

Board meeting | 5 March 2024

Public session



Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:45am to 11:15am

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening Karakia	Graham Darlow	-	Verbal
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	Three directors required	Verbal
4	Declaration of any conflicts of interest	Chair	For noting	Verbal
5	Minutes of the previous meeting of 8 February 2024 Board meeting	Chair	For approval	Minutes
6	Public deputations	Chair	For information	Verbal
Items for information, discussion and approval				
7	Chief Executive's report	Dave Chambers	For discussion	Report
8	Health, safety and wellbeing update	Paula Luijken	For discussion	Report
Governance				
9	Asset Management Committee meeting update	Graham Darlow	For discussion	Verbal update
10	Board planner	Chair	For information	Report
11	Directors' appointment terms, committee memberships and meeting attendances	Chair	For information	Report
12	Disclosure of Directors' and Executives' interests	Chair	For information	Report
13	General business	Chair	For discussion	Verbal update

Date of next meeting	Tuesday, 9 April 2024
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Karakia Timatanga (To start a meeting)

1. Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora!

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



2. Tukua te wairua kia rere ki ngā taumata

Hai ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TĀIKI E!

Allow one's spirit to exercise its potential

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

Take hold and preserve it

Ensure it is never lost

Hold fast.

Secure it.

Draw together! Affirm



Minutes

Board meeting	Public session
Date	8 February 2024
Venue	Watercare Services, Level 3 Boardrooms, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	11:15am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Julian Smith Graham Darlow Nicola Crauford Frances Valintine	Dave Chambers (CE) Mark Bourne (Chief Operations Officer) Amanda Singleton (Chief Customer Officer) Shayne Cunis (Exec Programme Director CI) Sarah Phillips (Chief People Officer) Paula Luijken (Acting Head of Health, Safety and Wellness) (from the beginning until end of item 8) Nigel Toms (General Manager Risk, Quality and Assurance) (from the beginning until the end of item 7) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor)	Via Microsoft Teams Trudi Fava (CCO Programme Lead)

1.	<p>Opening karakia</p> <p>Nicola Crauford opened the meeting with a karakia.</p> <p>Meeting administration</p> <p>The Chair took a moment to reflect on the challenges Aucklanders were facing this time last year due to the flooding and Cyclone Gabrielle.</p> <p>In light of the new government's Local Water Done Well plan, the Chair asked the Governance team to organise a strategy session to discuss the following matters:</p> <ul style="list-style-type: none"> • What Watercare needs to achieve by June 2024. • What Watercare must achieve by June 2025. • What Watercare will need to do from July 2025 and beyond. <p>The Chair congratulated Sarah Phillips and her team for their work on Watercare's Gender Tick accreditation and publishing Watercare's gender pay gap.</p>
2.	<p>Apologies</p> <p>Councillor Shane Henderson (Chair, CCO Oversight and Direction Committee) and Councillor Ken Turner (Watercare's Lead Councillor) sent their apologies.</p> <p>Cr Turner provided the Chair with comments on the Huia Treatment Plant replacement project. Cr Turner reiterated that Watercare needs to ensure they engage with Council and community regarding the development of this project.</p>
3.	<p>Quorum</p> <p>All directors were present at the meeting, so a quorum was established.</p>
4.	<p>Declaration of any conflicts of interest</p> <p>No conflicts of interest were noted.</p>
5.	<p>Minutes of the previous meeting of 12 December 2023</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 12 December 2023 be confirmed as true and correct subject to a minor typographical error at section 11 of the minutes.</i></p>
6.	<p>Public deputations</p> <p>There were no public deputations.</p>

7.

Chief Executive's report

The CE introduced the report. The following key points were made:

November and December 2023 update

- The Water Services Programme managed by National Transition Unit (NTU) is being closed down by 31 May 2024.

People update

- Watercare has achieved the Gender Tick, but will need to continue these efforts to ensure we maintain it.
- The sports tournament went well, and a Family Day for Watercare staff and their whanau is planned for late February 2024.
- Watercare continues to explore what can be utilised through the work that the NTU had undertaken under the Water Services Programme.
- People metrics show turnover continued to trend downwards and leave liability is also falling. To meet the target, we are working to manage leave to reduce excessive aged entitlements.

Partnerships

- Meetings with Chairs and Chief Executives of our iwi and mana whenua partners are scheduled to address concerns and clarify Watercare's role and responsibilities in water services whilst we navigate the transition to "Local Water Done Well". Our iwi partners have advised us they want more direct engagement on the issues that impact them directly.

Operations

- There have been no concerns from Taumata Arowai (TA) regarding the annual review of our Drinking Water Safety Plans (DWSPs). Mark Bourne advised that we do not expect any feedback from TA on the DWSPs.
- The leak management programme is a maintenance programme which started during the 2020 drought. This programme has now become a more targeted programme, focusing on smaller, problem areas with repeated leaks.
- The feedback from the Voice of Customer confirms that the customers are aware of our leak response times. We are also ramping up our "every drop counts" campaign.
- The water leaks on the customer side of the meter are a private issue. However, Watercare provides leak rebates on a case-by-case basis to those who promptly fix private leaks. These amounted to around \$9m last year. The Chair noted that smart metering will allow us to catch these types of leaks sooner.

Central Interceptor

- The main Tunnel Boring Machine (TBM) has now tunnelled 9km. The next stop will be Walmsley shaft connection point.
- All major mechanical process plant and pipe work has been installed for the Māngere pump station. Confluence chamber works within the wastewater plant are also progressing.

<ul style="list-style-type: none"> • The team is keeping an eye on talent, and the GAJV and other contractors are working to ensure that their people remain committed and enthusiastic about the project. <p><i>Huia water treatment plant replacement project</i></p> <ul style="list-style-type: none"> • We are scoping to determine the most efficient way to deliver the large programme of projects, including restoration of the Nihotupu filter station. • A Board and Governing Body visit to Huia Water Treatment Plant (WTP) is scheduled for 4 March 2024. • For the 4 March 2024 visit, the Chair requested a schematic showing the wider project. • Nicola Crauford noted she visited Huia WTP on 25 January 2024 and thanked the team for their tour and sharing their knowledge of the project. <p><i>Risk and compliance update</i></p> <ul style="list-style-type: none"> • The Privacy Commissioner has closed the investigation based on our response and the steps taken to ensure this type of breach does not occur again. • The increase in number of LGOIMA requests is associated with the Southwest wastewater upgrade. • At section 9.5 of the report, there was a mention of section 8.4 however, this is a typo and should read as section 9.4. <p><i>Laboratory services – hazardous substances review</i></p> <ul style="list-style-type: none"> • The hazardous substance review includes two reviews: a full audit of all hazardous substances; and a review assisted by the internal audit (IA) and Health, Safety and Wellbeing (HSW) teams. • The IA team will assist with a review of the certifications, ensuring that all relevant certifications for individual sites are up-to date and valid. • HSW team will perform a physical inspection of storage of the hazardous substances to ensure that we are complying with our certifications. Their review findings will then be reported to IA team. • The Audit and Risk Committee will be kept informed via internal audit reports. • On a related topic, the potential impact of Australian port strikes on chlorine supply is being closely monitored. <p><i>Key performance measures</i></p> <ul style="list-style-type: none"> • Item 11 – Attendance of sewerage overflows remains high which is a reflection of the extreme wet weather last year. We are focusing on the resolution of faults (item 7). These are DIA measures and therefore any changes to the measures would require a consultation by Council through the Long-Term Plan process. The Board had a robust discussion regarding the need to change the target of these measures and further guidance to be taken from the DIA regarding these measures. Emma McBride confirmed that as a part of the Statement of Intent and Long-Term Plan process, we are undertaking a review of our measures. • Item 27 – Despite the Ōrākei Main Sewer (OMS) collapse, the December 2023 community trust score has increased to 61. Management considers this is because our communications around the incident have been proactive and ongoing, helping to maintain trust. Julian Smith was surprised the score rose on the back of the OMS collapsed and queried the drivers. Amanda will provide a further update to Julian on this after the meeting. • Amanda noted our January 2024 trust score has dipped three points, and we think this may be due to the national narrative around water reform, and the issues faced by water utilities elsewhere, including Wellington. • Items 8 and 9 – These measures are similar to other DIA measures (items 6 and 7). Items 6 and 7 include P1 (Priority 1) response; and items 8 and 9 include other non-urgent response ie P2, P3 and P4.
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	<ul style="list-style-type: none"> Item 18 – Amanda provided an update on the current performance of our meter reader contractors and the new methodology they have adopted regarding readings. Item 20 – The Chair requested a performance update on ‘reactive maintenance spend vs proactive renewals spend’ in April 2024. <p>Water quality</p> <ul style="list-style-type: none"> The number of repeat complaints noted on page 61 of the report are associated with the wider issue of discoloured water in the Onehunga Low Zone. There is no relation between the water discolouration and shutdown of our Onehunga Water Treatment Plant. The complaints are due to the construction activity and third party damage. In addition, we have had a number of watermain breaks in short period of time. This led to water outages in the area and then flushing, which can result in discolouration. <p><i>The Board noted the report.</i></p>
8.	<p>Health, safety and wellbeing update</p> <p>The CE and Paula Luijken noted the following key topics:</p> <ul style="list-style-type: none"> On 2 February 2024, a sampler was performing routine sample testing at the Huntly WTP when he came into contact with caustic soda which splashed onto him. Given the nature of the injury and the further treatment needed, the incident met the threshold for Worksafe notification, and this has been completed. An investigation report is due tomorrow. Waikato District Council’s Water Governance Board has also been notified. Further detail, including PPE requirement and caustic soda storage level to be provided in the Board pack for 5 March 2024 Board meeting. A final report from HSE Global, independent external reviewer, was received yesterday. The report is currently being reviewed. As noted on pages 84 and 85 of the pack, the 2023 numbers have decreased as compared to last year. Therefore, we are still struggling to understand the correlation of these numbers with our TRIFR as it remains higher than other organisations. The report’s recommendations will form part of the work the company must do before 30 June 2024. The Board requested a detailed update on HSE Global’s report be provided at the March 2024 Board meeting. The Board requested that an update on TRIFR be included in the Deep Dive presentation to Council’s CCO Direction and Oversight Committee on 22 February. In response to a query from the Board regarding the staff turnover in HSW team, Paula noted that out of 13 people four have resigned, including Bronwyn Struthers. One highlight from the report was praise for a “high level of intrinsic motivation within the workforce” as we started to review various sites through HSW representatives. The HSW representatives are in the process of collating the feedback from their meetings to enable structured focus. <p><i>The Board noted the report.</i></p>
9.	<p>Updated Summer Water Production Plan</p> <p>Mark Bourne took the report as read. The following was discussed:</p>

	<ul style="list-style-type: none"> • The storage lakes were full during September 2023. NIWA advised that there will be dry summer and lower-than normal rainfall over the next autumn and winter period. Although current storage lakes are nearly at full capacity, we have updated our summer production plan to ensure continuity of supply and prevent restrictions during late summer and autumn 2025. • At the time of budget in February 2023/March 2023, the water supply lake levels were full. Accordingly, the plan was to source water from Huia and Ardmore. Graph 1 on page 91 of the pack shows a range of these scenarios ie increased demand, less rainfall and continuing with the original budgeted plan. • The Graph on page 92 is an updated summer production plan where an additional 60MLD of water is taken from Waikato WTP rather than the lakes. The graph shows the difference in lake storage levels and forecast weather patterns vs actual. • Some El Niño (a drier windier weather pattern) do produce rain, like we have had in recent weeks. This has a positive impact on our water supply lake levels, and we are currently 12% ahead of our target storage. • The water supply lake levels do decrease during summer, with dams typically recharging in autumn and winter. • The maximum unconstrained production from all our sources is 600MLD but it is not sustainable in the long term. The Chair noted that on a recent visit to the UK, many construction sites and businesses advertised the fact they were using non-potable water. • It was noted that water restrictions are not failure but part of the management of water supply and demand by an organisation. The Chair asked Management to include seasonal water update including comments on the Auckland Water Strategy in our deep dive topics with Council's CCO Direction and Oversight Committee on 22 February 2024. • The Chair asked for the monthly reports on Auckland Water Strategy targets to be shared with the Board via the Diligent resource centre. <p><i>The Board noted the report.</i></p>
10.	<p>Audit and Risk Committee meeting update</p> <p>Nicki Crauford, the Chair of Audit and Risk Committee (ARC), provided an update on the ARC meeting held on 7 February 2024. She noted that the ARC:</p> <ul style="list-style-type: none"> • Reviewed the half year accounts; • Discussed Deloitte's external audit update; • Recommended to the Board for its approval of the Risk Management Policy; and • Discussed internal audit report.
11.	<p>Board planner</p> <p>Following key topics were discussed:</p> <ul style="list-style-type: none"> • Watercare's deep dive session with the CCO Direction and Oversight Committee is set for 22 February 2024. • The Asset Management Committee meeting has moved forward to 19 February 2024. • A Board Strategy session to be scheduled for later this month. <p><i>The Board noted the Board planner.</i></p>

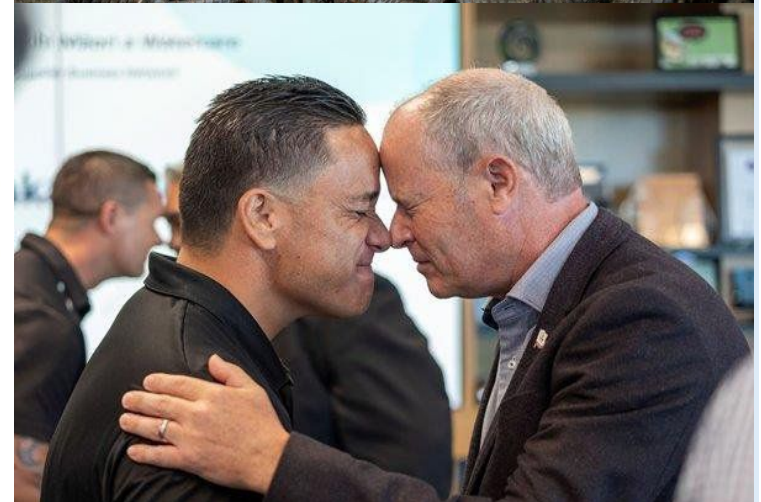
12.	Directors' appointment terms, committee memberships and meeting attendances The Chair noted her attendance at a confidential workshop organised by Council's Performance and Appointment Committee regarding director appointments. <i>The Board noted the report.</i>
13.	Disclosure of Directors' and Executives' interests <i>The Board noted the report.</i>
14.	General business The public session closed at 12:30pm.

