

Board meeting | 27 August 2026

Public session



Venue	Watercare Services, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	From 10am

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening karakia	Graham Darlow	-	Verbal
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	A majority of directors	Verbal
4	Declaration of any conflicts of interest	Chair	For noting	Verbal
5	Minutes of the previous meeting of 28 July Board meeting	Chair	For approval	Minutes
6	Public deputations	Chair	For information	Verbal
Items for information, discussion and approval				
7	Health, safety and wellness update	Andrew Mercer	For discussion	Report
8	Chief Executive's report	Executive Team	For discussion	Report
9	Feedback on Statement of Expectations for Watercare	Brent Evans	For approval	Report
10	Watercare Significance and Engagement Policy	Brent Evans	For approval	Report
Governance				
11	Asset Management Committee membership	Chair	For approval	Verbal
12	Board planner	Chair	For information	Report
13	Directors' appointment terms, committee memberships and meeting attendances	Chair	For information	Report
14	Disclosure of directors' and executives' interests	Chair	For information	Report
15	General business	Chair	For discussion	Verbal update

Date of next meeting	Tuesday, 29 September 2026
-----------------------------	----------------------------



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		28 July 2026	
Venue		Watercare House, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams	
Time		10:14am to 10:32am	
Attendance			
Board of Directors		Watercare staff	Guests
Geoff Hunt (Chair) Andrew Clark Karen Sherry Julian Smith Graham Darlow Rukumoana Schaafhausen On Microsoft Teams John Crawford		Jamie Sinclair – Chief Executive Mark Bourne – Chief Operations Officer Andrew Mercer – Head of Health, Safety and Wellbeing (from start until end of item 7) Matthew Hill – Senior Legal Counsel	Members from Auckland Council Trudi Fava, Principal Advisor CCO Governance and External Partnerships (via Microsoft Teams) Members from the Commerce Commission Charlotte Reed, Head of Water Regulation (via Microsoft Teams)
1.	Opening karakia The Chair opened the meeting and Andrew Clark led the karakia.		
2.	Apologies There were no apologies.		
3.	Quorum A quorum was established.		
4.	Declaration of any conflicts of interest Andrew Clark noted his usual conflict of interest when it comes to tax issues, as he is the CFO of Ports of Auckland Limited. No other conflicts of interest were noted.		

5.	Minutes of the previous meeting of 30 June 2026 board meeting <i>The Board resolved that the minutes of the public session of the board meeting held on 30 June 2026 be confirmed as true and correct.</i>
6.	Public deputations There was no public deputation.
7.	Health, safety, and wellness update The CE introduced the report, and the following key points were made: • There has been stable overall performance in health, safety and wellbeing. A key focus was the mid-June Contractor HSW Forum which brought together Watercare and delivery partners to reinforce shared ownership of health, safety and well-being and reiterate its importance. • In June, Watercare completed the definition of its critical controls and performance standards. Each critical risk has a group of subject matter experts working in a learning team to improve the management of that risk. The new critical controls will be integrated in the upcoming HSW software solution. This is a step up in terms of critical risk management. • Management will arrange for industrial psychologist Kyle McWilliams to provide training to directors about having good conversations about safety on site. • Given recent changes introduced by the Health and Safety at Work Amendment Act 2026, which comes into force on 1 April 2027, Management will arrange for a legal refresher to be provided to the Board and executive about the changes. • In respect of the underground gas pipe strike by one of Watercare's contractors, Andrew Mercer noted that gas pipes can be harder to detect than other pipes. Our contractors have suitable processes when a strike occurs including notifying FENZ and Vector. In the event of a significant leak, the process includes ceasing works immediately, de-energising equipment, advising people nearby and leaving the area. • In response to a question, Andrew advised that there may be approximately 30 people on ACC at any one time, but the number fluctuates as does the severity of the injury. Most injuries are minor and staff are back to work quickly. Watercare has a light duties policy and aims for staff to return to work as soon as appropriate. Andrew will provide the Board with further data on staff returning to work after accidents/injuries. <i>The Board noted the report.</i>
8.	Chief Executive's report The CE introduced the report, which was taken as read. The following key points were made. • The agreed price increases (7.2% for water and wastewater charges and 20% for Infrastructure Growth Charges) became effective from 1 July 2026. • The bulkhead separating the northern and southern ends of the Central Interceptor was successfully removed, and the formal opening event held on 20 July was a success. • In the report, the percentage of real water loss was incorrectly recorded in the report as 13.83% but should be 11.26% (target met) and the volume of real water loss recorded as 121.84 should have been green because the target was met.

	- The programme of upgrades to the wastewater system in the South West will address the issues raised in the letter from Auckland Council about the Waiuku Wastewater Treatment Plant. The plant runs quite old technology, and some interim upgrades will help improve performance. The ultimate proposal is to divert the flow to Clarks Beach so that suitable treatment can occur before discharge. Management will respond to the Council's letter. - The \$75 million Auckland-wide flood recovery programme is now completed. Management to provide an update to the Board on the flood recovery insurance claim. - In terms of staff exits, it was noted that females are disproportionately represented. Management have discussed this at executive level and are collating more information. Turnover is creeping up but remains low at 10.56%. - Management will provide an update to the Board next month about the Waikato Tainui Kawenata and projects. - Watercare's procedures in relation to positive E. coli events are being updated. Watercare is hosting a whole-of-country exercise with the communications staff of the newly formed water organisations and councils to share Watercare resources and templates, which is expected to go a long way toward standardising the approach nationally. Watercare is clear about its position, the steps that we will follow and how we will inform the regulator should an event like this occur. <i>The Board noted the report.</i>
10.	Board planner <i>The Board noted the board planner.</i>
11.	Directors' appointment terms, committee memberships and meeting attendances <i>The Board noted the report.</i>
12.	Disclosure of directors' and executives' interests <i>The Board noted the report.</i>
13.	General business There was no other general business. The public session closed at 10:32am.

CERTIFIED AS A TRUE AND CORRECT RECORD

.....
Geoff Hunt, Chair

Health, safety, and wellbeing update for August 2026

For discussion

Executive summary

Health, safety and wellbeing performance remained stable across Watercare operations and projects during July, supported by proactive reporting, ongoing verification activity and continued engagement across Watercare and contractor teams.

Proactive Risk Management

- **Hazard Reporting:** Proactive reporting remained strong, with 28 close call and hazard reports recorded during July. This represents an increase from June and continues to provide valuable visibility of operational risks, emerging trends, and opportunities for improvement across Watercare and contractor activities.
- **Incident Trend:** Sixty-eight events were recorded in July. Of these, 90% were assessed as Very Low to Medium severity, indicating that most reported events remained at the lower end of the risk spectrum.
- **High Severity Incidents:** Seven events were assessed as having High potential consequence, with no Very High severity events recorded during the month. These events continue to provide valuable learning opportunities and reinforce the importance of maintaining critical controls. Further details are provided in Attachment 1.
- **Notifiable Event:** One contractor event was recorded as WorkSafe notifiable, refer Attachment 1.

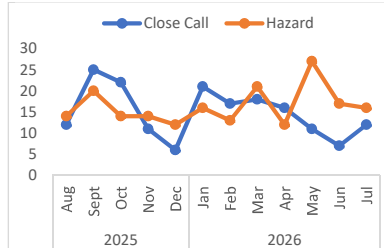
Driving Continuous Improvement

- **Celebrating Success:** July saw increased HSW recognition across several projects. The safe completion of geotechnical works at North Harbour 2 was celebrated with milestone recognition, while five contractor employees were recognised for demonstrating strong HSW leadership and going beyond expectations.
- **Psychosocial Risk Management Pilot** – The psychosocial risk management pilot, Mentally Healthy Workshops, is showing positive early results, with three workshops completed and two action plans in progress. Workshops facilitated by our Wellbeing team support teams to identify psychosocial wellbeing challenges and co-create practical improvements.

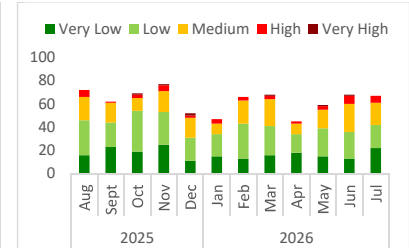
Injury management performance

- **Recordable injuries:** Seven recordable injuries were recorded in July, comprising five Medical Treatment Injuries and two Lost Time Injuries. Three First Aid Injuries were also recorded. The injury profile was predominantly associated with manual tasks, slips and physical strain, reinforcing the need for continued focus on task planning, ergonomics and safe access.
- **ACC EAP performance:** Four of five ACC EAP KPIs met or exceeded target. Cover decision performance remained strong, with complex decisions at 100% and non-complex decisions at 78.57%. Initial rehabilitation plans met the 80% target, supporting timely rehabilitation planning.
- Average return-to-work time increased from 43.2 to 52.6 days but remained within the 63-day target. First weekly compensation assessments declined to 37.5%, below the 50% target, and remain an area of focus.
- Watercare has seen a decline in total ACC claims registered during the last few years, with 80 claims in 2024, 65 in 2025, and 62 in 2026.

