance under the 2020–2023 Statement of Intent (SOI), was published on 29 October 2021.
- An overview of Watercare’s performance under the SOI 2020–2023 including our performance under FY2021 SOI targets, will be presented in the public session of the Board meeting.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.

### 3. Whāinga / Purpose and context

The 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 organisation’s 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.

#### 4. Kōrero pitopito / 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 under the SOI**

- We report to the shareholder, Auckland Council, via our Quarterly Reports on our progress under the SOI.
- Our overall performance under the SOI is also recorded in the Statement of Service Performance that is included in our Annual Report 2021.
- Our Annual Report 2021 was published and distributed online on 29 October 2021.

##### **We have distributed copies of our Annual Report 2021**

- The online version of the Annual Report 2021 has been available on our website since 29 October:  
<https://www.watercare.co.nz/About-us/Reports-and-publications> and also [www.watercareannualreport.co.nz](http://www.watercareannualreport.co.nz).
- The members of the public wishing to receive a hard copy of the Annual Report 2021 should send their name and address in advance to the Company Secretary, via email at [Rob.Fisher@water.co.nz](mailto:Rob.Fisher@water.co.nz).
- The Principal Advisor, CCO Governance and External Partnerships, Auckland Councillors and Local Board Chairs have been sent a link to the online version of the Annual Report 2021: <https://www.watercare.co.nz/About-us/Reports-and-publications> and also [www.watercareannualreport.co.nz](http://www.watercareannualreport.co.nz).
- Hard copies have been sent to the Mayor, Chief Executive and Principal Advisor, CCO Governance and External Partnerships at Auckland Council.

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

- A copy of the presentation is attached as Attachment 1.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.

#### 5. Ngā ūpoko / The capitals

The SOI is structured around our six capitals and how they align to Council's Auckland Plan Outcomes.

## 6. Ngā tūraru matua / Key risks and mitigations

Key risk	Mitigation
Performance measure targets may not be met	Continuous monitoring of performance measure targets, and reporting to Council via quarterly reports; agreement with Council to review targets should it be necessary.
Annual work programme deliverables and outcomes are not met	Continuous monitoring of progress against our agreed work programme, and reporting to Council via quarterly reports.

## 7. Ā muri ake nei / Next steps

This paper and the presentation finalise the reporting for the 2020–2023 SOI. Watercare is now working towards the 2021–2024 SOI.

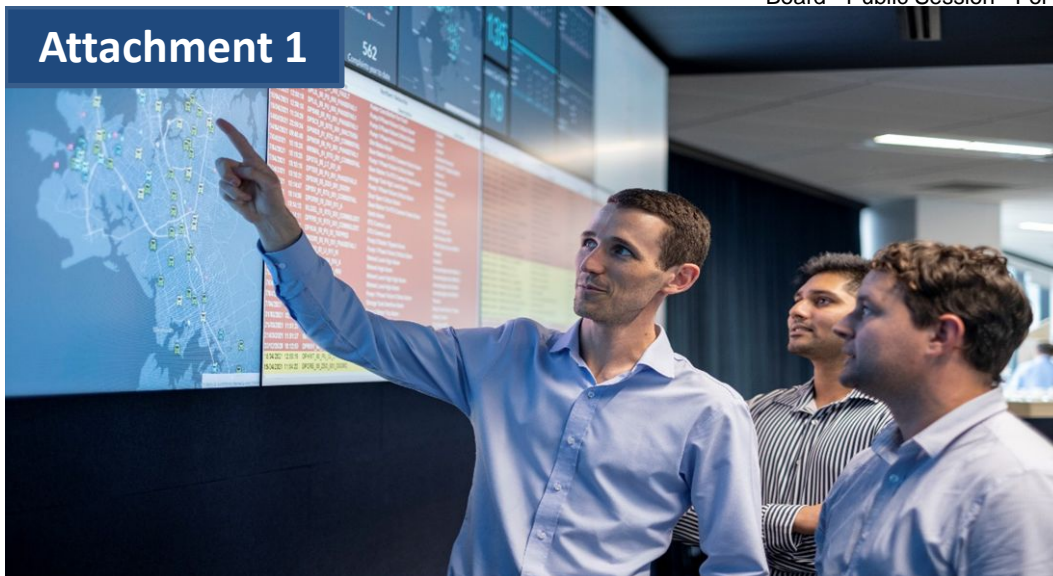
## 8. Te whakapiringa / Attachment

Attachment number	Description
1.	Our performance under the 2020–2023 Statement of Intent