CERTIFIED AS A TRUE AND CORRECT RECORD

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 Margaret Devlin, Chair

Chief Executive's report – March 2024

Presented by: Dave Chambers



1. January 2024

We continue to monitor our water supply situation, which is currently stable. As part of our ongoing summer messaging, we will keep reminding Aucklanders to be mindful of their water use during summer. We acknowledged the one-year anniversary of the January 2023 floods with a report on the progress of our flood recovery works. Of the more than 200 individual infrastructure issues, 60 have been resolved, 16 repairs are currently ready for execution, and a considerable amount of work remains in the planning, design, and consenting phase, expected to extend through to 2025.

Work is underway at the Ōrākei Main Sewer sinkhole site to prepare for the pipeline's relining. Over the next few weeks, we will be installing winches, setting up the jacking rig, and installing the liner. Relining work will take place with the sewer in service. With most of the debris now cleared from inside the sewer, wastewater is running through it, and we have not needed to operate the bypass since before Christmas. However, we are keeping the bypass pipe in place in case it is needed during the relining work. We continue to engage with the community to address any concerns as they come up.

Some key infrastructure highlights in January 2024:

- The Environment Court granted resource consent that allows Watercare's Huia Water Treatment Plant replacement project to proceed. The consent, granted just before Christmas, relates to the earthworks and vegetation removal that is needed for Watercare to build a new treatment plant to replace the 95-year-old original plant. Concept design for the water treatment plant is underway now. At this stage, we hope to begin construction in 2027.
- We announced the 19 industry partners (consultants and contractors) selected for our \$3.5b asset renewal programme. The successful companies were identified after a rigorous, three-month selection process. They will work on the first half of a decade-long programme to replace our ageing water and wastewater pipes and upgrade pump stations and treatment plants.
- As an extension of the above AUR procurement work, we unveiled our Ngā Kakau Paraha – a new Māori business network. This group of fifteen Māori-owned businesses represent a number of construction trades used by Watercare and its contractors for work in the water and wastewater networks, including electrical, landscaping, earth works, pipelaying, traffic management and plant and labour hire. With the creation of this network, we are connecting these businesses to the contractors and consultants who will be helping us to deliver our \$3.5b asset upgrade and renewal programme. This initiative is aligned to our target to have 5 per cent of our annual total spend going to Māori businesses by 2025.

With the Water Services Act officially repealed and the new government's Local Water Done Well plan still to be defined and developed, Watercare's ability to borrow will continue to be governed by Auckland Council Group's guidelines until a sustainable financial strategy/model for Watercare is introduced.

We recognise that the scale of investment needed to maintain and upgrade our assets is huge and we want to ensure this investment is equitably paid for by today and tomorrow's generations.

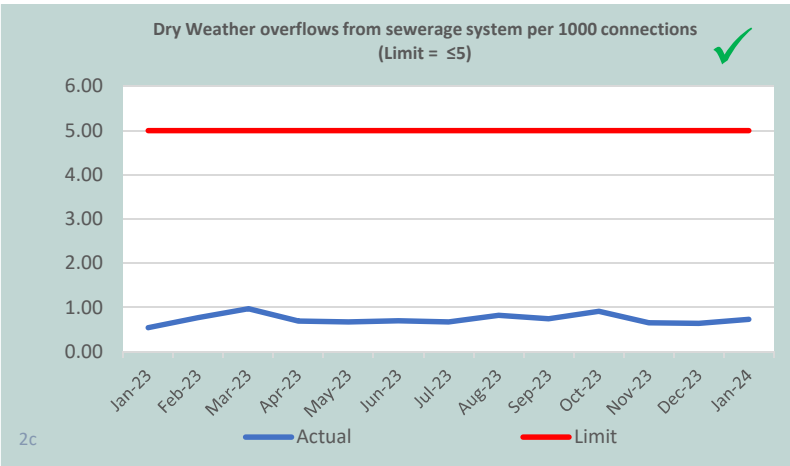
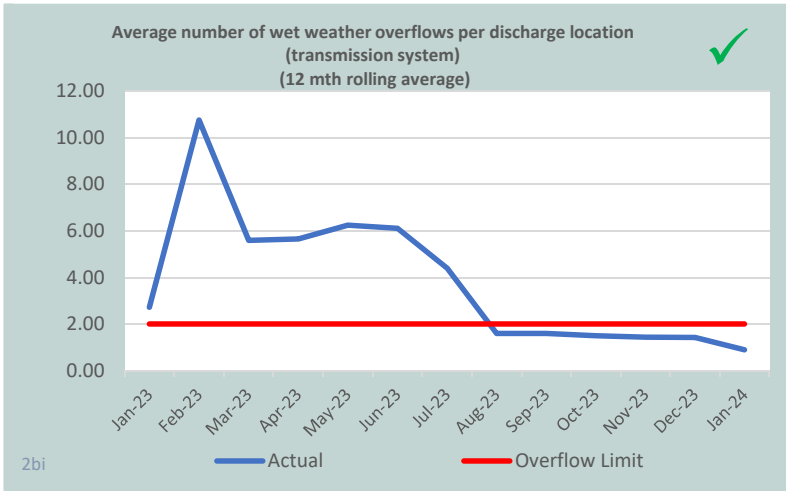
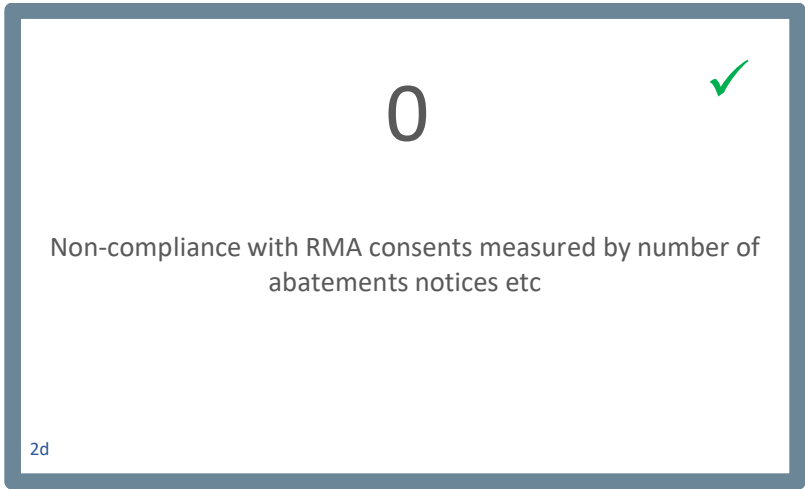
We also need to balance our need to invest against the backdrop of Auckland Council's direction to maintain our debt-to-revenue ratio at 340% and to ensure that growth funds growth.

We appreciate that Auckland Council aims to avoid significant price rises for water; and that Auckland Council is working with the central government to achieve a financially sustainable water model.

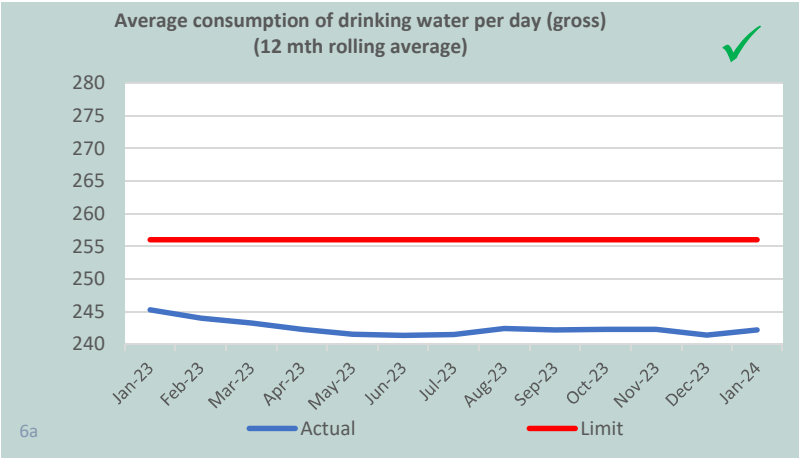
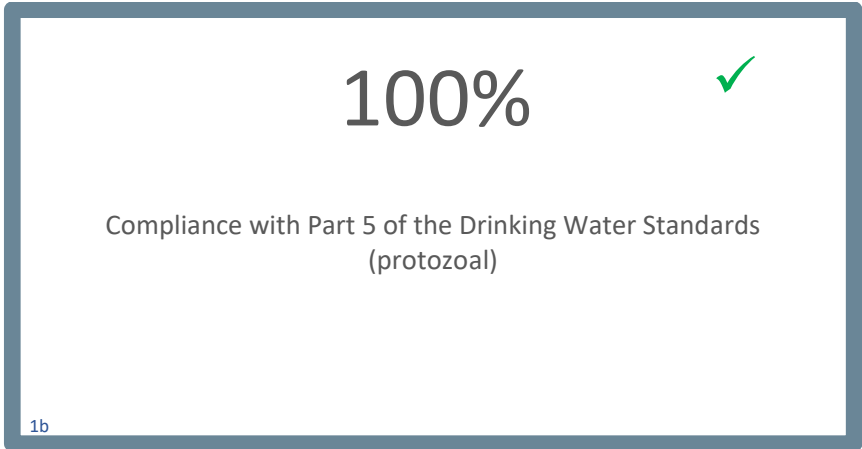
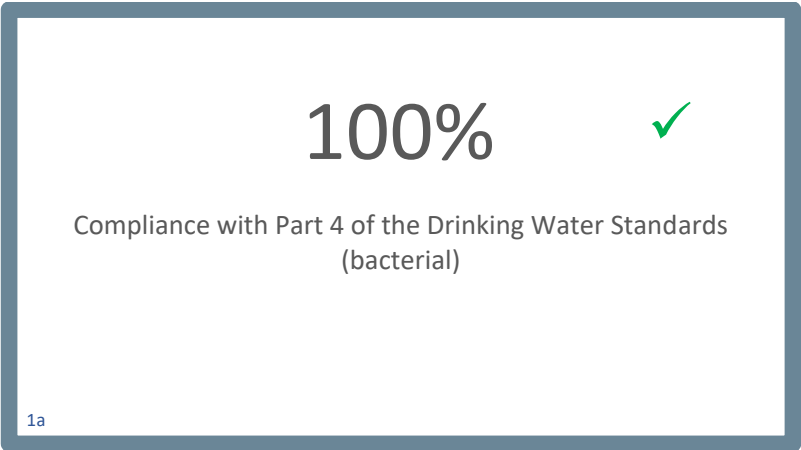
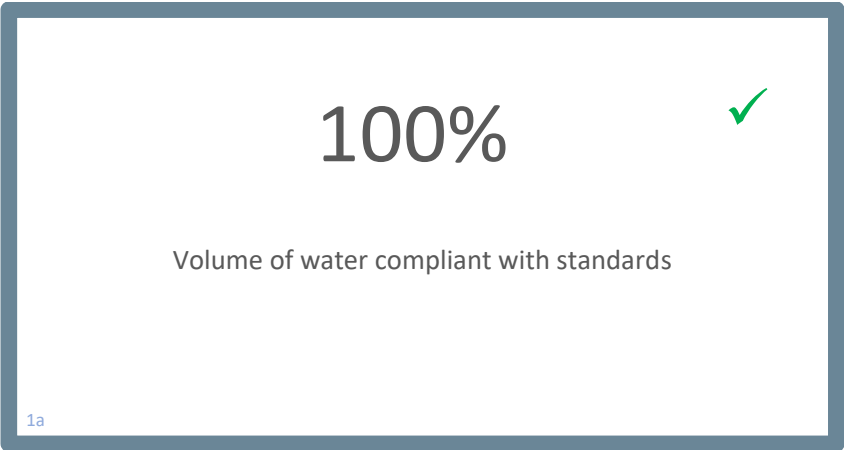
2. Key performance measures

Watercare's performance against the current Statement of Intent (SOI) measures for January 2024 is set out below.