Reporting Trend - 12 month Rolling



Incident Severity - 12 month Rolling



HSW leading indicators				
Key metrics	Responsibility	July-26	3-month average	Key insights/ Analysis
Leadership walks	Watercare	151	300	Watercare leadership walk activity was below the three-month average, while contractor activity remained above the three-month average, demonstrating continued contractor leadership engagement in the field.
	Contractors	297	286	
Reward & Recognitions	Watercare	208	240	Watercare recognition activity was below the three-month average, while contractor recognition activity remained above the three-month average.
	Contractors	92	76	
HSR Committee meeting held	Watercare	14/15	15/15	HSR committee meetings were completed largely as planned, providing a continued forum for worker engagement and consultation.
Critical risk Review	Watercare	51	55	Watercare critical risk reviews remained broadly consistent with recent performance. Contractor activity was below the three-month average, highlighting an opportunity to strengthen critical control verification.
	Contractors	89	131	
Emergency Preparedness	Watercare	5	10	Emergency preparedness activity was below the three-month average for both Watercare and contractors.
	Contractors	9	11	
Permit audits	Watercare	56	77	Permit-to-work audit activity was below the three-month average.
Site Inspection	Watercare	179	228	Site inspection activity was dropped for Watercare and broadly consistent with the contractor.
	Contractors	114	117	
Learnings Identified	Watercare	2	4	Safety alerts/learnings issued: - Handheld Radio Lithium-Ion Fire - Temporary cover failed underfoot – hidden fall hazard

* July 2026 is compared to the Apr–Jun average as a reference point. These measures currently reflect activity presence only; work is underway to define expected performance levels (KPIs).
Note – Several leading indicator activities were lower during July, likely due to the school holiday period and increased annual leave across Watercare and contractor teams.

Attachment 1: High and Very High Potential Events in July 2026

Watercare events

- Aggressive public interaction: A Watercare employee attending an odour complaint investigation was subjected to threatening behaviour from a member of the public and was followed for an extended period after leaving the site. Police were notified and support was provided to the employee. The event highlights risks associated with isolated and public-facing work activities.
- Failure of temporary floor cover: While carrying out a maintenance inspection on a wastewater treatment plant, a worker stepped onto what appeared to be a solid floor surface on an elevated permanent platform; This was actually an old piece of degraded plywood and the worker fell partially through, catching himself from falling further. The area was immediately secured and permanent repairs completed.
- Manual handling injury during manhole access: A worker sustained a hand injury while lifting a manhole lid during routine work activities. The event highlights the importance of using appropriate lifting techniques and equipment when handling manhole covers.

Contractor events

- Traffic management: A cyclist was injured while travelling through a project traffic management zone when a slow-moving concrete truck ran over the edge of a traffic cone, projecting it into the cyclist's path. The cyclist was transported to hospital and is now recovering. The contractor immediately modified the traffic management arrangements and commenced an investigation, including review of vehicle movements and cyclist/public interface. The incident was notified to WorkSafe.
- Aggressive dogs: A meter reader was threatened by a loose dog at a property when a second stray dog also approached aggressively. The worker fell while attempting to move away from the animals. The event highlights the ongoing risks associated with working alone and undertaking activities on private properties.
- Robotic cutter finger injury: During robotic cutting works on an active wastewater sewer, a contractor employee sustained a finger injury when a stabilising component of the robotic cutter closed unexpectedly during positioning. Work was stopped immediately, first aid was provided and the worker was referred for medical assessment. An investigation is ongoing.
- Equipment stability: While operating a loader fitted with a larger bucket, a loss of balance occurred due to the change in equipment configuration. No injury resulted; however, the event reinforced the need to assess equipment changes and operating conditions before commencing work.



Aerial view of the Waiwera Pump Station installation

Chief Executive's report

Presented by: Jamie Sinclair

Public CE's report for August 2026

Executive Summary

July was marked by a number of significant infrastructure and planning milestones for Watercare.

We marked the official completion of our \$1.66 billion Central Interceptor, New Zealand's largest wastewater infrastructure project. It is now fully operational, marking a major milestone for Auckland and its environment. The 16.2km tunnel will significantly reduce wet-weather overflows, improve and enable the health of local streams, harbours and beaches, and support the city's growth for decades to come. Since the southern section went live in February 2025, it has already prevented an estimated 741,000 cubic metres of wastewater and stormwater from overflowing into the environment. This tunnel will also form the backbone of other future wastewater conveyance assets such as the Herne Bay Collector, helping to improve the water quality of the Waitematā Harbour.

At the end of July, we launched our largest ever infrastructure investment programme. Our \$15.2 billion programme includes around \$4 billion of new and accelerated investment. The balance comprises continuing investment in Watercare's existing capital programme, including renewals and major infrastructure projects that support Auckland's growth and resilience. In total, the programme includes more than 1,000 projects across nine major infrastructure programmes over the next 10 years and marks a significant shift in how we plan and deliver infrastructure – from managing individual projects to delivering coordinated programmes of work. This shift means our major infrastructure priorities are integrated into one long-term programme, providing unprecedented visibility of future investment and giving customers, delivery partners and the wider infrastructure sector greater confidence to plan, invest and grow together.

As part of our ongoing efforts to attract great talent, we're showcasing our people to reflect the breadth of career opportunities available at Watercare and positioning us as an employer of choice. Our latest *Just add you* campaign highlights the diverse roles that help keep Auckland thriving – from planning for growth and delivering major infrastructure projects to protecting people and the environment, supporting customers, and leveraging data and digital innovation. By sharing the stories of our people and the meaningful impact of their work, we're positioning Watercare as a place where talented people can build rewarding careers backed by opportunity, expertise, care and stability.

Watercare's updated Growth Servicing Policy is now available on our website. The policy brings together our approach to growth servicing in one place, providing clear and transparent guidance on how we support sustainable growth across Auckland. It provides clear pathways for developers across a range of growth scenarios and greater transparency around how growth servicing decisions are made. This is part of our ongoing commitment to engage early and transparently with the development community.

Priority area	SOI targets not met	Result	Updates below?
Priority 1: Deliver safe and reliable water and wastewater services	Compliance with Taumata Arowai Quality Assurance Rules D3 – Residual disinfection (chlorine) water quality. Compliance with Taumata Arowai Quality Assurance Rules T3 – Protozoal water quality.	97.9% against a target of 100% (12 month rolling average). 99.5% against a target of 100% (12 month rolling average). <i>* Further detail is included in the water quality report</i>	✓
Priority 2: Renewing, building and maintaining infrastructure	Capital expenditure (target is annual with year-to-date quarterly performance updates)	Year to date result is \$76.9m against YTD budget of \$1.1b. <i>*Run rate update in confidential business update</i>	✗
Priority 3: Efficient service and infrastructure delivery	N/a		✗
Priority 4: Strengthening relationships	Community Trust Score (rolling 12-month average)	54% against target of ≥55% (12 month rolling average)	✓
Priority 5: Improving organisational performance	Ratio of procurement sourced through Māori owned businesses (rolling 12-month average)	3.19% against a target of 5%	✓
Priority 6: Embedding a sustainable financial model	All targets met		✗
Governance and administration	N/a		✓

Key:

✗ No updates this month	✓ Update below for noting	! Update below for board attention/action
-------------------------	---------------------------	---

Priority 1: Deliver safe and reliable water and wastewater services

Reliable water supply

- Rainfall totals were well below normal for the Hunua Ranges (48%) and the Waitakere Ranges (47%) resulting in a modest decrease in metropolitan total system storage (TSS) over the month. At the end of July, TSS was 95.2%, down 2.8 percentage points from the end of June, and around 21 percentage points above historical average.
- Metropolitan 7-day average demand generally ranged between 420 and 440 MLD. Demand in the middle of the month was subdued due to the Matariki public holiday, and school holidays.
- The El Niño weather pattern remains in its early stages; impacts on New Zealand are yet to be fully felt but are anticipated later in the year. Over the next three months, current climate forecasts from our advisers, MetService and Earth Sciences New Zealand, suggest that Auckland's rainfall is most likely to be below normal. We will continue to monitor the latest updates to the predicted El Niño weather pattern.
- The updated Drought Management Plan that the Board recently reviewed was endorsed by Auckland Council at Policy, Planning and Development Committee meeting on 11 August 2026. The updated plan has been published.

Operational compliance – water and wastewater

[Attachment 1](#) is the July 2026 water quality report.