## Attachment 1



7.4

### Watercare Services Limited *Pouring our energies into tomorrow* Our performance under the 2020-2023 statement of intent

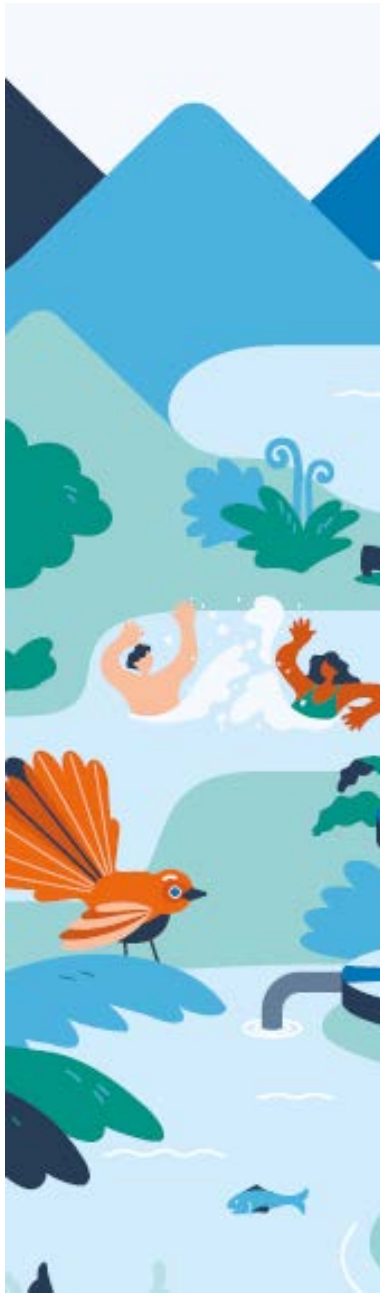


# 26 SOI Measures achieved

## Natural Environment

- 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 resource consents ✓
- The average consumption of drinking water per day per resident ✓
- The average consumption of drinking water per residential connection ✓ (New measure)
- The average consumption of drinking water per non-domestic connection ✓ (New measure)
- We will implement mitigation measures in line with our responsibility to keep global warming within 1.5°C ✓ (New measure)

7.4



# 26 SOI Measures achieved

## People and Culture

- We will improve our employee engagement (eNPS) ✓ (New measure)
- Improve gender workforce split in departments where the split is uneven ✓ (New measure)
- Attract a more diverse range of applicants to apply for jobs at Watercare ✓ (New measure)

## Customer and Stakeholder Relationships

- Net promoter score ✓
- 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) ✓

7.4





# 26 SOI Measures achieved

## Customer and Stakeholder Relationships (cont.)

- Median response time for attendance to urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site ✓
- Median response time for resolution of urgent call-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption ✓
- Median response time for attendance of non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site ✓
- Median response time for resolution of non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption ✓
- The total number of complaints received by Watercare about any of the: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply. Watercare's response to any of these issues are expressed per 1000 connections to the local authority's networked reticulation system ✓

7.4



# 26 SOI Measures achieved

## Customer and Stakeholder Relationships (cont.)

- Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that Watercare receives notification to the time that service personnel reach the site ✓
- Attendance at sewage overflows resulting from blockages or other faults: median response time for resolution – from the time that Watercare receives notification to the time that service personnel confirm resolution of the blockage or other fault ✓
- The total number of complaints received by Watercare about any of the following: a) sewage odour b) sewerage system faults c) sewerage system blockages. Watercare's response to issues with its sewerage system expressed per 1000 connections to the Watercare sewerage system ✓

7.4



# 26 SOI Measures achieved

## Assets and Infrastructure

- The number of dry-weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system ✓
- Average number of wet-weather overflows per engineered overflow point per discharge location in the transmission system (12-month rolling average) ✓
- We will develop and use talent, processes and technologies to manage non-revenue water and ensure optimal supply efficiency ✓  
(New measure)