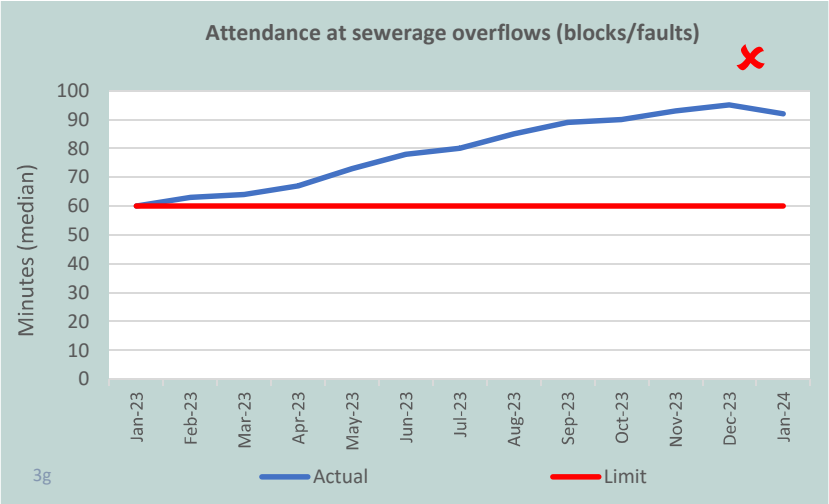
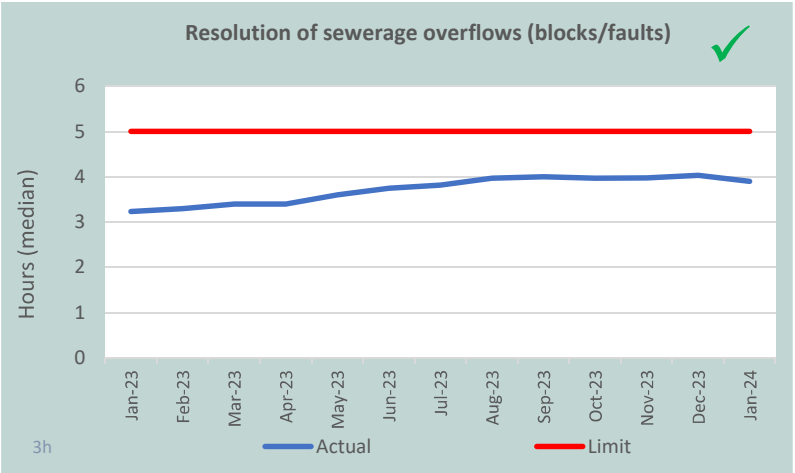
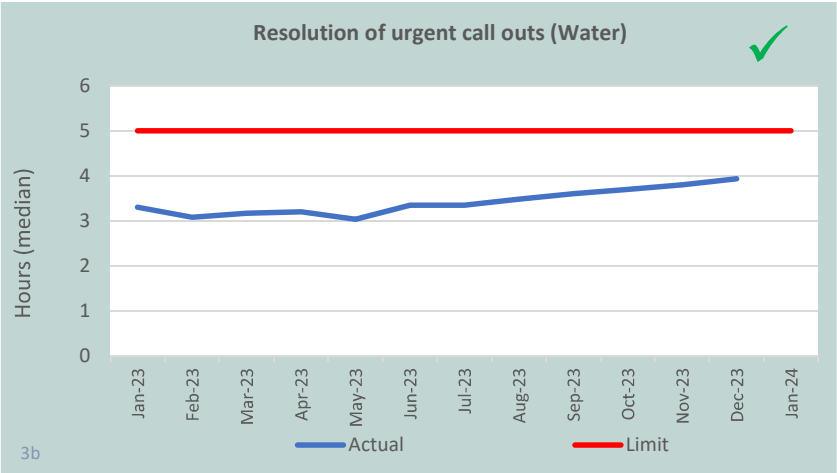
SOI Measures — Natural Environment



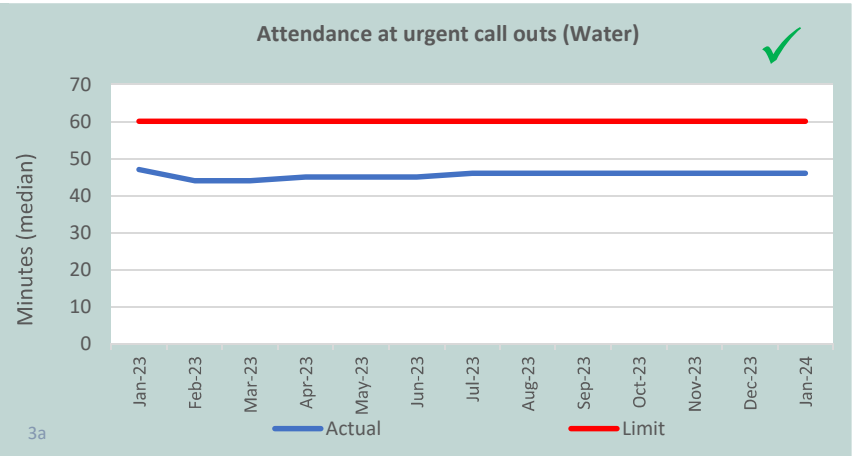
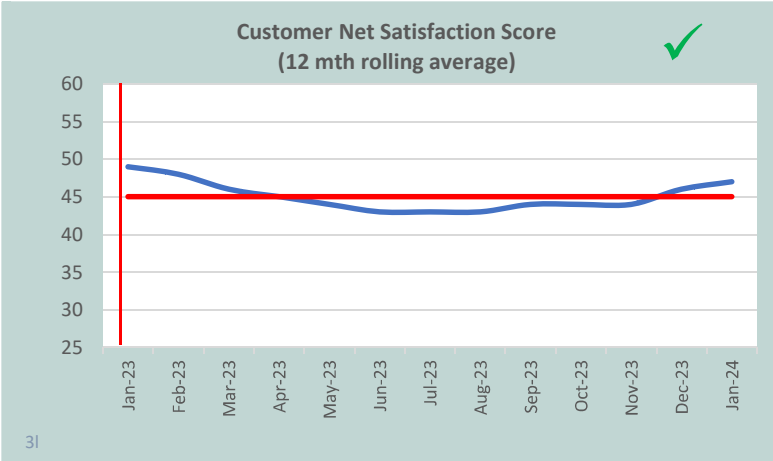
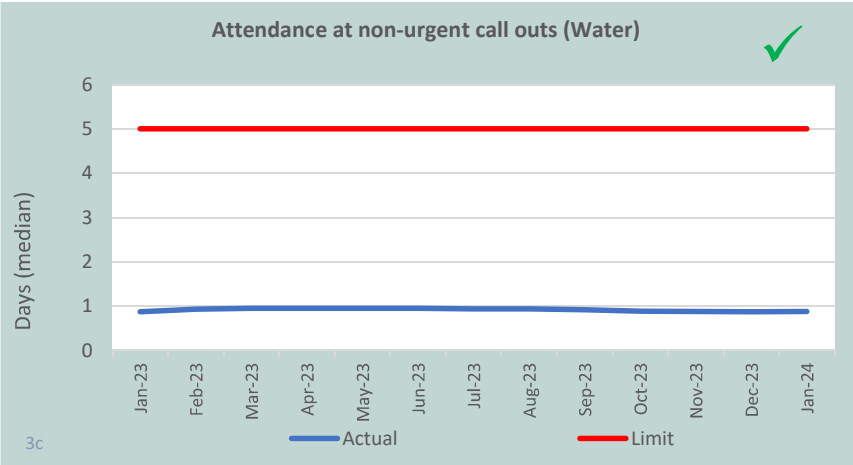
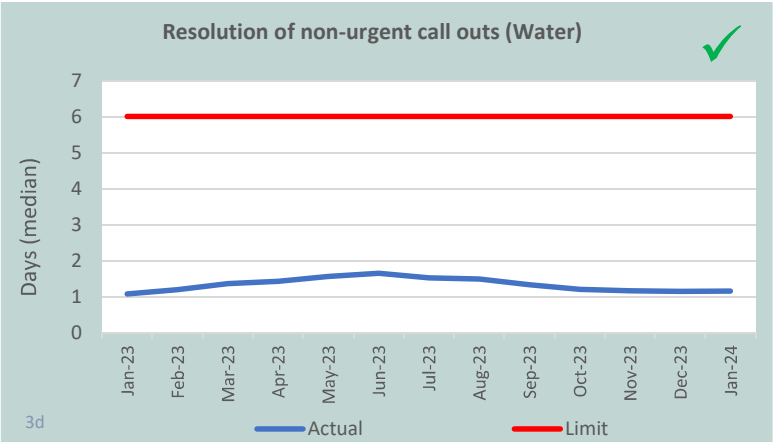
SOI Measures — Assets and Infrastructure



SOI Measures — Community and Stakeholder Relationships



SOI Measures — Community and Stakeholder Relationships



Watercare performance measures (unaudited)

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
1.	Total recordable injury frequency rate (TRIFR) per million hours worked (12-month rolling average).	<10	26.26	26.32	25.07	Watercare Board has obtained an independent external review of how we approach Health and Safety and our performance. We are also focusing on understanding the effectiveness of critical risk controls and have refreshed our HSW commitment.
2.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents. <i>Note the assumption is that abatement notices received relates to new notices issued in the financial year.</i>	≤2 ≤2 ≤2 0	0 0 0 0	0 0 0 0	0 0 0 0	
3.	The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average).	256 litres	242.2	241.40	242.30	

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
4.	The extent to which the local authority's drinking water supply complies with part 4 of the drinking water standards (bacteria compliance criteria).	100%	100%	100%	100%	
5.	The extent to which the local authority's drinking water supply complies with part 5 of the drinking water standards (protozoal compliance criteria).	100%	100%	100%	100%	
6.	Median response time for attendance for urgent water callouts: from the time that the local authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average)	≤ 60 mins	46	46	46	
7.	Median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)(water, 12-month rolling average).	≤ 5 hours	4.15	4.07	3.92	
8.	Median response time for attendance for non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days) (12-month rolling average).	≤ 5 days	0.88	0.87	0.88	
9.	Median response time for resolution of non-urgent water call-outs: from the time that the local authority receives notification to the time	≤ 6 days	1.16	1.15	1.17	

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
	that service personnel confirm resolution of the fault or interruption (days) (12-month rolling average).					
10.	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average).	≤ 10	7.31	7.33	7.35	
11.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average).	≤ 60 mins	92	95	93	This is a reflection of the extreme wet weather over the past year and Auckland traffic. It is noted that the resolution of faults has been achieved within the KPI timeframe.
12.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel	≤ 5 hours	3.9	4.03	3.98	

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
	confirm resolution of the blockage or other fault (hours) 12-month rolling average.					
13.	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) Watercare's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average).	≤ 50	21.93	23.33	23.35	
14.	The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average).	≤13%	9.08% (September 2023)	11.09% (August 2023)	10.77% (July 2023)	The water losses in this measure are calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced. The drop in leakage is due to meter reads from the winter periods being higher for September and consumption data has been due to meter reading lag. This will even out across the 12 month rolling values and likely return to average 11% for November 2023.
15.	The number of dry-weather overflows from the territorial authority's sewerage system,	≤ 5	0.73	0.64	0.65	

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
	expressed per 1000 sewerage connections to that sewerage system (12-month rolling average).					
16.	Adherence to all of DIA's non-financial service performance measures.	100%	92.86%	92.86%	92.86%	Out of 14 DIA measures, 13 measures were met, and one measure (item 11) was not met.
17.	Average number of wet weather overflows per engineered overflow point per discharge location (12-month rolling average).	≤ 2 overflows per year	0.90	1.43	1.44	
18.	Leakage performance – litres/connection/day (l/c/d).	107.9 l/c/d	88.73	106.34	102.90	<p>Watercare has set an aspirational target for economic level of leakage (ELL) at 107.9 l/c/d.</p> <p>The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure and renewal of watermains. The aim is to achieve an ELL at or close to the target.</p> <p>The drop in leakage is due to meter reads from the winter periods being higher for September and consumption data has been due to meter reading lag. This will even out across the 12 month rolling values and likely return to within the 5% margin.</p>

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
19.	Deliver capital programme in line with the asset management plan baseline approved by the Board.	80% of projects are in service within approved time and 80% of projects are delivered within approved budget.	36% of projects (5 out of 11) were in service within approved time. 100% (7/7) of completed projects have been delivered within the approved budget*.	44% of projects (4 out of 9) were in service within approved time. 100% of the 4 projects that were in service within the approved time have been delivered within the approved budget*.	50% of projects (4 out of 8) were in service within approved time. 100% of the 4 projects that were in service within the approved time have been delivered within the approved budget*.	*We can only determine achievement to budget once projects are in service.
20.	Reactive maintenance spend v's proactive renewals spend.	Establish a methodology on how this should be measured	On track – annual target	On track – annual target	On track – annual target	An update on methodology development was provided in the December 2023 Board meeting pack. Further update on methodology will be presented in April 2024.

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
		to demonstrate resilience within the network.				
21.	Controllable Cost target.	\$396m	YTD Actuals \$247.4m against the target of \$232.1	YTD Actuals \$216.2m against the target of \$196.6m	YTD Actuals \$176.7m against the target of \$162.3m	Reform (\$3.3m), Flood Management (\$11.0m), Ōrākei Main Sewer Incident (\$7.1m) have all contributed to the higher costs January YTD. The Reform and WDC costs have been offset by increased Revenue. At time of budget it was anticipated that flood management costs will be recovered via insurance claim but this was removed as part of Q1 forecast. Costs on an ongoing basis excluding the items above are below budget YTD, a very good result. Need to add the dollars please ie core expenses actual vs budget.
22.	Debt to revenue ratio.	≤3.35	3.68	3.67	3.52	
23.	Percentage of household expenditure on water supply services relative to average household income.	< 1.5%	0.82%	0.83%	0.80%	

No.	Measure	FY24 Target	Actual			Commentary
			January 2024	December 2023	November 2023	
24.	Ratio of procurement sourced through Māori owned businesses.	3%	1.86%	1.73%	1.94%	Direct 0.84% and Indirect 1.02%. Total Māori business spend for FY24 is \$13.65m. (\$6.14m Direct, \$7.51m Indirect). We have 102 active Māori suppliers out of a total of 2001 active suppliers (5.10% of active suppliers).
25.	Percentage of customer complaints resolved within ten days of notification.	≥95%	99.40%	99.40%	99.20%	
26.	Customer Net Satisfaction Score (Previously Net promoter score).	≥45	47	46	44	This measure is now being met after a slight dip.
27.	Community trust score.	≥55	61	61	61	
28.	We will implement Mitigation measures in line with our emissions reduction targets scope 1 and 2) (Quarterly measure). <i>Note: these targets exclude emissions from Puketutu island as our current measurement methodology does not provide enough accuracy for a performance target. Actions to directly monitor emissions from this source as well as reduce them are being delivered and future SOL's will include these numbers.</i>	<89,200 tonnes CO ₂ e	-	Q2/FY24 results: 35,782 tCO ₂ e	-	Q2 performance is ahead of target. Data is unverified and excludes solids waste from wastewater processes. The largest reduction is in electricity emissions (down 41%) due to ecotricity offset and reduced consumption.
29.	Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average).	90%	91.76%	91.68%	92.26%	

3. Our people

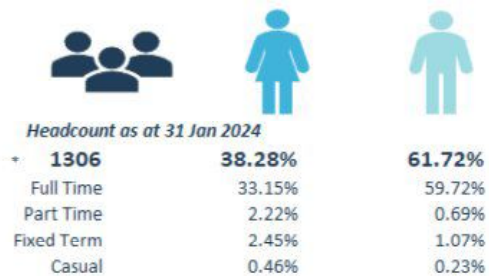
Over December 2023 and January 2024, Watercare's Summer Internship Programme for 23/24 featured a diverse cohort of 21 interns across various business units, with 24% identifying as Māori, 38% as Māori and Pacific People, and 71% as female. Strengthening ties with indigenous communities, interns were engaged through Iwi relationships with Ngāti Whātua Ōrākei, Ngāti Whātua o Kaipara, and Tainui. The programme provided meaningful work aligned with interns' expertise, resulting in impactful projects like a Microsoft-based mobile app for commissioning processes, efficient file management systems, and a dynamic data dashboard. Additional initiatives included variable flow analysis for Māngere WWTP and an educational tour for Rangatahi at Waitākere Dam. Support for interns included collaborative projects reviewing our company values, tours, a self-leadership course, networking events, and a sports tournament. Seven interns received extended employment offers, marking a 100% employment rate for completing students, while fostering ongoing connections for those returning to university beyond the summer months.