Annual Summary of the Performance of Watercare Dams for 2025 to 2026

- At the 14 August 2026 Audit and Risk Committee (ARC) meeting, the ARC received an update on the annual performance of Watercare's dams prepared by Dam Safety Intelligence (DSI).
- This is a formal requirement for large dam owners in the New Zealand Dam Safety Guidelines (2024) and is one of the controls utilised by Watercare to provide dam safety assurance and surveillance support services. The ultimate responsibility for dam safety rests with Watercare.
- DSI's assessment concurs that Watercare has maintained an appropriate Dam Safety Management System during 2025 to 2026, consistent with the NZ Dam Safety Guidelines (2024).
- During this period, Watercare has continued its programme of work to address identified dam safety issues. DSI notes Watercare have a good appreciation of the importance of surveillance and modern engineering assessment of our dams as well as the management of dam safety risks, which are characteristically of low probability, but high or extreme consequence. The Dam Safety Management System contains several key elements to facilitate early identification of potential deficiencies and unsatisfactory conditions, to provide adequate time for interventions to avoid damage or failure (e.g., surveillance, dam safety reviews, emergency preparedness, managing dam safety issues).
- Dam Safety Intelligence commends Watercare's continued commitment to its Dam Safety Management System and programmes of work to ensure the integrity of the dam safety database is maintained, dam safety reviews are completed to a high standard, and dam safety issues continue to be identified in a timely manner.

Resource consents

- [Attachment 2](#) is the July 2026 consent compliance dashboard.
- In July 2026, Watercare was managing 446 active resource consents.
- Overall operational consent non-compliances decreased to six during July 2026, down from ten reported for June 2026. Of these, two were classified as technical non-compliances, while four non-technical non-compliances were recorded across separate facilities and assets.

Priority 4: Strengthening relationships**Customer and community**

- [Attachment 3](#) is the July 2026 customer dashboard.
- July 2026 marked the start of FY27 and the introduction of new customer pricing. As expected, value for money was the main driver of reduced trust.
- Research is now underway to establish a baseline view of the service and environmental outcomes customers value most, including local waterway health, to help inform the Water Services Strategy and the information requirements for economic regulation.
- Customer satisfaction remains consistent with no change. Developer services have seen a return to normal call volume after a large reaction to the new IGC pricing.

Tāmaki Ora – Māori Outcomes

- Mana Whenua are increasingly engaged before key decisions are finalised, informing programme design, business cases, and strategic planning across major programmes including Waikato Water, Western Water, Rosedale, and Biosolids. This is strengthening relationships, reducing delivery risk, and improving alignment with Tāmaki Ora and Te Mana o te Wai outcomes.
- Discussions are extending beyond project-specific information sharing towards how Māori data is governed, accessed, protected, and used across Watercare. Ngāti Manuhiri's proposed Data Rangatiratanga policy highlights the need for an organisation-wide position to provide consistency and reduce future risk.
- Engagement through the Hingaia Rising Main programme demonstrates a shift in Mana Whenua expectations from consultation towards partnership and shared outcomes. Recent requests extend beyond traditional engagement to include governance participation, procurement opportunities, cultural design, ecological restoration, employment pathways, and support for iwi-led planning. This signals increasing expectations that infrastructure investment delivers cultural, environmental, economic, and partnership outcomes alongside project delivery, prompting greater consideration of how Watercare's governance, procurement, funding, and decision-making settings support long-term partnership aspirations while maintaining organisational consistency.
- Requests for tikanga support, executive engagement, cultural initiatives, and programme advice continue to increase across the organisation. Matariki engagement was significant, with 269 staff attending learning events, 41 participating in Hautapu, 42 attending whakatau, and approximately 2,700 resources distributed. Continued growth presents a capacity risk due to reliance on a small number of specialists.

- Baseline monitoring, reporting, and accountability arrangements are now established across all Tāmaki Ora priority areas. Integration of Tāmaki Ora outcomes into key planning processes, including the WSS, SAMP, AMP, and Future Water Source planning, is strengthening organisational accountability and creating the foundations for consistent delivery and performance measurement across the business.

Media

- July was a highly successful month for Watercare's media engagement, driven by two major events: the Central Interceptor Completion Celebration and FLOW, where we announced our updated 10-year Capital Investment Plan.
- Watercare featured in 558 media items and achieved a Net Sentiment Score of +56, a 20% increase from June. The 12-month rolling average Net Sentiment Score also improved, increasing from +28 to +31.
- Positive media mentions accounted for 66% of total coverage, up from 40% in June. Proactive content featured in 67% of coverage, representing 392 media items.
- The Communications Team worked closely with staff across the business to prepare for the Central Interceptor and FLOW events. This included multiple media training sessions with Chief Executive and Chief Programme Delivery Officer.
- This preparation was reflected in July's reporting. The key underlying message, "new infrastructure and investment will improve the water and wastewater system", appeared in 389 media items, representing 70% of coverage.
- Infrastructure Planning was the leading topic, with 240 media items, or 42% of coverage. This was followed by Infrastructure Delivery, with 183 media items, or 33% of coverage.
- Radio was the leading media platform, accounting for 75% of coverage, or 414 items. RNZ was the leading media outlet. Coverage was also secured across major mainstream outlets, including 1 News, the NZ Herald, Newstalk ZB and Stuff, as well as key local media.
- Negative coverage accounted for 10% of total media coverage, up from 4% in June. This was largely driven by reporting on community concerns about infrastructure works and transport disruption associated with the St Mary's Bay unplanned worksite. Proactive and responsive media engagement by Watercare helped shift some reporting from negative to neutral sentiment.

Developers

Extensive engagement is underway with the development sector to build strong relationships and lift awareness of the most effective growth pathways:

- Workshop and stand at the 27 July Mayoral Forum attended by 200+ representatives from across the development sector. Messaging and networking focused on Watercare's support for planned growth.
- Constructive conversations with key developers at FLOW, as part of the 500+ attendees.
- Engagement strategy created for developers for the 10-year Capital Investment Plan including planned one-one-one engagement and a potential developer roadshow.
- 30% of recent media queries have been directly related to growth and development. Consistent messaging and outreach across media relations, submissions, direct engagement, presentations, and conferences is seeing widespread awareness of growth-related issues, with independent commentators frequently citing Watercare's messaging and position.
- The newly created developer journey map is being used to design a new structure for the developer section of the Watercare website to make it more effective and customer centric.

- Customer centricity and commercial awareness training strategies are being prepared for front line staff to improve outcomes for customers and network performance.

Priority 5: Improving organisational performance

Health, safety and wellness (HSW) update

HSW dashboard is included at agenda item 7 of this meeting pack.

Our People

The July 2026 People Dashboard is included as [Attachment 4](#).

Governance and Administration

Risk, Assurance and Compliance

- Tailored risk training for Risk Champions from across the business has been developed and will be delivered at sessions in October 2026.
- There have been no new Level 3 (the highest level) incidents since the last report. The team managing the Level 3 incident at Warkworth remains in place to ensure completion of critical works, and a presentation on progress is scheduled to be presented to the Board in August 2026.
- Internal Audit is currently reviewing the Charter reporting and end of year Financial Statements, prior to final issue.
- The biannual ComplyWith survey for legislative compliance has been completed. Results will be presented at the September 2026 Board meeting.
- There have been no disclosures made to the Whistle-Blower service since the last Board meeting.
- There were no matters reported to the Privacy Commissioner in July 2026.

Execution of documents

In accordance with the authority delegated, for the month of July 2026:

- there was one document required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there was no deed signed by directors and/or Chief Executive.
- there were two capex approvals signed by the Chief Executive that were below a threshold of \$50m.
- there were six contracts approved by the Chief Executive that were over \$100,000. They were as follows:

Contract description	Successful supplier
Manage Services	RUSH Digital Interactive Limited
Pukekohe WWTP Pond Desludging Works	Conhur Limited
NDM Testing & UAV Surveys FY26/28	Beca Limited

Contract description	Successful supplier
Secondee – Technical Lead	Frequency NZ Limited
FY27 estimation for NP2M	Mott Macdonald New Zealand Limited
I&I Investigations for FY27	City Care Limited

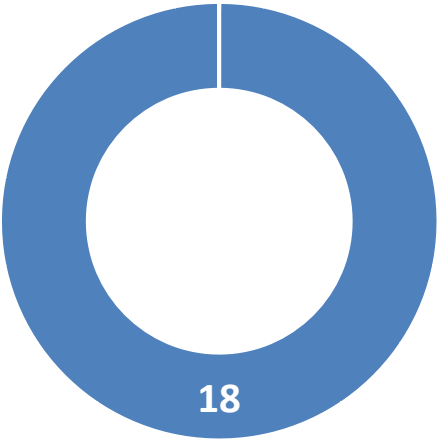


Jamie Sinclair
Chief Executive Officer

Water Quality Report – July 2026

Scorecard

Status of Drinking Water Safety Plans



Annual review of Watercare’s DWSPs completed. Next review due Dec 2026.