7.4



# 26 SOI Measures achieved

## Intellectual Capital

- Establish and implement an Infrastructure Carbon Portal and corresponding toolkit to assess ways to reduce carbon emissions during the construction of water and wastewater assets ✓ (New measure)
- Establish and implement an Infrastructure Cost toolkit across the programme and project to deliver new ways to reduce costs during the construction of water and wastewater assets ✓ (New measure)

## Financial Capital and Resources

- Percentage of household expenditure on water supply services relative to the average household income ✓ (New measure)
- Watercare group's debt headroom ✓ (New measure)



7.4



# Two SOI measure were not achieved

## Assets and Infrastructure

**The percentage of real water loss from Watercare's networked reticulation system: result: 13.7%, target:  $\leq 13.0\%$  ✖**

- The water losses in this measure are calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced.
- Non-revenue water includes leaks (real water losses), water used for firefighting and operational use like pipe flushing. The leaks are the biggest contributor to our non-revenue water figures.
- The result reflects the proportion of water loss rather than the actual volume of water loss. Therefore, higher proportion of loss if the overall demand is low (as it was, due to Covid-19 restrictions and water use restrictions).

## Actions we are taking

While leaks are unavoidable for all water networks around the world, we have been proactively working on reducing water loss through early detection and fixing of leaks. In 2020/21, we:

- swept 5,400km of water pipes out of a planned 6,000km, proactively checking for leaks
- saved 9.1MLD that would have been lost to leaks
- replaced 30,000 domestic water meters as part of a planned replacement programme, to ensure accurate meter readings of consumption
- installed about 1,100 smart meters for commercial customers to provide real-time information on water consumption and leaks.

7.4





# Two SOI measure were not achieved

## Customer and Stakeholder Relationships

**We contribute to the delivery of Māori outcomes and deliver on the joint outcomes agreed by Council and CCOs ✖**

- At least one kōrero with each of the 19 iwi every year and work with them to develop meaningful measures for Māori outcomes
- This measure relies in part on third party entities
- We met with 13 iwi groups at least once in 2020/21
- While we continue to meet with many iwi entities on a one-on-one basis, our performance against this measure is also heavily influenced by iwi priorities and their varying levels of interest in meeting with us.

### **Actions we are taking**

Our main focus is on working together as partners to develop meaningful measures for Māori outcomes rather than merely achieving a target for meetings.

7.4

# Natural environment

## *Recovery and resilience have characterised the past year for Watercare*



### New, diverse water sources

- Since May 2020, we have been working to increase the total volume of water available for Auckland including: the re-introduction of the Pukekohe bore (5MLD); Hays Creek dam in Papakura (6MLD with a further 6MLD due by December 2021); and upgrades at our existing plants at Tūākau, Onehunga and Waitākere. Together these projects will increase the total additional volume of water available to Auckland by up to 106MLD by early 2022 (enough for 400,000 people) – increasing the resilience of our city's water supply through greater diversity of sources and by reducing the reliance on dams, which suffer the effects of droughts more acutely than river and underground sources.

### Environmental Initiatives

- We continued to implement, together with Council's Healthy Waters, the Western Isthmus Water Quality Improvement Programme to reduce stormwater from entering the wastewater network and to reduce wastewater overflows into the Waitematā Harbour.
- We introduced climate change related performance measures into the SOI and met these measures.
- The Auckland Water Efficiency Plan 2021 to 2025 was launched – the final stage of Watercare's commitment to the Auckland Three Waters Strategic Plan (2008).



Protected and enhanced natural environment  
Leading-edge resource efficiency and reuse of resources including water

7.4

# People and culture



Safe, engaged and  
empowered team  
Customer trust and value  
Industry talent and skills  
developed

*Our response to the drought and Covid-19 over 2020/2021 has demonstrated the collective resilience of our team, whether it is staff or our contractor workforce. They performed exceptionally well during a challenging and uncharted time.*

## Engaged teams

- Staff engagement measures, eNPS, were well above our targeted score (35 against a target of 20 or above) showing positive increases for our operations and customer functions.
- To address an aging workforce, focus was placed on developing specific career pathways for operations, increasing the number of interns by 40 per cent, and developing a new 3-year graduate programme and apprenticeship scheme.