Over January new hires were down due to the summer period, turnover dropped slightly to 11.66% continuing the trend downwards, average leave liability per employee has also dropped as anticipated for the period. Further details are included in the People Dashboard set out below.

PEOPLE DASHBOARD: January

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

Workforce Snapshot



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

Employees by Business Unit & Position Type



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

New Hires by Month



Workdays to hire (from job opening to hire date) averaged 37.07 days for the 14 hires in January (compared to 49.97 days for all hires over the last 12 months).

January hires by gender: M: 8 (57.14%), F: 6 (42.86%).

In comparison to a 12-months view, there were M: 52.87%, F: 42.64% (0.25% Gender Diverse, 3.74% unknown/blank).

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



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



4. Our operations

4.1 Water quality

Our first annual report under the Drinking Water Quality Assurance for 1 January 2023 to 31 December 2023 is due on 28 February 2024. The operations team is working on the report to meet this timeline.

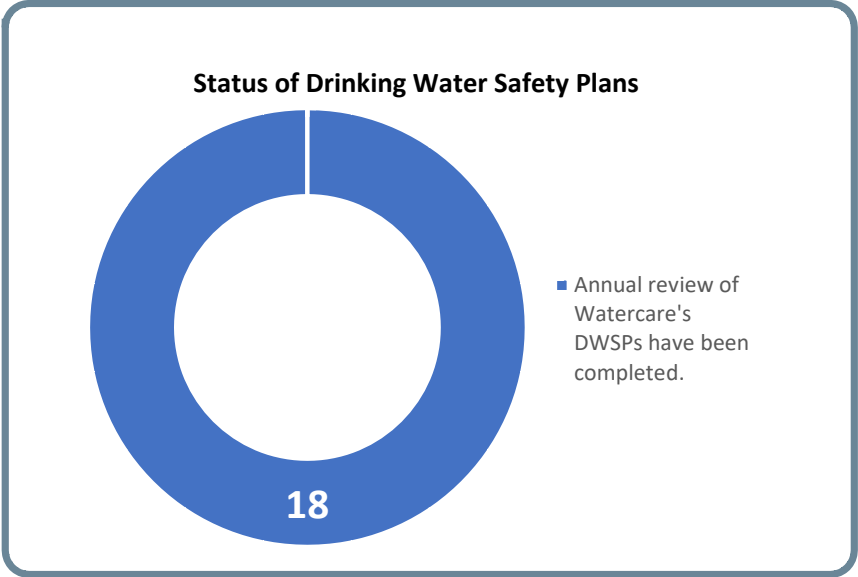
Microbiological and chemical compliance has been achieved for the month of December for all water treatment plants (WTPs) and distribution zones (DZs).

Residual disinfection compliance has been achieved for 34 distribution zones. Six distribution zones did not achieve residual disinfection compliance for January 2024. These six zones were the East Tamaki/Botany, Hibiscus Coast / Waiwera, North Shore West, Oratia, Te Henga and Westlford zones. The compliance target of 85% of free available chlorine (FAC) samples in a month must be >0.2 mg/L was not achieved in these six zones. Out of these six zones, four also had results <0.1 mg/L free available chlorine (FAC) – East Tamaki/Botany (one result <0.1 mg/L), Oratia (1 result <0.1 mg/L), Westlford (1 result <0.1 mg/L) and Te Henga (6 results <0.1 mg/L). However, there was chlorine residual detected in all results. Proactive network flushing has been implemented in the short term to improve turnover, whilst medium to long term solutions are being implemented.

Water age modelling continue across distribution zones to assess water age contributions to THMs formation and low FACs. This will then determine next steps, with operational improvements and capital investment likely required.

The water quality report for January 2024 is set out below.

Scorecard

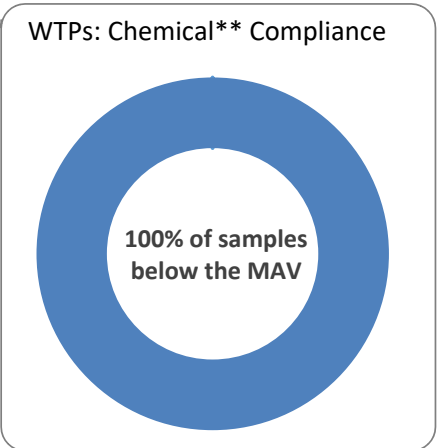
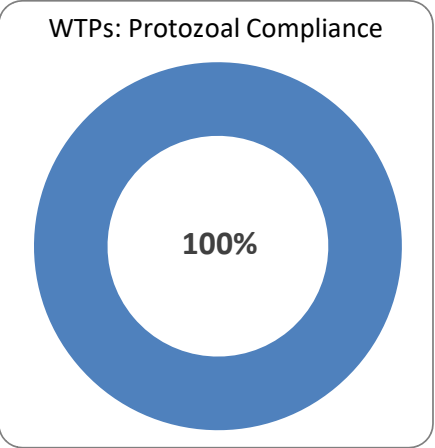
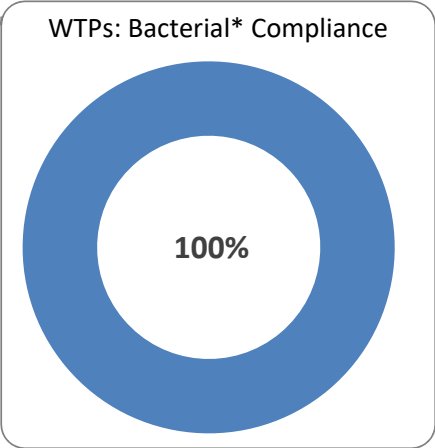


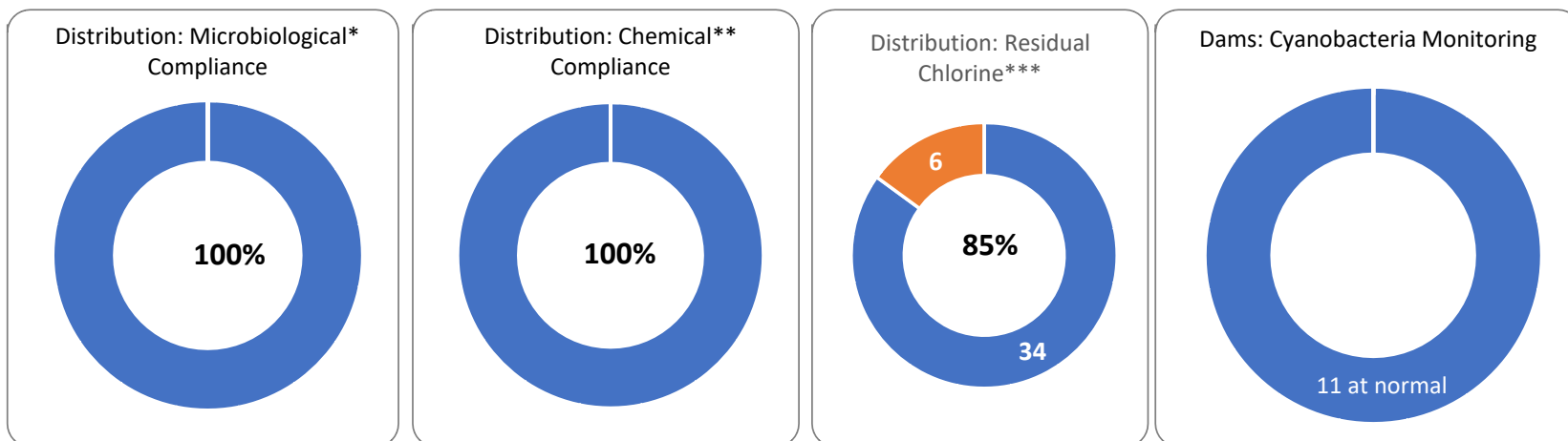
Compliance Summary
WTPs (17 total)

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

Distribution Zones (40 total)

Microbiological	100%
Chemical	100%





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

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

Fluoride dosing not available at the Huia WTP while the bulk HFA tank is being replaced and associated works completed. Updates were provided to the Ministry of Health as required by Health (Fluoridation of Drinking Water) Amendment Act 2021. Reporting to Taumata Arowai is not required because we did not breach the MAV for fluoride.

*** Residual disinfection – 85% of free available chlorine samples in a month must be >0.20mg/L in each distribution network zone, with no results <0.1mg/L. This was not achieved in the East Tamaki/Botany, HBC/Waiwera, North Shore West, Oratia, Te Henga and Westlford zones where % compliance was not achieved. Out of these six zones, four also had results <0.1mg/L free available chlorine (FAC) – East Tamaki/Botany (one result <0.1mg/L), Oratia (1 result <0.1mg/L), Westlford (1 result <0.1mg/L) and Te Henga (6 results <0.1mg/L). However, there was chlorine residual detected in all results. Proactive network flushing has been implemented in the short term to improve turnover, whilst medium to long term solutions are being implemented.

Legislation and Compliance

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

Microbiological and chemical compliance has been achieved for the month of January for all water treatment plants (WTPs) and distribution zones (DZs).

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

Drinking Water Safety Plan (DWSPs)

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

Backflow prevention

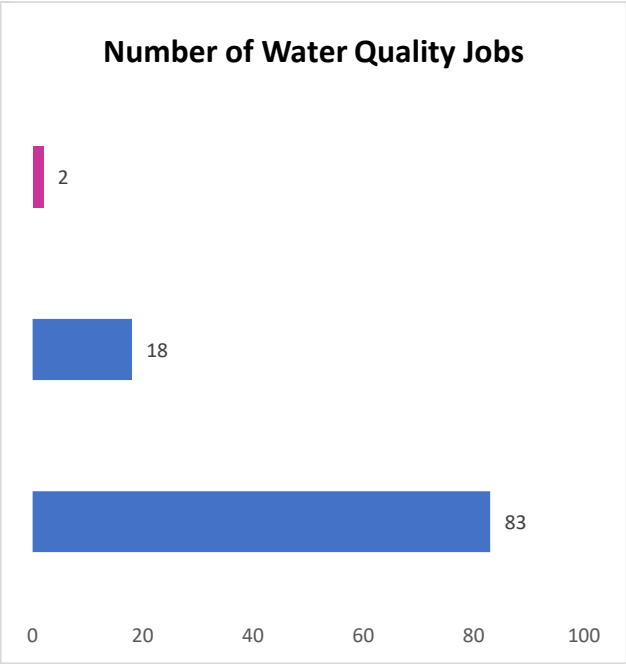
Backflow testing has been completed as per targets set for the end January 2024. Backflow Surveys will be further progressing in 2024.

Water quality

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

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

Customer complaints



Actions Taken

Illness Complaints*: Pre-emptive network flush, provision of WQ compliance data to customer

Main cause: Unrelated health issue

Tainted Water: Network flush, field FAC testing if required

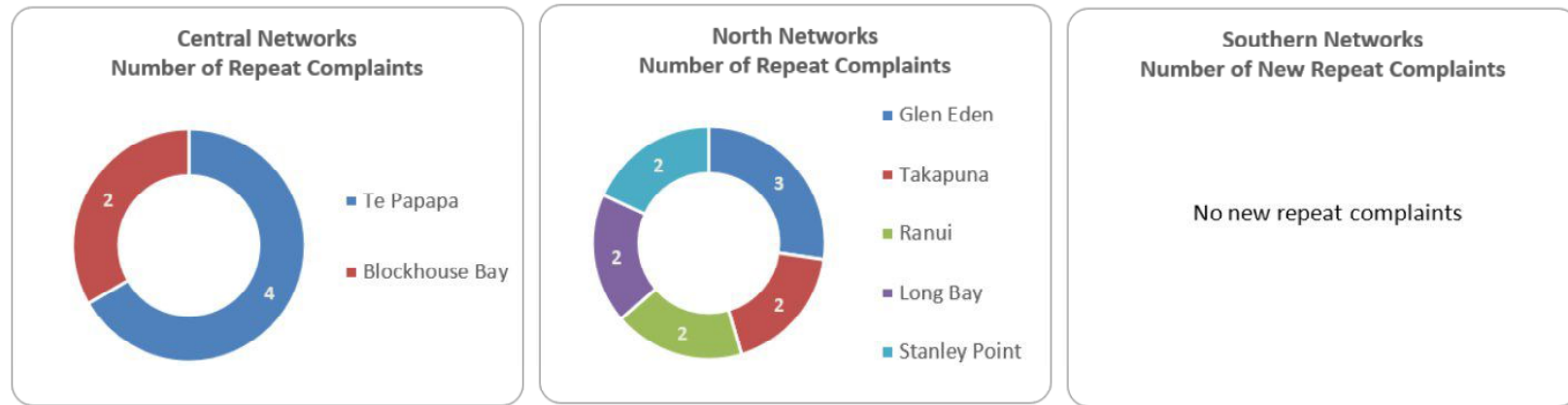
Main causes: (1) Various taste & odour issues (chlorine/sewage/metallic), (2) black/white particles

Discoloured Water: Network flush

Main cause: Mineral and sediment build-up coming off pipes

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

Repeat water quality complaints – August 2023 to January 2024



Actions Taken for Repeat Complaints*

CENTRAL:

Mays Road, Te Papapa – Repeat complaints of discoloured (yellow) water from 1 commercial customer. An FWEI has been raised.

NORTH:

Glengarry Road and Jabuka Road, Glen Eden – Complaints of discoloured water from these connected streets. New housing development on Jabuka Road. After 1 hour of flushing from FH, water cleared.

OTHERS:

Flushing from nearest FH was done in the following areas:

Blockhouse Bay Road

Esmonde Road, Takapuna

Scarlet Drive, Ranui

Remuremu Street, Long Bay

Stanley Point Road

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

4.2 Water resources

The leak management programme is ongoing. Since the start of the programme approximately 23 kms have been surveyed to date with 14,500 leaks found. Since the start of the leak management programme over 26MLD of water savings have been achieved.