Compliance Summary

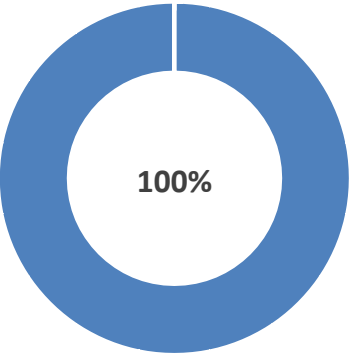
WTPs (18 total)

Bacterial	100%
Protozoal	94%
Chemical	100%
Cyanotoxins	100%

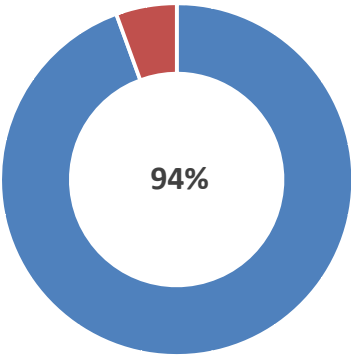
Distribution Zones (40 total)

Microbiological	100%
Disinfection by-products	100%
Plumbosolvent metals	100%
Residual disinfection (Chlorine)	100%

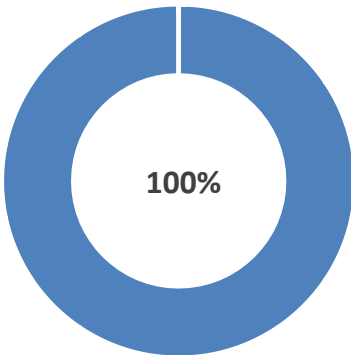
WTPs: Bacterial* Compliance



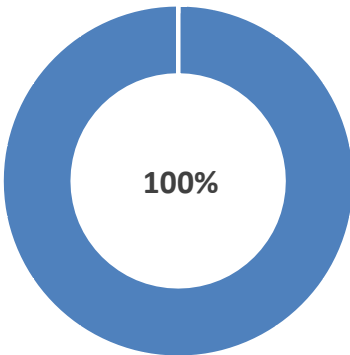
WTPs: Protozoal* Compliance

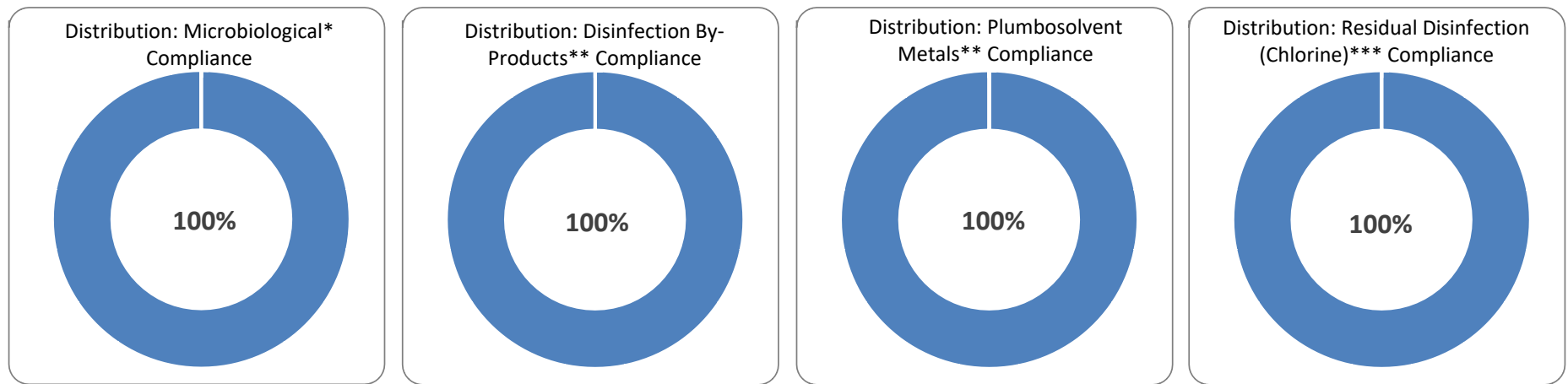


WTPs: Chemical** Compliance



WTPs: Cyanotoxin Compliance





8.1

*At the WTPs bacterial compliance is assessed on continuous monitoring results. In the distribution network microbiological compliance is based on the required number of *E. coli* and total coliform samples and response plans for any positive results. The protozoal results of 94% relate to a 2 July 2026 incident at the Bombay WTP involving a UV reactor. Further information is provided in the report.

** Chemical compliance: At the WTPs determinands present in the source water at concentrations >50% MAV and those 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. Plumbosolvent compliance is assessed in the distribution system by testing for a suite of metals six monthly.

*** Residual disinfection (Chlorine) – In each distribution network zone, 85% of free available chlorine (FAC) samples in a month must be >0.20 mg/L with no results ≤0.1 mg/L.

Spotlight On: Legislation and Compliance

Taumata Arowai released the new Drinking Water Quality Assurance Rules (DWQAR). The DWQARs will come into effect on 1 July 2027.

Until then, the existing Drinking Water Quality Assurance Rules 2022 (Revised 2024) remain in effect. This transition period gives us time to understand the changes and prepare for implementation.

- Read the new [Water Services \(Drinking Water Quality Assurance\) Rules 2026](#)
- Read the current [Drinking Water Quality Assurance Rules \(these remain in effect until 1 July 2027\)](#)

Microbiological compliance was achieved at 17 of 18 Water Treatment Plants (WTPs) in July. The Bombay WTP failed protozoal compliance on 2 July 2026. Further information on the incident is provided below.

Chemical compliance has been achieved for the month of July for all WTPs and distribution zones (DZs). This includes full chlorine compliance for all distribution zones, equating to 97.9% compliance for the 12-month rolling average as of July 2026.

Protozoal water quality results of 94%

On 2 July 2026, a UV reactor at the Bombay WTP operated below the UV intensity required to achieve compliance across its certified flow range. As a result, partially treated water entered the plant's Treated Water Tank (TWT). The incident occurred during maintenance and testing activities.

Once the issue was identified, the TWT was isolated, drained, and flushed with fully compliant water. Water quality was verified through online monitoring before the water supply was restored.

As a precaution, a boil water notice was issued to approximately 35 affected households in the Bombay low zone. The notice was lifted once water quality met all required safety standards, supported by multiple clear sample results that confirmed the supply was safe to drink.

Following the incident, several improvements have been identified to help prevent similar events. These include additional operator training, enhanced operational warnings, and engineered controls to provide greater fail-safe protection and reduce the risk of human error during maintenance and testing activities.

Investigations into Emerging Contaminants – We are looking into global trends and learnings that Watercare should consider in operational and strategic decisions. We continue to discuss our learnings with Taumata Arowai.

Spotlight On: Drinking Water Safety Plan (DWSPs)

The next formal reviews of the DWSPs are due by December 2026.

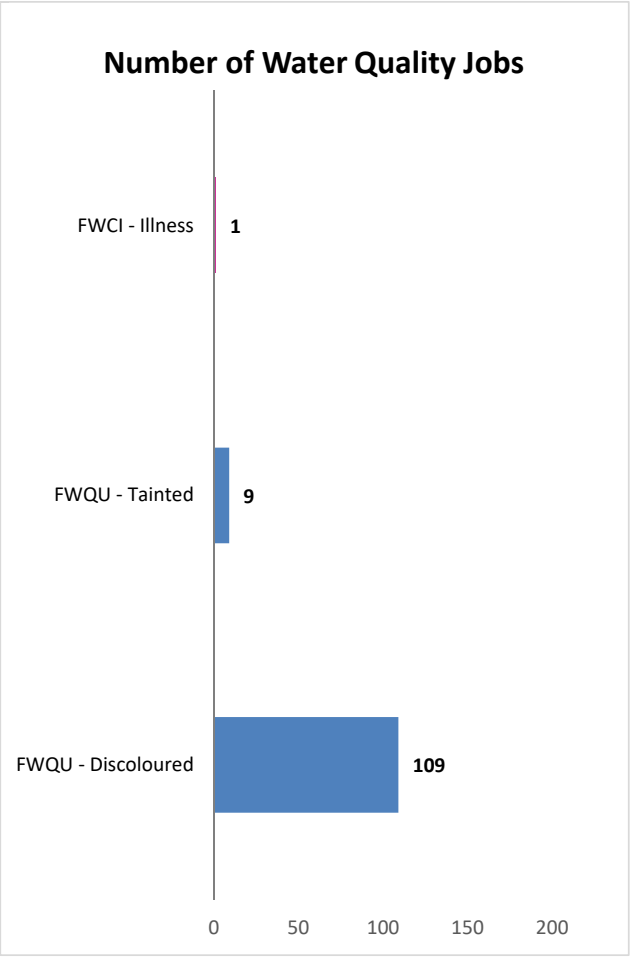
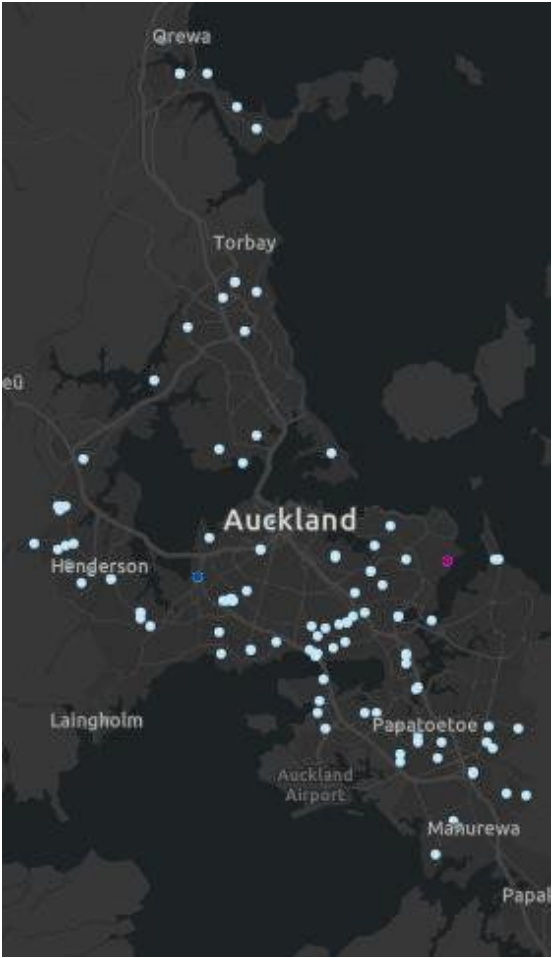
Spotlight On: Backflow Prevention