## Cultural shift for a safer workforce

- Our work with Human Synergistics involved people from across the business – including our board and leadership team – to improve our health and safety performance by understanding and addressing implicit behaviours that shape our culture.

## Growing talent

- Our leadership development programme was delivered to people leaders, focusing on core competencies, communication and delivering feedback. A mentoring programme was also launched to advance our employees' careers and personal development.

## Increasing diversity

- We have committed to specific targets for increasing diversity. In 2020–21, gender and ethnic representation rates improved on the previous year.

7.4



# Customer and stakeholder relationships



Public health  
Engaged communities and  
stakeholders  
Thriving communities and  
economy

*The past year has required us to make big decisions to address big challenges.*

## Drought communications

- We engaged our customers on their water use, encouraging wise indoor water use and adherence to mandatory restrictions outdoors. Over the year, Aucklanders saved 18 billion litres of drinking water.
- We continued to meet the Ministry of Health's drinking water standards. We also started preparing for the new nationwide regulator – Taumata Arowai – which will introduce an enhanced drinking water regulatory system from late 2021.

## Customer engagement

- We ensured that the need to be waterwise stayed top of mind by delivering a widespread campaign coupled with personalised management of commercial customers. By partnering with retailers, we were able to distribute tens of thousands of shower timers, reinforcing our shorter shower message. And by delivering our hands-on education programme, we were able to teach 8,675 pupils about the value of water.

## Māori outcomes

- We have continued to nurture relationships with our iwi partners and stakeholders. To specifically actively advance Māori business, identity and culture, we have committed to award five per cent of annual contract expenditure to Māori business by 2025.

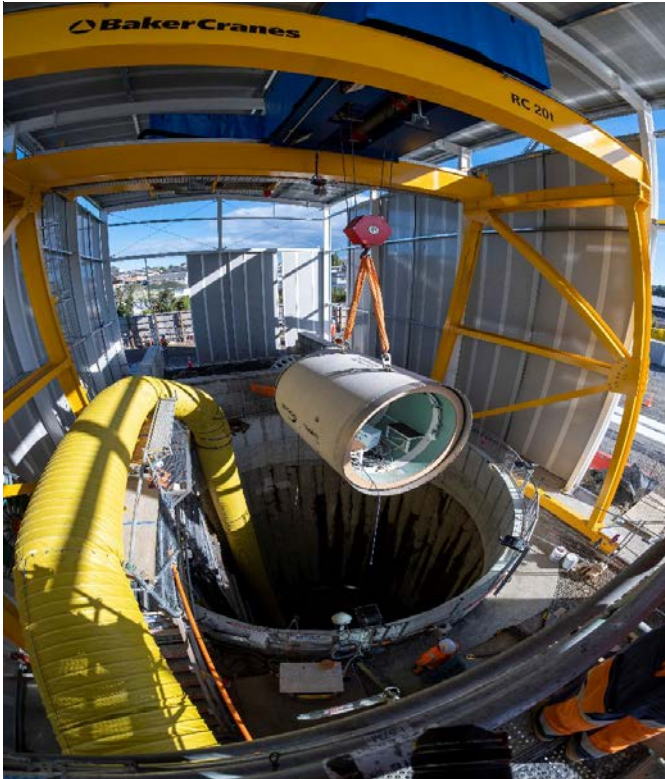
## Delivering value for money

- We introduced a new water top-up service in Whangaparaoa allowing customers on tank water to have guaranteed access to water on demand
- In 2020/21, an average Auckland household (comprising three people) spent less than 1% or 0.84% of its monthly income on water and wastewater charges.

7.4

# Assets and infrastructure

*The past year has been notable not only for the infrastructure projects we have delivered, but also for the way we have delivered them.*



**Future-proofed growth and  
supply assurance  
High-performing infrastructure**

## Investment highlights

- Unveiled our biggest investment programme Asset Management Plan (2021–2041), outlining how we will invest \$18.5 billion over the next 20 years to maintain and develop a resilient water and wastewater network for our customers.
- Significant milestones were achieved on large-scale projects such as the Central Interceptor and Pukekohe Wastewater Treatment Plant upgrade.
- We progressed and delivered almost all of our water supply augmentation projects, adding to Auckland's supply capacity by an additional 106MLD at an investment of \$224 million.
- Received a resource consent to carry out earthworks and vegetation removal for the Huia WTP, a new plant will be capable of treating 140MLD.
- Completed stage 1 of upgrades for Pukekohe WTP.
- We worked closely with Auckland Council on climate action and supported the development and launch of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. As well as specific actions related to water security for Auckland, Watercare has also aligned emission reduction targets with Auckland Council, aiming for 50% reduction (the 2019 Watercare strategy aimed for 45%) by 2030.