4.3 Issues with smart meters

One of our meter suppliers has notified us of two issues with their meters:

- Manufacturing defect from a trapped wire and incorrect sealant, this is causing water ingress, which is leading to flow spikes and potentially incorrect readings to our customers. At this stage affects approximately 150 meters this will be dealt with by replacing the meters. We will replace the meters and advise the customers accordingly and credit any amount due to them.
- Battery powersave issue. Smart meters are dialling into the network more than required leading to a shortening of battery life. This affects about 150 meters. Battery life will be monitored on these. This issue does not affect customers' bills.

5. Our infrastructure

5.1 Enterprise Model update

We are terminating our contract with Fletcher Construction with respect to the Enterprise Model programme. This was a tough but necessary decision as we have been unable to agree on revised terms to the Enterprise Model Agreement. Fletcher Construction will continue to fulfil their existing construction contract obligations, such as delivering the Snells Beach Wastewater Treatment Plant.

The Enterprise Model Agreement between Watercare and Fletcher Construction will wind down over a three-month transition period. Early in this transition period we will confirm how we will be replacing the services currently delivered under the agreement by Fletcher Construction.

5.2 Central Interceptor

Construction continues across all sites, with two sites undergoing final reinstatement (Dundale and Miranda). Monthly highlights are as follows:

- The Main Tunnel TBM advanced 346m in January 2024, with a total length of 9,062 installed at month end. The TBM passed the Walmsley shaft connection point, the next shaft breakthrough will be at Haverstock, due in mid-March 2024.
- Southern tunnel works – TBM services strip-out, cleaning, HDPE welding and Keith Hay Park and PS23 tunnel/shaft connection work in progress.

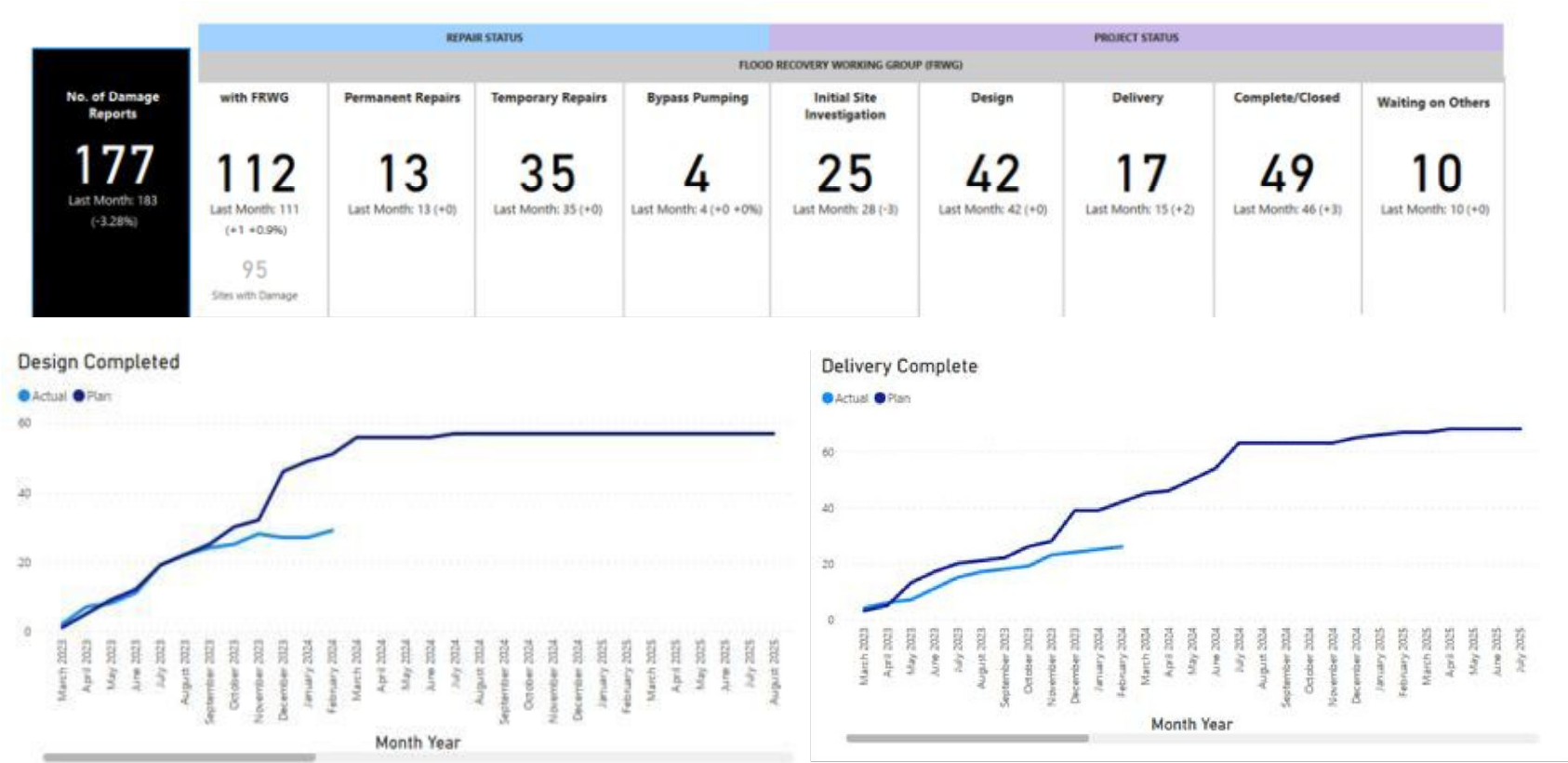
- Mt Albert adit works commenced. HDPE welding works on Link Sewer B (LSB) from Mt Albert to Norgrove in progress. MTBM pipe jacking for the final LSB drive from Rawalpindi to Norgrove will commence in February 2024.
- MTBM at Keith Hay Park commenced pipejacking for CC9 collector sewer.
- Sewer chamber connection work in progress with the live interceptors exposed at Confluence Chamber, PS23, Haycock and PS25.
- Permanent in-situ concrete lining works in progress at Lyon Ave and Haverstock Rd. Site reinstatement works largely complete at Dundale and Miranda.
- Continue excavation work for the shaft at Tawariki St, this is the last of the main tunnel shafts to be excavated for the CI scheme (excluding the Pt. Erin extension).
- Māngere Pump Station (MPS) MEICA works continuing to progress. All six suction pipes installed between dry well and wet well. Electrical works ongoing in the switchroom building and the second one of the two main switchboards will be delivered in February 2024. Commence backfilling of the rising main section from the pump station to underneath the Western Interceptor. Software development for the control system in progress.
- Demolition of Western Interceptor at confluence chamber area in progress. Temporary over-pumping system installed in December 2023.



5.3 Flood response recovery

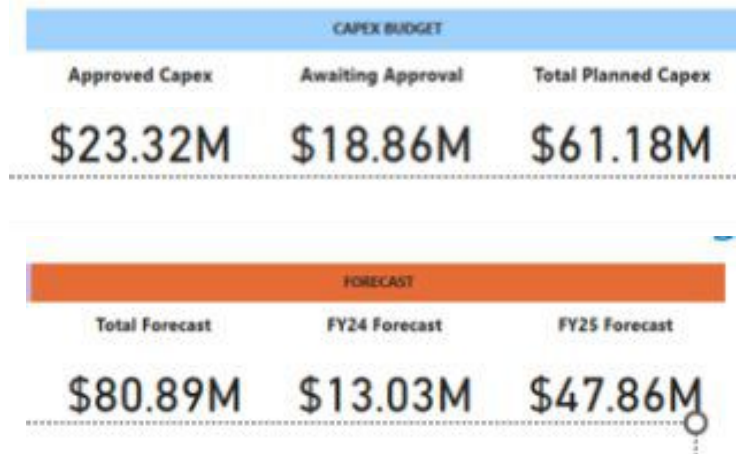
The quarterly update from the Flood Recovery Working Group is set out below.

Issue identification and project delivery status



Financial update

- Programmes of work developed based on asset type
- Programme business cases developed
- Construction procured and delivered on programme basis
- Re-prioritisation of projects impacting delivery.

**Business Cases - Approved**

Bundle Name	LN Project Number	BC Description	Approved Capex	LTD	YTD	Commitments	Forecast Total	Forecast FY24	Forecast FY25	F24 still to spend
Flood Recovery Programme	SS0001212		\$5,810,000	\$4,875,988	\$3,008,557	\$433,979	\$6,515,435	\$3,814,655	\$900,000	\$806,098
Headworks	WA0001675	T&T Design	\$470,600	\$303,090	\$242,646	\$63,789	\$405,570	\$345,126		\$102,480
	WA0001676	Quirns Bridge Stage 2	\$1,287,262	\$661,974	\$558,736	\$2,185		\$558,736		\$0
Murweil WTP	WA0001687		\$830,000	\$904,918	\$904,918	\$76,011	\$908,074	\$908,074		\$3,156
Networks 1	WW0001715		\$7,257,537	\$90,757	\$90,757	\$159,243	\$4,570,757	\$1,570,757	\$3,000,000	\$1,480,000
Networks 2	WW0001722		\$650,000			\$0	\$3,735,000	\$525,000	\$3,210,000	\$525,000
Pipe Bridges	WA0001674		\$5,630,000	\$392,835	\$207,835	\$205,241	\$4,497,835	\$1,632,835	\$2,680,000	\$1,425,000
Transmission Pipe Bridges	WW0001716	Unisworth	\$1,385,624	\$1,020,452	\$1,020,452	\$164,798	\$1,177,202	\$1,177,202		\$156,750
Total			\$23,321,023	\$8,250,012	\$6,033,901	\$1,105,246	\$22,471,845	\$10,532,384	\$9,790,000	\$4,498,484

Business Cases - Awaiting Approval

Bundle Name	BC Description	Planned Capex Value
Headworks	Quirns Bridge Stage 3	\$1,686,000
	Stage 2 - Seavers Slip	\$1,172,000
Pukekohe WTP		\$2,850,000
Pump Station Electrical		\$6,950,000
Transmission Pipe Bridges	Akoranga	\$6,200,000
Total		\$18,858,000

Business Cases - Planned

Bundle Name	BC Description	Planned Capex Value
Headworks	Smiths Culvert	\$1,300,000
	Stage 2 - Tunnel 29	\$1,300,000
	Upper Huiua 2 & 2a	\$600,000
Judges Bay		\$3,000,000
Kia Ora		\$1,000,000
Networks 2		\$7,600,000
Networks 3		\$4,200,000
Total		\$19,000,000

Insurance update

- Dedicated team set up to work with AON to progress our claim. Loss adjusters and AON performing sites visits of all sites deemed to be of a high value.
- Actual costs continue to be collated via detailed damage assessments reports and provided to AON and the loss adjusters to support the estimated value of the claim and progress our initial claim submission.
- Workshops have been held with the Aon and the loss adjusters to continue to progress the claim, including additional Head office costs.
- Working relationship with Aon greatly improved and we are making progress.

Recovery phase 3

Solution type	Project count
Adaptation	3
Build back better	57
Like for like	24
Other	21

**Adaptation**

- Unsworth Reserve – installation of new pipe ridge pier, reviewed structure and location.

Build back better

- Pukekohe WTP – relocation of flooded assets above flood event level.
- Rosecamp Road – use of retaining wall to enable reinstatement of asset with reduced risk of future damage, increased structural solution.
- Bellbird Rise – use of curved drill shot to get gravity network sewer into stable land away from at risk land but in similar alignment.

6. Risk and compliance

6.1 Worksafe Directive relating to incident at Ardmore WTP Major Hazard Facility 27 October 2023

WorkSafe have issued Watercare with a directive following an incident on 27 October 2023 related to a low-level chlorine gas alarm (between 1ppm and 5ppm) in B1 drum room at the Ardmore WTP.

Annual servicing of the vacuum regulator that controls chlorine flow on the chlorine drum requires their removal and reinstallation by the service provider. Initial investigation has found that during this process the regulator was not tightened adequately, which has led to a minor gas leak.

The above event was required to be reported to Worksafe which occurred on the same day. A subsequent initial review of the incident by staff and Worksafe identified two issues.

- In responding to the minor gas leak, it was found that staff did not follow standard operating procedures (full breathing apparatus to be worn).
- The contractor undertaking the vacuum regulator servicing had new staff undertaking the work and the vacuum regulator was not adequately reconnected to the vacuum regulator. A skill-based error.

The Worksafe Directive requires Watercare to:

- Review and update the emergency management protocols / procedures including associated risk assessment process that workers shall use prior to conducting chlorine leak incident investigation to manage the risk to health and safety so far as is reasonably practicable. This includes but not limited to:
 - Ensure all risks, including escalations, associated with chlorine leak are assessed by clearly identifying all relevant hazards associated with chlorine leak investigation work.
 - Ensuring all workers are aware of the risks and controls associated with chlorine leak incident investigation work prior to looking to address a suspected leak.
 - Develop a resourced plan to so far as it is reasonably practicable to resolve these issues.
- Review contractor management to ensure that work is carried out to the required standards.

The reviews are underway and a plan to address the directive will be provided to Worksafe by 31 May 2024, as required.

6.2 Enterprise risk management

- February's Coordinated Incident Management System (CIMS) training received positive feedback, with a satisfaction rate of 98%. The next session is scheduled for March 2024.

- The Risk Management Policy has been updated and reviewed by the Audit Risk Committee. It is scheduled for review and approval by the Board in March 2024.
- Watercare's risk team has met with Auckland Council's new Group Climate Specialist who will work with us to develop a Group Climate Risk Management framework to deliver required climate related disclosures.
- Roll out of project risk management capability including the project risk framework and RiSOLVE system will commence in March 2024.

6.3 Privacy Act requests

In January 2024, we received one request for information. The request was responded to within 20 working days (in accordance with the Privacy Act 2020).

6.4 LGOIMA requests

In January 2024, we received 13 requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Three of these requests were transferred to us from Auckland Council.

We processed all 13 requests in accordance with the Act and responded within 20 working days.

6.5 A complaint to the Human Rights Commission

In January 2024, we received a complaint via the Human Rights Commission. The complainants alleged that Watercare is indirectly breaching the Human Rights Act (on the basis of age), by charging \$1.50 per paper invoice. The complainants are arguing that all customers over 65 years of age should have this fee abolished.