Our backflow prevention programme protects our networks and customers from third party contamination. Backflow testing and surveys have been completed as per targets set for July 2026. The team is exploring digital solutions to enable targeted surveys of high hazard industries.

Spotlight On: Condition of Sampling Taps

We continue to work closely with the Laboratory and the Asset Management Team to deliver a project for the condition assessment of all distribution sampling taps. The project continues to run to end August 2026.

Customer Complaints



Actions Taken

Illness Complaints*: Provision of WQ compliance data to customer, water testing and proactive hydrant flushing if appropriate.

Causes: Unrelated mental or physical health conditions.

**Illness complaint: Arises when a member of the public has an illness that they believe may be related to water quality. All such complaints are investigated and in each case our drinking water has been found to be compliant. All such complaints are referred to their medical professional.*

Tainted Water: Network flush with field FAC and turbidity testing. Investigation by Water Quality Science and provision of WQ compliance data if unresolved.

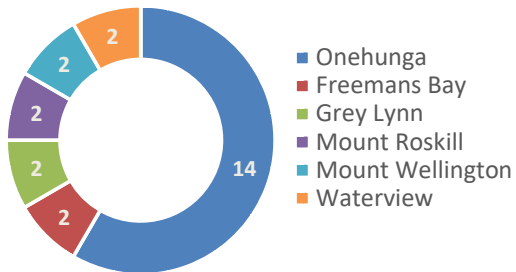
Causes: Taste and odour (usually chlorine residual).

Discoloured Water: Network flush at nearest fire hydrant or at the water meter as appropriate. Provision of WQ compliance data to customer if unresolved.

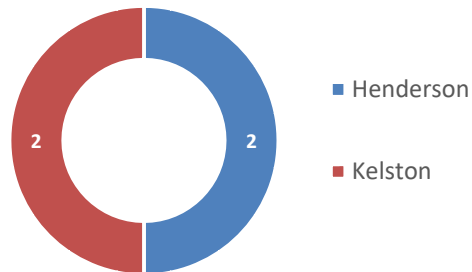
Main causes: Brown/yellow water is often caused by mineral and sediment build-up coming off pipes when there are changes in flow. "Cloudy" or "milky" water is caused by air bubbles. Black particles are often caused by deterioration of rubber components in fixtures or fittings.

Repeat Water Quality Complaints: February to July 2026

Central Networks
Number of Repeat Complaints



Northern Networks
Number of Repeat Complaints



Southern Networks
Number of Repeat Complaints

No new repeat complaints

8.1

Actions Taken for Repeat Complaints*

Central

Selwyn St / Gloucester Park Rd / Wallath Rd, Onehunga – Discoloured water at multiple addresses. Flushing done at the nearest hydrant for each call.

Wellington St, Freemans Bay – Discoloured water affecting multiple tenants at #76-102. Recent burst main in the area. Flushing done at the nearest hydrant for each call. No reoccurrence from 12/07.

Cooper St, Grey Lynn – Discoloured water. Potential for stagnant water as customer is at the end of the road. Flushing from nearest hydrant done for each call. No reoccurrence from 25/07.

Revel Ave, Mt Roskill – Discoloured water reoccurring over 2 days. Repeat flushing from nearest hydrant done to clear out affected water. No reoccurrence from 19/07.

Mt Wellington Hwy, Mt Wellington – Discoloured water reoccurring over 2 days. Repeat flushing from nearest hydrant done to clear out affected water. No reoccurrence from 26/07.

Fairlands Ave, Waterview – Recurring milky water after works on mains. Flushing done at nearest hydrant at customer's water meter to clear trapped air.

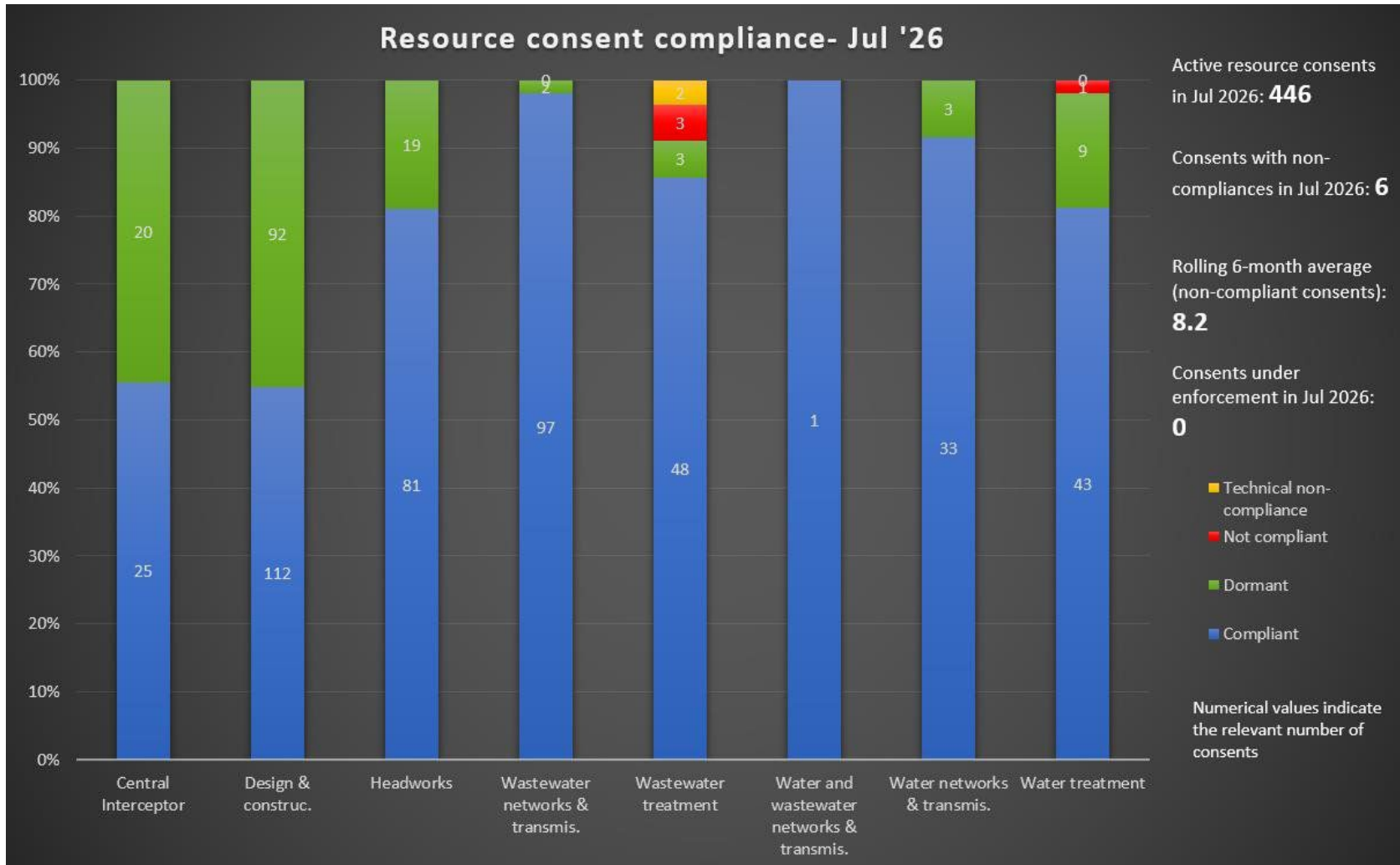
North

Silver Birch Rise, Henderson – Black particles in water. Flushing done at nearest hydrant for both calls. At second call crew confirms no black particles were observed from the mains or at the customer's tap. Crew advised customer to keep a water sample for further investigation if problem reoccurs.