## Looking ahead

- Over the coming year we expect to spend over \$747 million, with the completion of the Glen Innes wastewater network upgrade, the Hūnua 4 Watermain, and phase one of the Northern Interceptor.

7.4

# Intellectual capital



Industry-leading  
thinking and processes

*Whether it was designing and constructing water treatment plants in shorter timeframes, incorporating low-carbon thinking in new infrastructure or working smarter and safer – teamwork and innovation characterised our work in 2020/21.*

## Our continued commitment

- A key focus during the year was on boosting Auckland's water supply resilience and managing demand. Our new Waikato 50 water treatment plant was delivered through our Enterprise Model partnership and was designed, consented, procured, constructed, and commissioned in just under 12 months – a feat that would normally take 3 to 4 years to complete.
- Our Integrated Source Management Model has also been updated to reflect climate impacts on water source yield.
- Over the past year, we installed 1,565 smart meters which are helping many larger customers to manage their water consumption and identify leaks more easily and will extend this programme to homeowners in the next year.
- The floating solar array on the treatment pond at Rosedale Wastewater Treatment Plant generated 1.23GWH since its installation in September 2020, reducing the plant's electricity consumption by 25 per cent.
- Our new Nerve Centre has brought together operational information and various teams to help us be more responsive and deliver better customer outcomes.

7.4



# Financial capital and resources

*We are at a critical time for Auckland's development as the region grapples with population growth, infrastructure development and ongoing environmental concerns.*



**Minimum-cost, efficient,  
financially-robust provider**

## Covid-19 constraints on borrowing

- Covid-19 impacts on the Council's revenue and our subsequent borrowing constraints have led us to revise our indented price path over the next decade and introduce a modified price path starting with a seven per cent rise beginning 1 July 2021.
- We are working with Auckland Council and Government to find an interim measure to address the balance sheet issue and are keeping a close watch on developments with Three Waters reform.

## Highlights

- In spite of the challenges we face, we continue to deliver on our mission to be a financially stable business that delivers value to its customers and communities.
- Total revenue at \$802.6m, compared favourably with \$752.2m in 2019/20.
- While we are spending more on capital investment, our operational costs increased 8.6% in 2021 compared to 2020 and have grown an average of 6.6% p.a. over the past four years.
- 2020/21 saw our highest ever investment in capital works, with a total spend of \$767m.
- Total assets grew from \$10.84b to \$12.62b, relating to the cost of new infrastructure spending being capitalized and a revaluation uplift in assets.
- Our operating expenses were higher for the year, due to higher unplanned maintenance costs.

7.4





7.4



## Board Planner 2021/22 - 12 months rolling

		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Meetings	Board	30-Nov	14-Dec (Teleconference)		8-Feb	1-Mar	5-Apr	3-May	7-Jun	5-Jul *	2-Aug	6-Sep	4-Oct *	1-Nov
	Audit and risk committee				2-Feb			31-May			15-Aug 29-Aug			22-Nov
	Te Tangata Komiti	24-Nov			3-Feb		20-Apr			13-Jul			17-Oct	
	AMP & Major Capex Committee	18-Nov				10-Mar		12-May				15-Sep		21-Nov
	Committee for Climate Action		8-Dec			17-Mar			15-Jun			21-Sep		
	CCO Oversight Committee meetings	23 November Presentation of Q1 Performance Report	14 December Letter of Expectation (not confirmed whether CE & Chair required at the meeting)		15 Feb		26-Apr	24 May Presentation of Q3 Performance Report	21-Jun					
Events	Community and Stakeholder Relationships													
Governance	Charter reviews				CCA ToRs *** TTK Charter						Corporate Governance charter			
	Policy reviews	Incident Management Policy Risk Management Policy				Fraud and Corruption Policy Protected Disclosures Policy				Tax subvention Income Policy			Our commitment to health, safety and wellness	Good Employer Policy
	Risk report due to Council	Risk report (due to Council mid-November)			Risk report due to Council			Risk report due to Council			Risk report due to Council			Risk report due to Council
	Enterprise Risk report to Board				Report to Board			Report to Board			Report to Board			Report to Board
	Compliance				Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance
	Shareholder interaction				Q2 Performance Report to Council - due to Council by 28 February 2022		Q3 Performance Report to Council - due to Council by 29 April 2022				Q4 Performance Report to Council - due to Council by 31 August 2022			Q4 Report to Council
	Site Visits													