Watercare advised the HRC that we do not plan to change our policy. We consider this is not discrimination on the basis of age, and indeed, many of our older customers are happy to receive eBills.

The HRC confirmed that they will be taking no further action. That means, if the complainants still want to take further action, then they have the following options:

- Have a discussion with us to try to resolve their complaint (an open invitation was extended to complainants to meet with management at any time to discuss our policy) or
- File proceedings in the Human Rights Review Tribunal (Tribunal) for a decision on their complaint.

We expect if the complainants file proceedings in the Tribunal, they should also file the same claim against all the other utilities and companies that also charge for paper invoices.

We will keep the Board up to date with further developments, if any, in respect of this complaint.

6.6 Non-RMA related legal actions

- There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain. The matter is being handled by our insurers. A technical meeting was held with the plaintiff's experts, and Watercare's experts in late February 2024. The next step is a mediation, which should hopefully occur in the next few months.
- In February 2023, Watercare was served with a copy of proceedings lodged in the Māori Land Court by Te Runanga o Ngāti Whatua, Ngāti Manuhiri Settlement Trust concerning the legal status of the Hōteo Awa bed. Watercare owns property in Wellsford that adjoins the awa and draws water from it. Watercare filed a notice of intention to appear in late March 2023. Further updates that will involve Watercare are not expected for some time (i.e. possibly years).

6.7 Whistleblowing

The PwC operated Whistleblower line received no disclosures since the last Board meeting. All disclosures are reported to the Audit and Risk Committee on a quarterly basis.

6.8 Non-compliance with resource consents

Auckland

Overall consent compliance for Operations is similar to December – only three sites had full non-compliances and the majority (72%) of non-compliances were technical. Non-compliance issues at Hays Creek and Waitākere Dams related to compensation flows and have been resolved. At Owahanake WWTP the resolution is ongoing, and we are waiting on more recent sample results to confirm the issue has been resolved.

The technical non-compliances remain relatively high because of single conditions triggering multiple consents. Procedural issues continue to affect the eight wastewater network discharge consents and an associated pump-station consent with very similar conditions, and at four WWTPs the technical non-compliances are due to historical exceedances affecting the 12-month average results.

The relatively high increase in the Design and construction non-compliances is likely due to missed forms in the compliance management system. The respective contacts have been notified to review it, but the system have not been updated in time for this report.

The details on the significant non-compliance for January 2024 are set out below.

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

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

Active resource consents in January 2024

369

Consents with non-compliances in January 2024

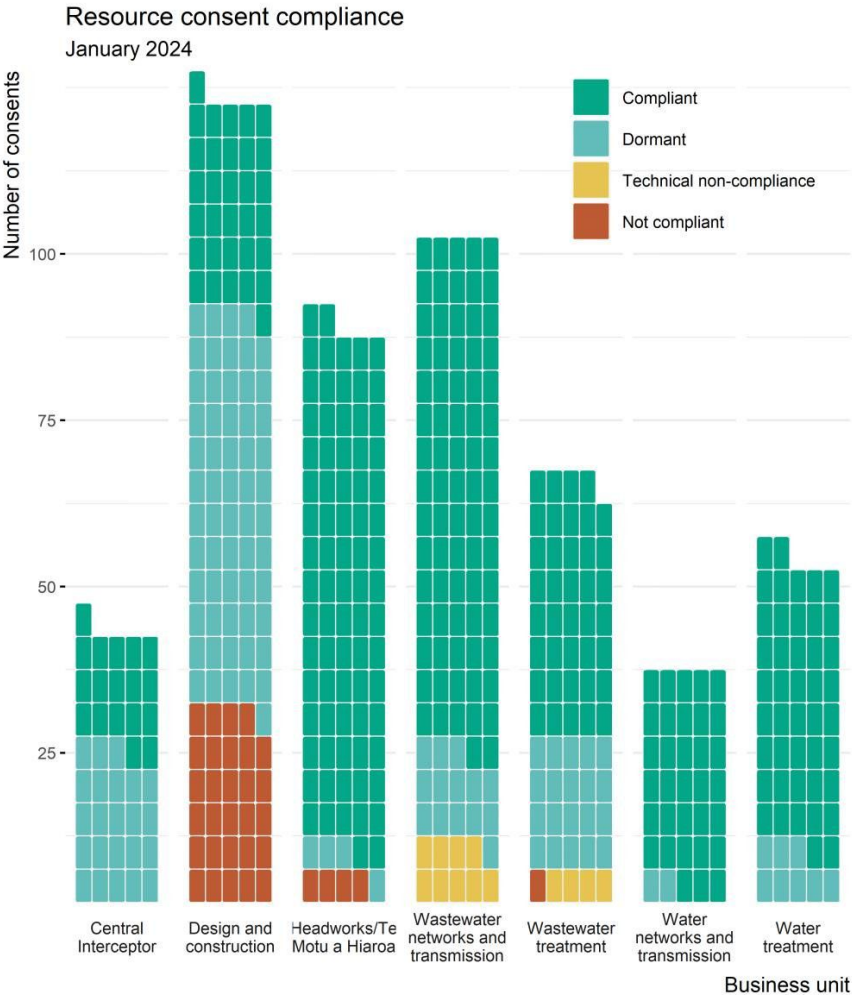
47 ↑

Rolling 6-month average (non-compliant consents)

26 ↑

Consents under enforcement in January 2024

0 -



Significant non-compliances for January 2024 (excludes technical non-compliances)

Facility/Asset	Consent	Condition(s)	Issue(s)	Commentary	Resolution	Significance
Owhanake WWTP	DIS60263346	35	High phosphorus in discharge	Total phosphorus exceedances in effluent wetland sample. Caused by varying phosphorus in the influent. Operators are adjusting alum dosing accordingly.	Ongoing. Operators are adjusting alum dosing accordingly. Awaiting more recent sample results to confirm resolution.	Minor (Grade 2): Potential environmental effects mitigated by buffering capacity in discharge environment.
Hays Creek Dam	WAT80317020 DIS80298308 WAT80316391	18	No compensation flow	No compensation flow for five days as the valve tripped on torque and alarm was not seen.	Resolved.	Minor (Grade 2): Potential environmental effects mitigated by flows from wider catchment.
Waitākere Dam	DIS60382532	4	Insufficient compensation flow	Compensation flow below the minimum required flow on 16 days.	Resolved.	Minor (Grade 2): Potential environmental impacts immediately downstream of the dam, mitigated by the confluence of other tributaries further downstream.

Waikato

Further to an update provided at the February 2024 Board meeting regarding the breach of resource consent for Raglan Wastewater Treatment Plant, we have now received an outcome of an investigation held on 8 February 2024. The investigation concerned unconsented discharges that occurred on the incoming time, rather than the outgoing time, due to human error and a lack of adequate validation of the programme data.

In summary, while the Waikato Regional Council (WRC) acknowledged and commended the actions taken by Watercare immediately following the incidents, and the level of co-operation shown through the course of the investigation, a formal warning has been issued to Watercare. During the meeting, the WRC representatives confirmed this was on the lower scale of formal warnings.

At the time of writing this report, we are awaiting a copy of this formal warning.

In the meantime, our team in Waikato has put in place measures to eliminate the risk of further unconsented discharge due to this type of event.

7. Policy update

The table below sets out the current programmes of work that are underway, and their expected impacts to Watercare.

Upcoming Bills, Government Reforms/Programmes/Policies, Council Plan Changes/Policy Initiatives	Potential implications on Watercare and any associated Watercare actions	Expected date of release/enactment/submissions due	What will Watercare be doing? Filing submissions? Providing Council feedback? Attending hearing?	Who will hold the pen?	Who in Watercare has been / needs to be involved?	High/Medium/Low impact?
Urban Intensification ("Tier 1" Councils) – MfE National Policy Statement for Urban Development (NPS-UD), and Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 <ul style="list-style-type: none"> Auckland Council is developing their Plan Change to give effect to these two initiatives. Watercare has been invited to contribute to the plan change. 	Increased intensification without requiring a resource consent (as a permitted activity) puts Watercare at risk of breaching our existing level of service and network discharge consent conditions due to being unaware of where, and when, growth is occurring in advance. Watercare, Auckland Transport and Healthy Waters have been working with Auckland Council to develop Council's plan change.	Submissions to these intensification related plan changes closed at the end of September 2022.	Hearings have been delayed, and one year extension has been requested. Watercare is currently preparing its evidence. Expert conferencing and mediation also delayed. New government has also indicated that they will make "Medium Density Residential Standards" be optional for councils.	Infrastructure	Policy, Infrastructure, Ops, S&P	Medium
"Local Water Done Well" – related Bills	The Government has repealed the previous "Three-Waters" related acts.	"Local Water Done Well" two related bills are expected mid-2024 and late 2024.	Watercare will consider whether to develop submissions.	Policy	All	High
Resource Management (RM) System Reform – MfE <ul style="list-style-type: none"> Natural Built and Environments Act (NBA) Strategic Planning Act (SPA) and Climate Adaptation Act (Bill) (CAA) 	Resource management related acts of the previous government have been repealed.			Policy	Policy, Infrastructure, Ops, S&P, Finance	High

Upcoming Bills, Government Reforms/Programmes/Policies, Council Plan Changes/Policy Initiatives	Potential implications on Watercare and any associated Watercare actions	Expected date of release/enactment/submissions due	What will Watercare be doing? Filing submissions? Providing Council feedback? Attending hearing?	Who will hold the pen?	Who in Watercare has been / needs to be involved?	High/Medium/Low impact?
National Policy Statement – for Freshwater Management (“NPS-FM”) Auckland Council’s Plan Change process	Working through potential implications on Watercare.	Auckland Council’s Discussion Document was released in November 2023.	Watercare provided feedback. Auckland Council is considering delaying their work programme by two to three years.	Policy		
Essential Freshwater Package – (NPS-FM) - MfE Waikato Regional Council (WRC) – Freshwater Policy Review <ul style="list-style-type: none"> Waikato Regional Council has begun its Community & Stakeholders Engagement, Round 1 – mid 2022 Round 2 – mid-2023. 	Watercare will need to engage with Waikato Regional Council as this plan change to their Regional Policy Statement and Regional Plan is rolled out. This plan change is likely to have major implications in relation to water allocation methodology and how freshwater limits/standards will be set.	Waikato Regional Council intends to release their Discussion Document January 2024.	Watercare will review. Public consultation document not yet released.	Policy	Policy, Infrastructure, Ops, S&P, Finance	Medium to High
Marine and Coastal Area (Takutai Moana) Act 2011 (MACA)	Settlements are still working through the High Court. Settlements may have implications on Watercare’s coastal assets, and wastewater treatment plant discharges. Will report any updates.	Currently active	Watercare contributed to Auckland Council submission.	TBC	TBC	Low - Medium

8. Matters for noting

8.1 Significant meetings attended by the CE

- Asure Quality meeting – Kim Ballinger and Michael Hodgson
- 2024 Priorities meeting with Infrastructure NZ – Nick Leggett
- Group CE’s fortnightly meeting
- Fletcher Construction meeting
- Māori Supplier Business Network Powhiri

- Briefing to Mayor Brown.

9. Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the month of January 2024:

- there was one document required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there were no documents signed by the two members of the Watercare Board.
- there was one capex approval signed below a threshold of \$50m.
- there were no contracts approved over \$100,000.



Dave Chambers
Chief Executive

Board meeting | 5 March 2024
Public session



Health, safety, and wellbeing update

For discussion

Te pou whenua tuhinga / Document ownership

Prepared by

Paula Luijken
Acting Head of Health, Safety and Wellbeing

Reviewed by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Dave Chambers
Chief Executive Officer

1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

2. Whāinga / Purpose

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

3. Kōrero pitopito / The details

Key points

- Our leading KPIs dipped again in January 2024 potentially due to the holidays. There is a focus on ensuring this does not continue into February 2024.
- There continues to be multiple recordable events for Watercare. In February 2024, we had an event notifiable to Worksafe, which has created some good learnings and areas we can improve.
- We received final certification for 45001 ISO health and safety management standard.
- The HSE global report is attached ([attachment 1](#)).

3.1 HSW metrics – January 2024

Lead Indicators – Executive HSW KPIs

KPI	Description	Target	November 2023	December 2023	January 2024	Commentary
HSW Climate	The team targets a HSW climate rating of $\geq 8/10$ in each six-monthly Watercare climate survey	> 8	8.1	8.1	8.1	This survey was done in November 2023. The next full survey will be in June 2024.
Open iCare cases	95% of iCare cases are closed with appropriate and effective actions within 30 days of having been raised	$< 5\%$	264 6%	360 8%	525 12%	This number is the % of open cases raised in the last 12 months, that are currently open, and have been open over 30 days. Coaches and business partners have been working with their teams to make sure they close completed actions/cases
Leadership walks	All leaders in the business are to complete leadership engagement walks as per schedule determined by their business unit leadership team	By business unit	90/127 71%	156/127 123%	85/127 67%	The drop off over January 2024 is likely due to the close down of many sites over the holidays.
Reward & Recognition	Each business unit has a Reward and Recognition programme which is reported on at the monthly performance hui as part of monthly HSW performance for peer review	By business unit	156	108	53	This is done via the reward and recognition app and business unit/site internal programs. The numbers reported here are for recognition made via the Teams app.
Training - Induction	All kaimahi complete and maintain a current online Watercare HSW Induction within two months of starting with Watercare	100% of kaimahi	82.79%	84.57%	86.51%	Push notifications will be sent in February to those who have not completed this training.
Training – Safety L-ship in Action	All people leaders complete training in leadership engagement interactions	100% of leaders	27.69%	34.17%	34.17%	Training is half a day in person training. We are looking to put on some extra sessions to help ensure everyone can complete the training by the end of June 2024. There was no training held in January 2024.

KPI	Description	Target	November 2023	December 2023	January 2024	Commentary
Permit audits per site	Every month, a minimum of one permit audit is conducted per project/plant.	One per site	31/36	21/36	15/36	There were less permit audits over December 2023/January 2024 as many infrastructure sites stopped work over Christmas.

3.2 Watercare incidents

January 2024 recordable injuries (four in total)

1 x medical treatment injury

- Prescribed pain relief: pain in neck after hatch entry door fell onto head.