Cartwright Rd, Kelston – Discoloured water. Flushing done at multiple hydrants to clear out affected water. No reoccurrence from 15/07.

**Repeat complaints – A customer WQ concern raised this month which has been raised at least once before within the last 6 months by the same customer.*

Attachment 2 – RMA Compliance July 2026



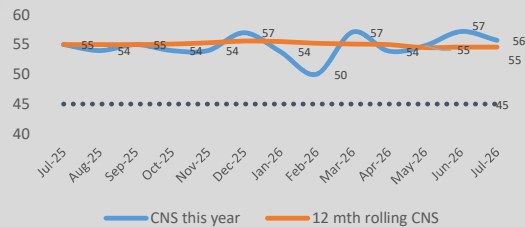
8.2

Attachment 3

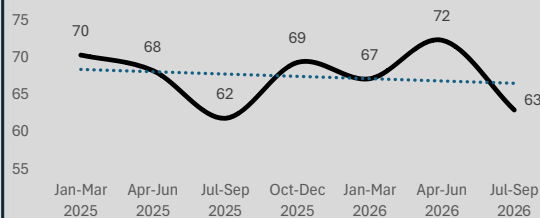
Customer Dashboard – July 26

Overall

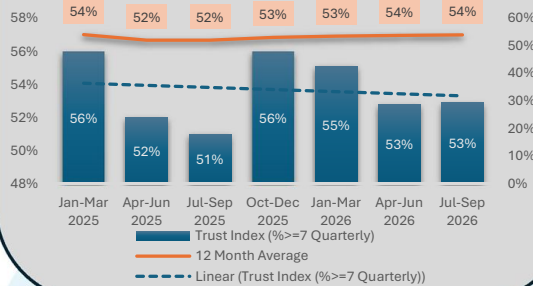
Customer Net Satisfaction



Voice of the Community

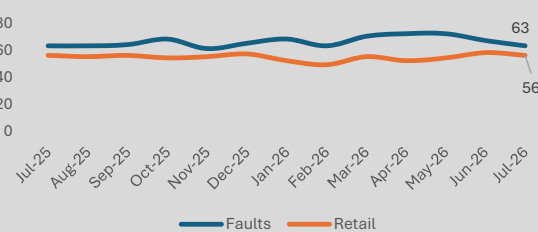


Voice of the City - Trust

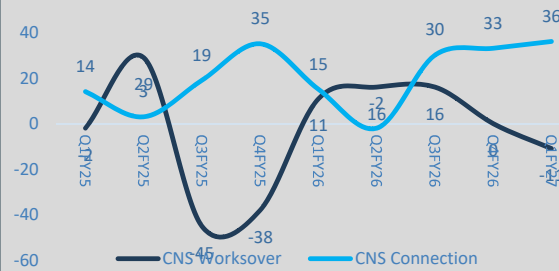


Customer Satisfaction by Function

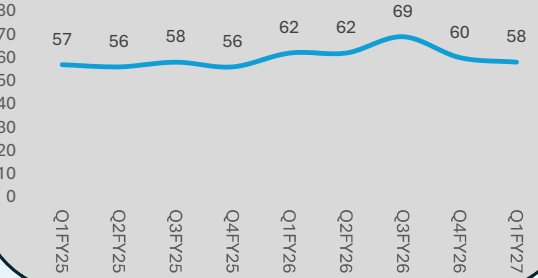
Billing and Faults satisfaction



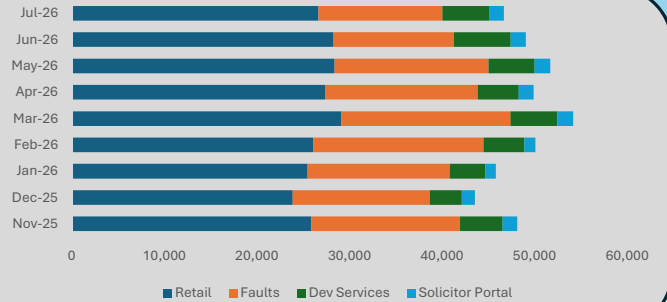
Developer and Workover Satisfaction



Agent Behaviour- Developers



Inbound contacts by function



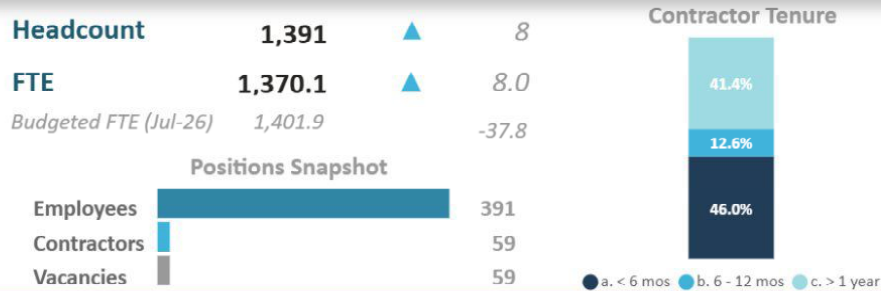
- July trust results was confirmed at 53%, with the introduction of new customer pricing. As expected, value for money was the main driver of reduced trust
- CNS for July has remained consistent with no change, Retail teams did not see any significant call volume in the first month of new customer pricing
- Developer Services have seen a return to regular call volumes after a spike in applications prior to the new IGC pricing
- Workover team remain under pressure, and it is unlikely to see a difference to CNS until improvements have been embedded

Attachment 4

Monthly Board Dashboard – People

July 2026

Workforce Composition & Structure



Diversity, Equity & Inclusion

Māori %	6.40%	-0.04% ▼
Female %	37.89%	0.94% ▲
Age: Median	41	0.00 —
Service: Median	4.23	0.05 ▲

Movement & Talent

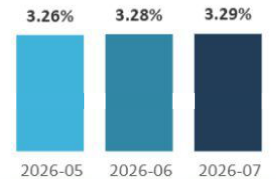


Workforce Health & Sustainability

Leave Liability

Total	11.43M	0.16 ▲
Average (pp)	8.18K	0.14 ▲
Average Balance (weeks)	3.34	0.05 ▲

Sick Leave Rate



Commentary

Risks

Watch Items

- Increase in headcount and FTE was driven primarily by appointments in Digital and Strategy & Planning business groups.
- Workforce diversity measures remained broadly stable, with a small decrease in Māori representation and female representation increasing after the previous gradual decline.
- Recruitment activity remained strong, with 54 hires completed during the month, including 14 internal appointments. Average time to fill decreased from the elevated June result, which was impacted by several hard-to-fill roles and longer running recruitment cycles.
- Turnover remains stable, continuing to hover around 10%. The July decrease was primarily driven by lower leaver volumes than the same period last year and joiners exceeding leavers during the month.

- Annual leave balances remained stable, reflecting leave use over the school holiday period. Liability increased marginally with remuneration review outcomes resulting in higher valuation of balances.

Active Projects

HRIS Phase 2 - Build & Implement ●

DoneSafe – Train & test ●

• Learn – Go-live and hypercare

Competency Framework ●

Stage 2 profile mapping underway

Board meeting | 27 August 2026
Public session



Feedback on Statement of Expectations for Watercare

For approval

Document ownership / Whaimana tuhinga

Prepared by and recommended by / Kaiwhakarite and Kaitaunaki

Brent Evans
Acting Chief Corporate Affairs Officer

Submitted by / Kaitono

Jamie Sinclair
Chief Executive Officer

1. Purpose of the report / Te take mō te pūrongo

To approve formal feedback to Auckland Council on its draft Statement of Expectations (SOE) which was provided to Watercare via the attached letter from Mayor Wayne Brown ([Attachment 2](#)).

2. Executive summary / Whakarāpopototanga matua

- The SOE is a new statutory document under the Local Government (Water Services) Act 2025 (LGWSA). Broadly, its purpose is to set high-level direction for Watercare, and guide the development of our Water Services Strategy.
- Management is broadly supportive of most aspects of the draft document. Key areas of feedback relate to performance measures and the requirement to consult the council on the draft Price Quality Path proposal.
- Management's proposed changes to the draft SOE are marked up in [Attachment 1](#).
- The council will consider this feedback before issuing the final version to Watercare.

3. Background / Rauhanga ā-kaupapa

3.1 Statutory context

Under the LGWSA, Auckland Council is required to adopt a SOE for Watercare. Watercare must "give effect" to this SOE, once adopted.