## Board Planner 2021/22 - 12 months rolling

		Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22
Board Training	Board training & development	Board planning day - 9 November												
Business strategy				Organisational plan finalised					Deep dives on two strategic pillars			Deep dives on two strategic pillars		
Health Safety & Wellbeing	HSW Deep Dives	Critical risk - deep dives on Working with suspended loads			Critical risk - deep dives on Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)	Critical risk - deep dives on Working with fixed plant and equipment	Critical risk - deep dives on Working in or near live traffic (includes road corridors, construction and operational sites)	Critical risk - deep dives on Working at Height	Critical risk - deep dives on Working around waterbodies	Critical risk - deep dives on Digging and working in excavations (includes tunnelling)	Critical risk - deep dives on Working with flammables or in explosive/flammable areas			
Business planning	Key finance and business decisions		Auckland Council Draft Annual Plan - approve Watercare input		Approve half year accounts a) approve financials for Draft SOI including projected 22/23 price increases, b) approve long term financials for Auckland Council modelling			Present plan for Year end to A&R Approve Insurance Proposal Approval of 2022/23 Budget & updated SOI Financials (7 June Board meeting)		Auckland Council and Watercare to review 30 June Treasury Interest rates	a) approve 2021/22 accounts, b) delegate final sign off of 2022/23 Annual Report c) Approve Auckland Council Reporting Pack			Auckland Council Draft Annual Plan - approve Watercare input
	Statement of intent		2022/23 Letter of Expectations to be received		Draft 2022-2025 SOI for Board's review	Approval of Draft 2022-2025 SOI				Present shareholder SOI feedback at public meeting on 5 July. Final 2022-2025 SOI issued to shareholder	Final 2022-2025 SOI adopted by Auckland Council		2021/2022 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.	
Lutra Limited	Performance report				Half-yearly performance report						Half-yearly performance report			
	Statement of intent	2020/2021 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.	2022/23 Letter of Expectations to be received							Final 2022-2025 SOI to be send to Council	Final 2022-2025 SOI adopted by Auckland Council		2021/2022 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.	

\* Statutory public Board meeting - deputations invited

Board meeting | 30 November 2021  
Public session

## Directors' appointment terms, committee memberships, and meeting attendances

For information

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Jacky Simperingham  
Co-Head of Governance

**Recommended by**

Rob Fisher  
Acting Chief Officer Support Services

**Submitted by**

Jon Lamonte  
Chief Executive Officer

### 1. Te tūtohunga / Recommendation

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

### 2. Take matua / Key points

The key points are:

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

### 3. Kōrero pitopito / The details

**Table 1: We currently 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
Dave Chambers	1 November 2019	31 October 2022
Nicola Crauford	1 April 2014	31 October 2022
Brendon Green	1 November 2016	31 October 2022
Hinerangi Raumati-Tu'ua	1 August 2019	31 October 2024
Frances Valintine	1 November 2019	31 October 2022
Graham Darlow	3 February 2021	31 October 2024

**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	Te Tangata	AMP & Major Capex	Committee for Climate Action
Margaret Devlin (Chair)	*	✓	✓	
Dave Chambers		Committee Chair		✓
Nicola Crauford			Committee Chair	✓
Brendon Green	✓			Committee Chair
Hinerangi Raumati-Tu'ua	Committee Chair		✓	
Frances Valintine		✓		✓
Graham Darlow	✓		✓	

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

Table 3: Attendance at Board and committee meetings in 2021 is detailed in the table below:

Attended ✓ Did not attend ✕ Not on the committee ■ Not on the Board ☐	Attendance at Board meetings										Attendance at Audit and Risk Committee meetings					Attendance at AMP & Major Capex Committee meetings					Attendance at Te Tangata Komiti meetings				Attendance at Committee for Climate Action meetings						
Board members attendance 2021	Board 29 January 2021	Board 26 February 2021	Board 30 March 2021	Board 29 April 2021	Board 1 June 2021	Board 5 July 2021	Board 29 July 2021	Board 30 August 2021	Board 30 September 2021	Board 28 October 2021	Board 30 November 2021	A&R 3 February 2021	A&R 26 May 2021	A&R 9 August 2021	A&R 24 August 2021	A&R 28 October 2021	AMCC 18 February 2021	AMCC 16 April 2021	AMCC 20 May 2021	AMCC 11 August 2021	AMCC 18 November 2021	TTK 27 January 2021	TTK 28 April 2021	TTK 19 August 2021	TTK 24 November 2021	CCA 19 February 2021	CCA 24 May 2021	CCA 13 September 2021	CCA 8 December 2021		
Margaret Devlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✕ <sup>1</sup>	✓	✓	✓	✕	✓	✓	✓			✓	✓	✓	
Nicki Crauford	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓							✓	✓	✓	✓	✓						✓	✓	✓		
Brendon Green	✕	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓											✓	✓	✓		
David Thomas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Hinerangi Raumati-Tu'ua	✕	✕	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓		✓	✓	✓	✓										
Dave Chambers	✓	✓	✓	✓	✓	✓	✓	✕	✓	✓										✓		✓	✓	✓			✓	✓	✓		
Frances Valentine	✓	✓	✓	✓	✓	✓	✓	✕	✓	✓							✕						✓	✓			✓	✓	✓		
Graham Darlow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✕	✓	✓	✓		✓	✓	✕	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

1. Margaret Devlin was absent from this meeting as she was required to attend another meeting as Chair of the Board.



Board meeting | 30 November 2021  
Public session

## Disclosure of Directors' and Executives' interests

For information

### Te pou whenua tuhinga / Document ownership

#### Prepared by

Jacky Simperingham  
Co-Head of Governance

#### Recommended by

Rob Fisher  
Acting Chief Officer Support Services

#### Submitted by

Jon Lamonte  
Chief Executive Officer

### 1. Te tūhunga / Recommendation

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

### 2. Take matua / Key points

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

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

### 3. Kōrero pitopito / The details

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

DIRECTOR	INTEREST
Margaret Devlin	<ul style="list-style-type: none"> <li>• Director and Chair, Lyttleton Port Company Limited</li> <li>• Director, Waikato Regional Airport</li> <li>• Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport)</li> <li>• Director, Waimea Water Limited</li> <li>• Director, Aurora Energy</li> </ul>

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> <li>• Director, IT Partners Group</li> <li>• Deputy Chair, WINTEC</li> <li>• Chair, Advisory Board Women in Infrastructure Network</li> <li>• Chair, Hospice Waikato</li> <li>• Chair, Infrastructure NZ</li> <li>• Chartered Fellow, Institute of Directors</li> <li>• Member, Institute of Directors, Waikato Branch Committee</li> </ul>
<b>Nicola Crauford</b>	<ul style="list-style-type: none"> <li>• Chair, GNS Science Limited</li> <li>• Chair, Electricity Authority</li> <li>• Director and Shareholder, Riposte Consulting Limited</li> <li>• Director, CentrePort Limited Group</li> <li>• Trustee, Wellington Regional Stadium Trust</li> </ul>
<b>Brendon Green</b>	<ul style="list-style-type: none"> <li>• Director, Kaitiaki Advisory Limited</li> <li>• Director, Tainui Kawhia Incorporation</li> <li>• Director, Hiringa Energy Limited</li> <li>• Director, Hiringa Refueling Investments Limited</li> <li>• Executive Director, Advanced Biotech NZ Limited</li> <li>• Management contract, Tainui Kawhia Minerals</li> <li>• Australia-NZ representative, Wattstock LLC (USA)</li> <li>• Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui</li> <li>• Runanga Manukau Institute of Technology, Te Whakakitenga o Waikato representative</li> <li>• Member, Waikato District Council – Infrastructure Committee</li> <li>• Advisor, Te Taumata Aronui – Ministry of Education</li> <li>• Adjunct Senior Fellow, University of Canterbury – Department of Chemical Engineering</li> <li>• Co-chair, Waikato Regional Skills Leadership Group</li> <li>• Member, Construction and Infrastructure Workforce Development Council</li> </ul>
<b>Hinerangi Raumati-Tu'ua</b>	<ul style="list-style-type: none"> <li>• Chair, Parininihi Ki Waitotara Incorporated</li> <li>• Chair, Te Rere O Kapuni Limited</li> <li>• Chair, Ngā Miro Trust</li> <li>• Chair, Nga Kai Tautoko Limited</li> </ul>