2 x restricted duties injury

- Five days restricted: Sprained back after digging trenches.
- Two days restricted: Pain in shoulder after throwing rubbish bag from truck into bin.

1 x Lost time injury

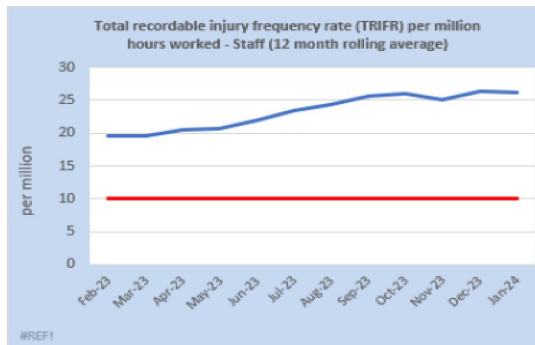
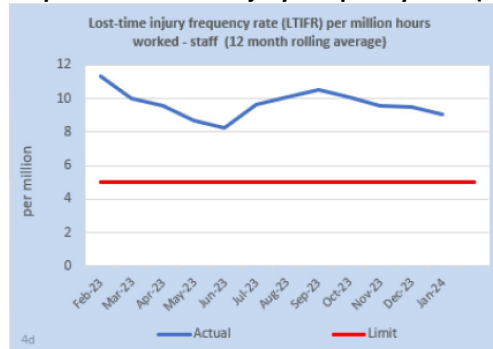
- Less than a week off: Pain in lower back after repetitive tightening of fastenings.

February 2024 Incident (Notifiable to Worksafe)

- On 1 February 2024, a sampler from the lab was sprayed with caustic soda liquid, which got into their eye and on their arm and leg. They were expecting to take a post clarifier water sample and were in the incorrect location and opened a caustic dosing pipe. They are recovering well at home and expected to make a full recovery. Worksafe are not investigating further. There were learnings from the event that have been applied to the site involved and throughout the organisation. These are around sharing the documentation about sample sites, only sampling from designated sample points, and labelling of chemical areas.

Critical events

There were 31 events raised for Watercare, six of these involved a critical risk.

Graphs for lost time injury Frequency Rate (LTIFR) and total recordable injury frequency rate

The LTIFR is currently 9.05 and TRIFR is 26.6

3.3 Contractor incidents for January 2024

Metric	January 2024
Total recordable frequency rate	11.24
Total recordable injuries	1
Lost time injuries	1
Restricted work injury	0
Medical treatment	0
Notifiable incidents	1
Critical risk/All incidents for month	6/20
High potential critical events	1

1 x notifiable to Worksafe

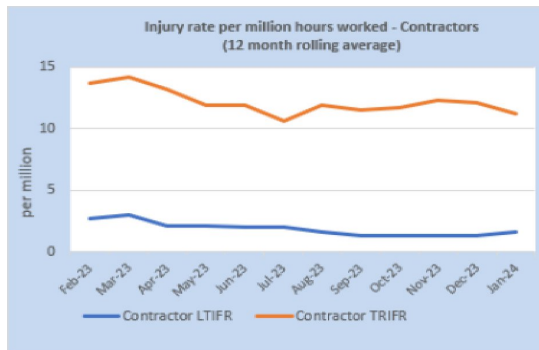
While entering Puketutu Island weighbridge, an Electric Truck impacted the weighbridge side rail and overturned onto the adjacent road. Driver was not injured. Worksafe were notified and did not investigate. Work is underway to redesign road markings around the weighbridge.

1 x lost time injury

Four days lost. A meter reader strained their shoulder clearing grass from around a meter box.

Incidents involving critical risks

There were six events involving contractors and critical risks in January 2024.



3.4 HSE Global review

HSE Global's HSW culture review has been completed. The final report is at **attachment 1**. The key priorities are the need to agree on HSW strategy, define a suite of HSW metrics that can be used in combination to understand the company's performance, and improve psychological safety throughout the organisation. These will be actioned once we have a new head of health safety and wellbeing.

3.5 Health and safety performance / TRIFR review

An internal review showed that we should be looking for additional measures to evaluate our HSW performance. This is partly covered by our lead indicator KPIs, however, more work will be done once the HSW strategy is set to agree on what KPIs are best to measure.

3.6 45001 Health and Safety Management standard

Information around our non-conformance has been approved and we have been certified. The next audit is due in January/February 2025.

3.7 ACC Accredited Employer Programme (AEP) Audit

Pre-audits are taking place in March 2024 to re-apply for AEP Audit, with the audit in May 2024.



Attachment 1



HSE Global

HEALTH | SAFETY | ENVIRONMENT

8.1

Health, Safety and Wellbeing

Independent review for Watercare

Mick Bates, Consultant

Support: Tracy Gorry, Principle Consultant

Peer Review: Helen Sadgrove Managing Director NZ

Version: 2 Final

Date: 7th February 2024



HSE Global
HEALTH | SAFETY | ENVIRONMENT

Executive Summary

Purpose

This report provides an independent view of the current health and safety risk management practices obtained through discussion and observation with all levels of the organisation. The central interceptor project was excluded from the scope of this report at Watercare's request.

Summary

Watercare has a high level of intrinsic motivation within the workforce. This drives the positive culture identified among those most likely to be exposed to risks. Worker engagement in health and safety matters is high, and at a local level, there is a feeling of empowerment to find and implement solutions.

Executive discussions highlighted a known need for a collective health and safety management approach and a need for this to be more evident. Currently, decision-making is influenced by two key factors:

A single lagging metric (TRIFR) is used to gauge health and safety performance. A limited number of other metrics are recorded, but in most discussions and observations, the conversation always returns to concerns about the total recordable injury rate. Whether this measure is practical, insightful or valid is less important than the observation that there is no consensus within the leadership team.

Individual conflicting viewpoints of executive team members on how health and safety should be managed. Experience is an important motivational factor but is prone to bias due to it being unique to each person. Health and safety management is a complex and technical discipline that requires the ability to challenge historical thinking and understand that there is always uncertainty. While conflict can be positive an outwardly cohesive approach is necessary.

These factors combined have resulted in a disjointed health and safety management approach driven by the senior leaders. It is not suggested that agreement is always necessary or preferable. Still, it is essential that a cohesive strategy is developed and that an overarching approach is agreed upon, implemented, and role-modelled.

Understandably, any injuries or incidents that occur in a workplace are a cause for concern. All organisations have finite resources; therefore, like all other areas of an organisation, health and safety must prioritise resources to where the outcomes have the most significant potential to cause harm. The current approach to health and safety risk management has resulted in an executive focus on observable risk at the expense of understanding how critical control measures are functioning and the type of due diligence activities that promote the identification of weak signals that precede critical incidents.

8.1

Recommendations

Priority	
Agree on a strategic approach to managing health, safety and wellbeing	<p>P1 Define the organisational principles for managing health and safety in Watercare. These principles should be used to agree on an overarching corporate strategy. This should be done in consultation with department health and safety committees, senior leaders and technical experts, with facilitation by the Head of Health and Safety or a nominated authority in the various approaches available and how they may be applied in the context of Watercare.</p>
Define a suite of health, safety and wellbeing metrics which can be used in combination to understand Watercare's performance	<p>P2 The executives have overall responsibility for the organisation; however, they need the information and inputs from technical experts to make effective decisions. Any isolated metric can only provide a micro view of the current performance. The complex nature of health and safety management means that a macro view is required to complete due diligence activities, which means multiple metrics must be assessed. It is also essential that narrative is included in the reporting process to build context into the information presented. Metrics should include the monitoring of critical controls (those required to manage critical risks) to allow visibility of weak signals that identify drift from a controlled to one where a failure of a process has the potential to occur.</p>
Demonstrate accountability and psychological safety at all levels of the organisation	<p>P3 Learning is a necessary part of building resilience within an organisation. This requires the acknowledgement of organisational failure and celebrating the learning that can be taken from it. Watercare must have high internal trust to ensure critical voices can be heard. To build the necessary level of trust, executive and senior leaders must be visible, accessible, and accountable.</p>

8.1

Implement an organisational health and safety committee to increase cross-functional relationship building and organisational learning.

P4 At a local level there are effective health and safety committees, however there are limited opportunities for these learnings to be directly communicated with the senior and executive teams. It is recommended that an organisational level health and safety committee is formed. This should have clearly defined terms of reference, decision making authority and be chaired by the Chief Executive or other nominated executive. The committee should include representation from department committee chairs and other worker representation groups to ensure transparent decision making and to include representatives of those primarily exposed to risk. This committee should be focused on organisational health and safety strategy, policy and health and safety learning principles.

8.1

Supplemental

- | | |
|---|---|
| <p>Form a contractor management working group to draw on the internal and external expertise to review current processes with an aim to remove duplication of processes, define areas of influence and share best practice</p> | <p>S1 The Health and Safety at Work Act (2015) requires that persons conducting a business or undertaking (PCBU) cooperate and coordinate health and safety risk management activities based on the influence they hold. At present the influence of each party is not consistently defined, and in several cases, there is a duplication of process. Watercare has a solid working relationship with its contract partners. This is a solid foundation upon which to build a pragmatic and comprehensive risk management process where influence is defined, and the risks and relevant controls are understood in each context and agreed. Consistency in approach must be balanced with the need for nuance at a project level.</p> |
| <p>Add to the technical capability of the health safety and wellbeing team in high-risk areas to support senior leaders in ensuring compliance in complex areas</p> | <p>S2 The health, safety and wellbeing (HSW) coaches showed the ability to build trusting relationships with the teams they worked with. As risk in certain areas increased in complexity, there was a technical knowledge gap and a limited understanding of compliance requirements. The skill level of the HSW business partners was not observed but similar concerns were raised with the authors during interviews.</p> |
| <p>Fully implement Safety in Design principles in all project work.</p> | <p>S3 Watercare have in collaboration with NZTA developed a comprehensive approach to safety in design and this should be used in all project work. This ensures that safety risks can be eliminated or minimised. The knock on effect of this process is the reduction on ongoing operational, maintenance and compliance costs as well as creating a safe working environment.</p> |

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Findings

Relationships	
Narrow metrics are limiting understanding and negatively influencing the ability to create a learning organisation	<p>F1 Two metrics were repeatedly highlighted during the review process. Total recordable injury rate (TRIFR) and leadership walks, with the majority of the focus being TRIFR, especially among the executive team. The purpose of leadership walks appears focused on hazard spotting rather than learning conversations, and there was inconsistency in what leaders understood the purpose to be. Several leaders reported that they felt uncomfortable carrying out walks independently, especially in areas where they did not have knowledge or influence. While there is merit in having some structure, to steal a phrase from the Watercare Learning and Development team, the key reason is GOAT (get out and talk). That is, to build trust and relationships and, therefore, learning opportunities. TRIFR is a widely used and debated metric. No metric is valid in isolation, so multiple data sources are needed when measuring organisational performance. The current focus on TRIFR is restricting Watercare's ability to learn from how the work is done. When clients require TRIFR it can still be reported, but does not have to drive internal focus.</p>

8.1

Communication is being restricted due to internal conflicting approaches and priorities

F2 During the review process, the authors noted several incidents of unresolved internal conflict between peers and direct managers. While all organisations experience conflict, and indeed it is necessary when approached positively, it should not result in communication breakdowns nor disintegrate into what could be perceived as unhealthy hierarchical pressures. While it was outside the report's scope to delve into the specific concerns raised, it demonstrates that in some areas, at least, a culture of psychological safety was not present. This will be impacting the ability of the organisation to improve sustainably in health and safety.

Employees are proactive in health, safety and wellbeing activities with positive and proactive engagement in department level health and safety committees

F3 Across the organisation, there is a positive attitude among employees towards health and safety committees. This is evident from discussions with departmental health and safety representatives (HSRs). At a local level, employees feel empowered to identify issues and are enabled to implement their own solutions. A recent meeting of HSRs from across Watercare highlighted the benefits of cross-functional learning, which is highly encouraged. It was observed, however, that when immediate local solutions are not available, the progress towards resolving issues often stalls or the timeframe for solutions significantly extends. It should also be noted that the staff of Watercare have high levels of intrinsic motivation. They displayed genuine passion for the work they do and recognise the important role that they play for the community. It is worth also saying that while intrinsic motivation is an excellent organisational attribute, it often disguises underlying issues as staff are willing to work around organisational failures in order to get the job done.

8.1

Resources

Inconsistent views on the level of HSW resources required and what their role in the organisation should be

F4 The health and safety coaches demonstrated a good understanding of current health and safety principles and were notably effective in quickly forming relationships with various teams. However, within the organisation, opinions vary regarding the effectiveness and purpose of these coaches. Some leaders have expressed concerns about their technical expertise, desiring more direct support in complying with technical health and safety regulations. Although the health and safety business partners weren't interviewed for this review, feedback from leaders suggests their approach is inconsistent. Additionally, there seems to be occasional conflict between the roles of the coaches and the business partners.

There is duplication of effort in some contractor management processes and the level of influence of each party is not clearly defined in all cases.

F5 It was noted that there was a duplication of effort relating to contractor management activities. There is a requirement for contractors to demonstrate their abilities to manage specific risks during the selection process and, consequently, a requirement to use the Watercare processes for managing risks during work. This leads to duplication of effort and has the potential for Watercare to overreach its influence, increasing risk exposure. This also impacts the health of contractor relationships with Watercare, and could lead to perverse behaviour. Examples of this were duplication of permits in non operational areas, assessment of contractor ability to carry out Job Safety Analysis (JSA) and then requiring the contractor to use the Watercare system.

There was a positive attitude towards the provision of physical equipment, such as tools equipment and PPE

F6 The provision of equipment necessary to carry out the roles observed was good, and discussions onsite confirmed this. There were still suitability issues for some items, such as radio telephones (RT), partly caused by the need to follow a rigid process that didn't account for the different contexts in which they were being used.

8.1

Risk Management

High confidence in critical risk management is based on a lack of incidents, not the monitoring of critical controls

F7 During discussions about risk, attention was mostly on common issues like manual handling injuries and slips, trips, and falls. The rise in manual handling incidents has been cited as a cause of concern for Watercare senior leaders. During observations, interviews and onsite discussions, it was stated that there has been a drive for incident reporting over the last 12 – 24 months, with the health and safety coaches re-enforcing this message each time they attend a site. This, combined with the physical nature of some roles and the limited application of safety in design, could explain the increase in reported incidents of this type.