The statutory purpose of the SOE is to "set out the shareholders' expectations" of Watercare and "inform and guide [Watercare's] preparation of its Water Services Strategy, including its strategic priorities".

Broadly, the SOE should operate at a relatively high level, and does not dictate operational matters.

The legislation prescribes some mandatory content for the SOE, including “the outcomes that the shareholders expect the water organisation to achieve by providing water services” and “the information that the water organisation must include in its water services half-yearly report”. While the legislation says half-yearly, the Council wants this reporting to be quarterly for consistency with current practice.

The Council is able to include additional matters in the SOE if it wishes, but these must be consistent with the statutory purpose of the SOE and the rest of the statutory regime – for example, it cannot include any expectations or requirements that would compromise our financial independence, and must be consistent with all legislative obligations applicable to Watercare.

The SOE links in with the Water Services Strategy: part of the statutory purpose of that strategy is to “state publicly ... how [our] intended activities will contribute to the expectations, outcomes, or any other relevant matters set out in the statement of expectations”.

3.2 Comparison with the old Statement of Intent regime

The SOE operates under a different legislative regime to the Statement of Intent (SOI). From 1 July 2027, the SOI regime will expire. Some of the matters previously addressed in the SOI will now be addressed in the SOE (e.g. performance measures for quarterly reporting), and some in the Water Services Strategy (e.g. financial statements, description of our activities). A table comparing the old SOI and new SOE regime is set out below.

Importantly, the SOI has historically prescribed the performance measures for both quarterly reporting and the annual report. Now, the SOE will prescribe these for quarterly reporting only. The Water Services Strategy now prescribes measures for the annual report.

	Old – SOI	New – SOE
Process	Watercare prepares, council approves.	Council prepares, Watercare provides feedback, council approves.
Governing legislation	Local Government Act 2002	Local Government (Water Services) Act 2025
Statutory purpose	To: (a) state publicly the activities and intentions of the council-controlled organisation for the year and the objectives to which those activities will contribute; and (b) provide an opportunity for shareholders to influence the direction of the organisation; and (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.	(a) to set out the shareholders’ expectations of the water organisation; and (b) to inform and guide— (i) the decisions and actions of the water organisation; and (ii) the water organisation’s preparation of its water services strategy, including its strategic priorities.

	Old – SOI	New – SOE
Required content (summarised)	Objectives, approach to governance, nature and scope of activities, performance measures, major accounting policies, forecast financial statements for 3 years.	Outcomes council expects us to achieve, requirements about resource managing planning and land use that are relevant to Watercare’s service area, information required to be included in half-yearly reporting. May also include additional matters, such as expectations relating to strategic priorities to be included in our Water Services Strategy, and expectations around collaboration with council.

3.3 Proposed feedback

The two most important aspects of feedback are: (1) clarifying performance reporting requirements, (2) clarifying council involvement in certain Watercare decisions. Other proposed changes to the draft are marked up in track changes in the attached document.

(a) Performance measures

(i) SOE prescribes measures for quarterly reporting to council

The SOE should make clearer exactly what the requirements are for quarterly performance reporting to council, from 1 July 2027. Under the LGWSA, the SOE determines this.

Management proposes that the status quo continue (reporting against the existing 38 measures, with 4 of those imposed by Council, and the remainder by MCERT (previously DIA), the Charter, and Taumata Arowai) for one year as a transitional arrangement. The status quo approach involves combining quarterly reporting to Council and the Commerce Commission in one document.

We note there is no audit cost involved in continuing the status quo, as quarterly reporting is not required to be externally audited (unlike the annual report).

Ahead of 1 July 2028, Watercare staff propose to undertake a review of all measures, looking to consolidate and reduce them, then amend the SOE to reflect this. This review would take account of Charter measures expiring, MCERT measures potentially expiring, and PQP standards coming into force. Given the uncertainty around these upcoming changes (and noting that council only imposes 4 of these), staff consider that undertaking a review now to consolidate the measures would be premature.

Management has discussed this proposed approach with Council staff. Council staff agree that this is a sensible approach. However, they have indicated that Council may wish to impose a new performance measure on developer sentiment, as per the initial draft.

Management suggests that in the formal feedback to Council, Watercare:

- Propose to work this into the broader performance measure review ahead of June 2028, taking into account dependencies with Commerce Commission workstreams.
- Note that Watercare already reports on developer sentiment in the monthly board report, with the results separated out in the customer dashboard. Data are collected through a survey completed by customers during the developer journey. The current results include both the works-over area and applications for new connections. While we do not yet have a complete view of compliance performance, we are working to improve the overall functionality of the survey.
- Note that to be meaningful, careful thought would need to be given to the methodology behind a formal performance measure on developer sentiment.

(ii) Water Services Strategy prescribes measures for Annual Report

The draft document proposes that the Water Services Strategy also include all 38 current measures. The reporting mechanism for these measures is the new LGWSA Annual Report, which must be audited by the Auditor-General (unlike quarterly reporting). For simplicity, Management proposes the same transitional approach here as above with the SOE: status quo until June 2028, then amend WSS to reflect the outcome of a review to consolidate and reduce the measures.

(b) Requirement to consult council on our Price Quality Path proposal

The draft document includes a requirement to consult the Council on the PQP proposal. Management has discussed this with Council staff, given the practical difficulties this would pose. Council staff understand the difficulties. They have proposed that this takes place through the WSS approval process, particularly given the WSS will reflect the overall funding envelope sought through the PQP proposal (the Maximum Allowable Revenue), and will set out the proposed schedule of charges. This will involve Watercare staff providing briefings to elected members about the PQP proposal and how it is reflected in the draft WSS, alongside relevant decision-making points for Council on the WSS. This is reflected in Attachment 1.

(c) Requirement to seek council endorsement of certain contracts

The draft SOE requires Watercare to “consult the council and obtain [its] endorsement for “contracts for the operation of a component of the water supply or wastewater network (including any renewals at the contractor’s option)”. From conversations with council staff, we understand this is intended to capture a scenario where Watercare enters into a new Veolia-type arrangement. Staff propose to recommend that council remove this requirement, for the following reasons.

- Under the LGWSA, council approval (and public consultation) is already required for any “significant” contract “for the performance of any aspect of providing a water service” on Watercare’s behalf. Staff consider that this “significance” threshold is the appropriate way to determine council’s involvement. A new Veolia-type arrangement would be captured here.

- Having two tests with similar but different wording is highly likely to cause confusion (“contracts for the operation of a component of the water supply or wastewater network” vs “significant contracts for the performance of providing any aspect of a water service on Watercare’s behalf”).
- The wording in the draft SOE is potentially too broad and ambiguous. Depending on how it is interpreted, it could capture minor operational activities.
- “Renewals at a contractor’s option” (i.e. situations where a third party contractor has a contractual right to renew a contract with Watercare) do not typically involve a “decision” for Watercare, meaning there would not be a decision for council to “endorse”.

If council considers that the existing LGWSA regime for council approval of significant contracts is insufficient, it should make clear which types of additional contracts or scenarios it would like to endorse, and discuss this further with Watercare before finalising the SOE.

3.4 Other matters

Council staff have provided a heads up that Council intends to add in the following additional matters to the draft SOE. These are not included in the draft SOE that was formally provided to Watercare for feedback. If the Board has comments on these additional matters, we can include this in the formal feedback to council.

- *“The Mayor raised at the APR committee this month (attended by Jamie and Geoff Hunt) that he wanted direction to the CCOs on being vigilant against scope creep on large projects. We will address this by including additional wording in the Better Value Projects commentary under para 68 in the SOE.*
- *In response to a recent strategic audit review, there will be an escalation process included in the SOE. In addition to normal performance reporting through committee and the no surprises principle already covered in the SOE it will note an escalation process if there are significant issues or events. This could be triggered if there was an event similar to Moa Point.*
- *A point raised by the Mayor’s Office through the SEP feedback process was the need for early engagement with the council before any public consultation on joint water services provider arrangements, which will be included as an example under ‘no surprises’.”*

4. Proposed budgetary implications / Ngā ritenga ā-pūtea kua marohi

Approval of this feedback will not have any direct budgetary impact.

5. Next steps / Ngā mahi ka whai ake

Once approved, Management will prepare a cover letter reflecting board feedback and with an explanation of significant proposed changes outlined in this report, attaching the marked-up version of the draft SOE. This will then be provided to the Council.

6. Recommendation / Ngā taunakitanga

That the Board:

- **approves** the feedback to Auckland Council on the draft Statement of Expectations, as set out in Attachment 1;
- **delegates** to Geoff Hunt, the Board Chair, authority for final sign-off of:
 - any amendments to Attachment 1, including any changes requested by the Board at the Board meeting; and
 - the cover letter to the Mayor.