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> <li>• Chair, Te Kiwai Maui o Ngaruahine Limited</li> <li>• Trustee, PKW Trust</li> <li>• Director, Taranaki Iwi Holdings Management Limited</li> <li>• Chair, Aotearoa Fisheries Limited</li> <li>• Director, Sealord Group Limited</li> <li>• Director, Port Nicholson Fisheries GP Limited</li> <li>• Director, Te Puia Tapapa GP Limited</li> <li>• Chair, Tainui Group Holdings Limited</li> <li>• Executive Member, Te Whakakitenga O Waikato</li> </ul>
<b>Dave Chambers</b>	<ul style="list-style-type: none"> <li>• Director, Paper Plus New Zealand Limited</li> <li>• Director, Living Clean NZ Limited</li> <li>• Director, Turners and Growers Fresh Limited</li> </ul>
<b>Frances Valintine</b>	<ul style="list-style-type: none"> <li>• Director and CEO, The Mind Lab Limited</li> <li>• Director and CEO, Tech Futures Lab Limited</li> <li>• Director, Harcourt Jasper Limited</li> <li>• Director, Pointed Tangram Limited</li> <li>• Director, Harper Lilley Limited</li> <li>• Director, On Being Bold Limited</li> <li>• Director, Sandell Trustees Limited</li> <li>• Selection Advisor, Edmund Hillary Fellowship</li> <li>• Trustee, Dilworth Trust Board</li> </ul>
<b>Graham Darlow</b>	<ul style="list-style-type: none"> <li>• Business Executive, Acciona Infrastructure NZ Limited</li> <li>• Director and Shareholder, Brockway Consulting Limited</li> <li>• Chair, Frequency NZ Limited</li> <li>• Director, Hick Bros. Civil Construction Limited</li> <li>• Director, Hick Bros. Infrastructure Limited</li> <li>• Chair, Holmes GP Structure Limited</li> <li>• Director, Tainui Auckland Airport Hotel GP (No.2) Limited</li> <li>• Director, Hick Bros. Heavy Haulage Limited</li> <li>• Director, Hick Bros. Holdings Limited</li> </ul>



Watercare's Executives' Interests Register is set out below.

EXECUTIVES	INTEREST
Jon Lamonte	<ul style="list-style-type: none"> <li>• Director, Water Services Association of Australia</li> <li>• Member, Water Workforce Development Strategy Steering Group</li> </ul>
Marlon Bridge	<ul style="list-style-type: none"> <li>• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> <li>• Director, WCS Limited</li> <li>• The Department of Internal Affairs</li> </ul>
Rebecca Chenery	<ul style="list-style-type: none"> <li>• Director, Lutra Limited</li> </ul>
Shayne Cunis	<ul style="list-style-type: none"> <li>• Director, The Water Research Foundation (USA)</li> <li>• Director, Lutra Limited</li> </ul>
Rob Fisher	<ul style="list-style-type: none"> <li>• Trustee, Watercare Harbour Clean Up Trust</li> <li>• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Amanda Singleton	<ul style="list-style-type: none"> <li>• Director, Die Weskusplek Pty Ltd (South Africa)</li> <li>• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Nigel Toms	<ul style="list-style-type: none"> <li>• Director, TRN Risk &amp; Resilience Consulting</li> </ul>
Steve Webster	<ul style="list-style-type: none"> <li>• Director, Howick Swimgym Limited</li> </ul>
Mark Bourne	<ul style="list-style-type: none"> <li>• Trustee, Watercare Harbour Clean Up Trust</li> <li>• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>
Andrew Chin	Nil