There's a widespread sense that critical risks, which could lead to serious life-changing injuries or death, are under control. This seems to be based more on the absence of incidents rather than active monitoring of crucial controls. There was limited evidence of critical risk ownership and, therefore, accountability or that the vital controls must be fully understood, monitored, and reported.

There is no agreed strategic approach to the management of health safety and wellbeing risks

F8 It is clear from the conversations with Watercare that an agreed and consistent approach to managing health and safety risks has not been established. Approaches suggested internally range from the belief that there should be zero tolerance for incidents to allowing individuals to decide on the best risk controls to apply. Confidence increased with internal hierarchy, with the executive team having wide-ranging ideas on the correct course of action and the highest level of conviction on those beliefs.

8.1

**Safety in Design processes
are not consistently
applied**

F9 It is understood that safety in design is a relatively new approach within Watercare. It was noted that on one project in the construction phase during site observations that there appear to be a 'design as you go' approach. This is not a criticism of the project management team, contractors or designers but it highlighted during the visit that late design changes had a compromising effect on the operability of an already restricted site.

8.1

Discussion

Leading and Lagging Performance Indicators

Safe Work Australia has noted, "Currently there is a lack of standardised and accepted indicators to measure the work health and safety performance of organisations and businesses at the organisational level" ¹. More recently, in 2019, the New Zealand Business Leaders Health and Safety Forum benchmarked New Zealand businesses using Total Recordable and Lost Time Injury rates. They advised that these measures "may not necessarily reflect the level of risk or serious or fatal harm within participating businesses". ² Analysis in 2020 revealed that 96-98% of changes in TRIFR are due to random factors ³. This is confirmed when noting that recordable injuries do not have predictable patterns. Safety is complex and, therefore, has the potential for outcomes that cannot be known or anticipated. It is not the suggestion of the authors that lagging measurements do not have merit, nor is it recommended that incident and injury reporting no longer has a place in a learning organisation, but their limitations must be acknowledged.

Leading indicators such as leadership walks also have limitations, especially if the information and outcomes are purely numerical. For this reason, a selection of metrics must be used and evaluated using the associated narratives.

Understanding and evaluating the context behind any measurement is essential, and the authors would advise caution in any benchmarking activities based on numerical values. It is only possible to gain meaningful insights with a complete understanding of the context in which they are presented.

¹ I O'Neill, S., Martinov-Bennie, N., & Cheung, A. (2013). Issues in the measurement and reporting of work health and safety performance: A review. Safe Work Australia

² Business Leaders' Health & Safety Forum. (2019). 2019 Benchmarking Report.

³ Hallowell, M., Quashne, M., Salas, R., Jones, M., MacLean, B., & Quinn, E. (2020). The Statistical Invalidity of TRIR as a Measure of Safety Performance. Construction Safety Research Alliance.

Psychological Safety

"A culture rewarded vulnerability"⁴ is how Dr Timothy R. Clark describes the concept. Professor Amy Edmondson states psychological safety is "The belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes, and the team is safe for interpersonal risk-taking"⁵.

Dr Clark and Professor Edmondson are leaders in research into building workplaces where innovation can flourish safely, allowing high-performing teams to exist.

Organisations such as Watercare have high levels of intrinsic motivation, which is an excellent organisational characteristic. However, it can mask conflict, increase acceptance of workplace norms, and restrict the ability to challenge and improve. Intrinsic motivation is finite and can quickly degrade if not carefully managed. To ensure that challenges to the status quo are heard, acknowledged, and, where applicable, celebrated. Leaders must demonstrate vulnerability and openness to challenge to build a psychologically safe workplace. This builds trust and allows them to learn directly from the experts who carry out the work, which increases the capability for informed decision-making.

8.1

Overlapping Duties and Influence

Watercare works on complex projects with several recognised, accredited and trusted contract organisations. The role of each party in a contract setting is nuanced. It requires a complete understanding of the associated risks of the designated activity and which party is best placed to monitor and control each identified risk. All parties must consult, coordinate and cooperate. New Zealand legislation no longer operates under a hierarchical 'principle contractor' model, and in simple terms, the more influence and control a PCBU has over an activity, the more responsibility it has to manage the risks.⁶

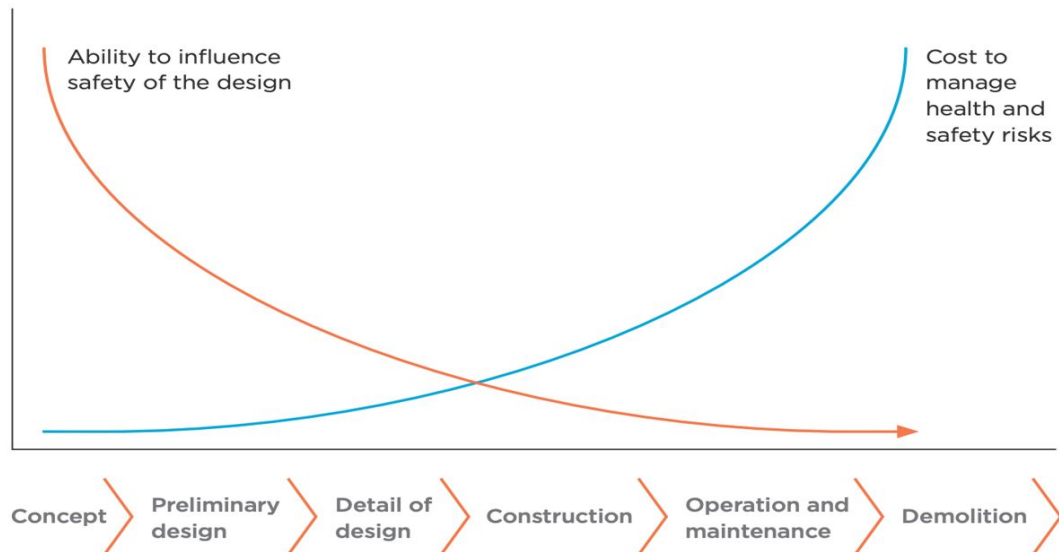
Safety in Design

To eliminate and mitigate health and safety risks, new infrastructure, equipment, roles, and activities must be assessed as soon as possible in the design process. There is little doubt that any new project will encounter challenges during design and implementation. The procurement, health and safety specialists and the end users must be consulted as early as possible in any new design process to avoid ongoing health and safety or operational impact that result from design changes due to project constraints.

⁴ The 4 Stages of Psychological Safety – Timothy R. Clark (2020)

⁵ The Fearless Organisation – Amy Edmondson (2018)

⁶ Understanding the Law – Overlapping Duties (WorkSafe NZ 2017)



8.1

7

While the safety in design process is well understood concerning physical projects (it is noted that Watercare has published an extensive document developed with the NZTA covering this process), organisations should consider undertaking a similar process for internal roles, with the initial priorities being those jobs that include high-risk activities. In this way, organisations can ensure they provide safe, sustainable and meaningful work.

Report Context

Report Objective

Provide practical, tangible activities and actions to drive H&S performance and practice forward.

Assess and comment on Watercare's health and safety risk management and the health, safety and wellbeing climate.

Support those in a leadership and governance role with their HSW assurance activities.

Provide recommendations for priority focus.

Provide unmitigated insight into HSW practice and performance across the range of businesses in the group.

Provide guidance on the suitability of current and planned approaches to HSW improvement.

⁷ Symberszki chart of influence over a product's lifecycle (adapted from Szymberski, R, (1997),

Method

This report has been compiled from information gathered through employee interviews and multiple site visits during December 2023. HSE Global has not assessed written documentation from a compliance perspective. It is understood that an ISO 45001 assessment has recently been completed, which has a strong focus on document management and compliance.

The report's authors gathered individual perspectives on the current health and safety risk management processes. This identified the themes for improvement and prioritised those that would have the most significant positive impact.

8.1

Report Authors

Lead Author:

Mick Bates - CertIOSH, ProfNZISM, HASANZ, IDipNEBOSH

Peer Review:

Tracy Gorry – ProfNZISM, DipNEBOSH

Project Governance:

Helen Sadgrove - CFIOSH, CFNZISM, HASANZ, IDipNEBOSH, MSc

Board - Public Session - Board planner

		Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Meetings	Board	5-Mar	9-Apr	7-May	12-Jun (Statutory Public Meeting) 25-Jun	10-Jul	6-Aug	3-Sep	8-Oct	5-Nov (Statutory Public Meeting)	12-Dec
	Audit and Risk Committee		3-Apr	21-May	21-Jun		Dates TBC			19-Nov	
	Asset Management Committee		23-Apr		26-Jun		5-Aug			20-Nov	
Running the Business	Financial	Q2 forecast information	Approve projected 24/25 price increases		Board approval of Insurance proposal Board approval of 2024/2025 Budget and updated SOI financials	Auckland Council and Watercare to review 30 June Treasury Interest rates	Approve Auckland Council Reporting Pack (via an out-of-cycle resolution)	Approve 2023/24 accounts Delegate final sign off of Annual Report 2024		Auckland Council Draft Annual Plan - approve Watercare input	
	Statement of intent	Draft 2024-2027 SOI for Board's approval - to be sent to Council on or before 1 April 2024	Q3 Performance Report due to Council by 26 April 2024 (approval via an out-of-cycle resolution)	Financial Information for the Statement of Intent 2024-27	Present shareholder SOI feedback at public meeting. Public deputations to be received	Final submission of 2024-2027 SOI to Council on or before 31 July 2024	Final 2024-2027 SOI adopted by Auckland Council Q4 Performance Report - due to Council by 30 August 2024		Q1 (FY25) Performance Report due to Council by 25 October 2024	2023/2024 SOI Results to be presented to Board at Public Meeting. Public deputations to be received	2025/26 Letter of Expectations to be received
	Community and Stakeholder Relationships	Stakeholder Board visit to Hula WTP scheduled for 4 March 2024. Councillors invited.	Iwi Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly Watercare deep dive performance discussion at the CCO Direction and Oversight Committee meeting of 9 April 2024	Stakeholder	Iwi	Stakeholder	Iwi	Stakeholder	Iwi	Stakeholder Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly	Iwi
	Governance	Update on Auckland flood recovery Risk Management Policy update Policy update	Enterprise Risk Report	Q3 Statutory compliance Policy update	Corporate Governance charter Update on Auckland flood recovery Climate Change Governance Workshop	Policy update	Enterprise Risk Report Q4 Statutory compliance	Update on Auckland flood recovery Policy update		Enterprise Risk Report Q1 Statutory compliance Policy update	Update on Auckland flood recovery Delegations to the CE Policy
	Korakia	Graham Darlow	Julian Smith	Frances Valentine	Margaret Devlin	Graham Darlow	Julian Smith	Margaret Devlin	Graham Darlow	Julian Smith	Margaret Devlin
Deep Dives		Deep dive on Cost									
Confidential		Southwest WWTP servicing scheme progress summary	Waikato WTP Hula WTP replacement procurement approach	CE's KPIs North Harbour number 2 Waikato District Council contract - dashboard and update			A year end progress update for CE's KPIs			CE's KPIs	Waikato water supply system upgrade
Audit & Risk Committee				Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2024/25 Budget & updated SOI Financials Review tax ahead of year end Internal Audit Report Directors' expenses for the quarter ended 31 March 2024			Auckland Council FY24 Reporting Pack Approval of Financial Statements FY24			Delegations to the CE Policy	
Asset Management Committee			North Harbour number 2 Deep dive on Digital programme Waikato District Council contract - dashboard and update		Deep dive on Enterprise Model		Waikato District Council contract - update Deep dive on Central Interceptor			Waikato water supply system upgrade Deep dive on Hula Water Treatment Plant	

Board meeting | 5 March 2024
Public session



Directors' appointment terms, committee memberships and meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Emma McBride
Head of Legal and Governance

Recommended and submitted by

Dave Chambers
Chief Executive Officer

1. Te tūtohunga / Recommendation

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

2. Take matua / Key points

The key points are:

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

3. Kōrero pitopito / The details

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

3.1 The tenure of the current directors

Director	Original appointment date	End of term
Margaret Devlin (Board Chair)	1 November 2016	3 rd term ends on 30 June 2024
Nicola Crauford	1 April 2014	4 th term ends on 30 June 2024
Graham Darlow	3 February 2021	2 nd term ends on 31 October 2027
Frances Valintine	1 November 2019	2 nd term ends on 30 June 2024
Julian Smith	1 January 2022	2 nd term ends on 31 October 2027
Dave Chambers	1 November 2019	2 nd term ends on 30 June 2024

3.2 Details of the committees

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

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

* Resigned on 31 July 2023.

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

3.3 Directors' attendance at Board and committee meetings

Attended ✓ Did not attend ✕ Not on the committee ■	Attendance at Board meetings												Attendance at Audit and Risk Committee meetings ^x						Attendance at Asset Management Committee meetings						
	25 January 2024	8 February 2024	5 March 2024	9 April 2024	7 May 2024	12 June 2024	25 June 2024	10 July 2024	6 August 2024	3 September 2024	8 October 2024	5 November 2024	12 December 2024	7 February 2024	3 April 2024	21 May 2024	21 June 2024	August 2024	August 2024	19 November 2024	19 February 2024	23 April 2024	26 June 2024	5 August 2024	20 November 2024
Margaret Devlin	✓	✓												✓							✓				
Nicki Crauford	✓	✓												✓							✓				
Frances Valintine	✓	✓																							
Graham Darlow	✓	✓												✕							✓				
Julian Smith	✓	✓												✓											
Dave Chambers																									

^x Meeting dates for August 2024 TBC

Board meeting | 5 March 2024
Public session



Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Emma McBride
Head of Legal and Governance

Recommended and submitted by

Dave Chambers
Chief Executive Officer

1. Te tūhunga / Recommendation

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

2. Take matua / Key points

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

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

3. Kōrero pitopito / The details

3.1 Watercare Services Limited's Directors' Interests Register

- Dave Chambers is on sabbatical from the Board (effective from 7 February 2023) whilst chief executive.

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

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

3.2 Watercare's Executives' Interests Register

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