7. Attachments / Ngā whakapiringa

Attachment number	Description
1.	Watercare's feedback to Auckland Council on the draft Statement of Expectations
2.	Letter dated 8 July 2026 from Mayor Wayne Brown



Attachment 1

Auckland Council draft Statement of Expectations for Watercare Services Limited

Introduction

1. The purpose of this statement of expectations for Watercare Services Limited (Watercare) is to set out the Auckland Council's expectations for Watercare and to inform and guide the decisions and actions of Watercare, including the development of its water services strategy.
2. It has been prepared by Auckland Council under section 224 of the Local Government (Water Services) Act 2025.
3. Since the establishment of the amalgamated Auckland Council in 2010, Watercare has provided essential water and wastewater services to 1.8 million people in the Auckland region.
4. Watercare is a council-controlled organisation, wholly owned by Auckland Council. It is a limited liability company registered under the Companies Act 1993, and a water organisation under the Local Government (Water Services) Act 2025.
5. Watercare operates within a dynamic context that presents both opportunities and challenges. Auckland is New Zealand's largest city and economic centre and contributes nearly 40 per cent of New Zealand's gross domestic product (GDP) and serves as a gateway for trade, innovation and investment. As a growing city, the region contends with issues like congestion and housing affordability. It must balance the need for significant infrastructure investment with financial sustainability. Furthermore, Auckland's vulnerability to extreme weather events due to its coastal exposure, natural hazards and long-term climate risks poses significant challenges.
6. Auckland's population is projected to grow by approximately 520,000 people over the next three decades, reaching a total of 2.29 million by 2052.¹ Auckland Council's direction for our entities, including Watercare, includes responsible urban growth strategies for the region, better land use planning and infrastructure coordination and the achievement of environmental outcomes through prudent infrastructure investment. This includes lowering costs and lowering emissions, making the most of existing infrastructure before building new things, and being smart about delivering services.
7. The statement of expectations will guide Watercare's preparation of its first water services strategy, which must come into force by 1 July 2027 under the Local Government (Water Services) Act 2025.

Review process

8. The Statement of Expectations will be reviewed periodically by Auckland Council. After this first Statement of Expectations, reviews will be undertaken ahead of the preparation of Watercare's next water services strategy and may, at the discretion of the council, occur prior to the preparation of Watercare's annual budget in intervening years. This

¹ <https://knowledgeauckland.org.nz/publications/auckland-growth-scenario-2023-version-11-ags23v11-data/>

review process will aim to ensure ongoing strategic alignment between the council and Watercare.

9. Auckland Council will work with Watercare to provide the statement of expectations in sufficient time in advance of the preparation of Watercare's water services strategy (at least 1 year in advance) and provide Watercare with the opportunity to review the draft statement and provide comments.

Section 1: Outcomes and strategic priorities for water and wastewater

10. This section covers outcomes for Tāmaki Makaurau that Watercare is to contribute to and strategic priorities to focus on, performance measures and decisions that the council expects to be involved in.

Outcomes

11. Outcomes describe what Aucklanders collectively value and want to achieve in the long-term for Tāmaki Makaurau. Watercare contributes to these outcomes through the provision of water and wastewater services.
12. Through the provision of water and wastewater services Watercare must contribute to achieving the following outcomes:
 - Access to water is equitable and sustainable
 - Assets and services are managed to ensure value for money and whole-of-life costs are optimised
 - Infrastructure planning and delivery supports council's growth approach and enables sufficient capacity in the right places at the right time
 - Mana whenua are partners in the protection, management, and enhancement of te mauri o te wai
 - Auckland has healthy, thriving water ecosystems
 - Infrastructure is regenerative and enhances te mauri o te wai
 - Water infrastructure works with natural systems, minimises emissions, and is resilient to climate change and natural hazards
 - Communities are empowered to shape water services decisions

Strategic priorities

13. The strategic priorities set Auckland Council's directions to Watercare, what the council wants Watercare to focus on and the demonstratable impact council wants Watercare to make through the provision of water and wastewater services.
14. Auckland Council expects Watercare to reflect the following strategic priorities in its water services strategy:
 - i. **Deliver affordable, safe and reliable water services:** Provide water and wastewater services that are affordable for Aucklanders and consistently meet quality and service standards.
 - ii. **Look after assets and lift infrastructure delivery performance and operating efficiency:** Strengthen asset management, investment prioritisation and decision making, and delivery capability and benefits and performance benchmarking to

9.1

provide sustainable and prudent financial management, value for money, safe assets and optimisation of whole-of-life costs.

- iii. **Enable quality compact urban development:** Align water and wastewater infrastructure planning, investment and delivery with the Future Development Strategy's quality compact growth approach, seek to deliver on the infrastructure prerequisites and ensure growth pays for growth.
- iv. **Work with mana whenua and mataawaka to deliver outcomes for Māori and the wider community of Tāmaki Makaurau:** Build strong partnerships with mana whenua and mataawaka. Enable Māori to exercise kaitiakitanga in water and wastewater management. Support economic opportunities for Māori businesses to contribute to a regenerative Māori economy. Invest in water and wastewater services for marae so they can function as thriving hubs for Māori and the wider community. Build the capability of Watercare staff to deliver outcomes for Māori in Tāmaki Makaurau.
- v. **Enhance environmental outcomes through water and wastewater management:** Provide water and wastewater services that enhance the life supporting capacity of water / te mauri o te wai and advances regenerative and circular resource use.
- vi. **Build system resilience:** Deliver resilient networks and ensure services adapt to the impacts of climate change.
- vii. **Minimise whole-of-life greenhouse gas emissions:** Align emissions reductions with Auckland's Climate Plan and pathway.
- viii. **Prepare for drought, minimise the likelihood of triggering restrictions and address water security risks:** Manage water demand, reduce water losses, and diversify water supply through active demand management, network efficiency improvements, and investigation of future alternative water sources.
- ~~ix. **Deliver sustainable wastewater and biosolids solutions:** Reduce discharge impacts on the receiving environment, minimise overflows and advance long-term biosolids disposal approaches. Support environmental outcomes through delivering upgrades to meet regulatory requirements and advance long-term biosolids disposal certainty.~~
- ~~ix.~~
- x. **Ensure readiness for emergency events:** Contribute to Auckland's readiness with clear emergency plans, skilled personnel, and robust partnerships, equipment and systems.
- xi. **Empower communities and deliver wider benefits:**
 - Build water literacy, act transparently to build community trust and support communities to engage with water services decision-making processes.
 - Deepen understanding of communities to better reflect diverse needs and expectations.
 - ~~• Prioritise infrastructure with multiple environmental, cultural, and community outcomes, including enabling Aucklanders to access and connect with water and their water services.~~

15. Watercare's decision making for the Strategic Asset Management Plan and Asset Management Plan (under the Commerce Commission's Water Services Information Disclosure Determination- 2026) asset management plans must will demonstrate how the planned investment aligns with the council's strategic priorities and outcomes as outlined in this SOE.

Decisions needing Auckland Council involvement

16. There are decisions that Watercare is required to seek the approval of the council under legislation, its constitution, its significance and engagement policy, and the CCO Accountability Policy.
17. Auckland Council expects to be involved in Watercare's decision-making on additional matters that are of high public interest and that commit Watercare to a revised direction. As such, the council has identified the following non-exhaustive list of matters for which it expects to be involved, and how this should occur:
 - Future water sources: consult the council and obtain our endorsement
 - Future biosolids solution: consult the council and obtain our endorsement
 - Price-quality path proposal to the Commerce Commission: consult the council through the Water Services Strategy process
 - Any new joint water services provider arrangements: consult the council and obtain our approval
 - ~~Contracts for the operation of a component of the water supply or wastewater network (including any renewals at the contractor's option): consult the council and obtain our endorsement~~

Performance measures

- ~~18. Watercare's performance measures and targets are based on the requirements of the council as shareholder, the Watercare Charter 2025-2028, the mandated non-financial measures of the Department of Internal Affairs and Taumata Arowai Water Services Authority. New requirements may be established under economic regulation by the Commerce Commission.~~
 - ~~19. ^(a)The aim is that the water services strategy integrates these requirements and provides ^(b)~~
 - ~~20. Council's expectation is that Watercare continue to report on the following measures in addition to those mandated by other agencies.~~
 - ~~Customer and developer satisfaction, trust and complaints resolution~~
 - ~~Service affordability for households~~
 - ~~Gross per capita water consumption~~
 - ~~Greenhouse gas emissions reduction~~
 - ~~Procurement through Māori-owned businesses.~~
 - ~~18. Watercare will agree the methodologies for these measures with the council.~~
 - ~~21. _____~~
- Watercare comment:** These paragraphs should be removed, given our recommendation that there be a separate section that explicitly prescribes the exact requirements for the quarterly report. Having a separate paraphrased version of those requirements here may cause confusion]..*

19. Council notes that transparency on environmental performance was an area for improvement identified by the Commerce Commission in its role as Crown monitor.²

Council encourages Watercare to make improvements in this area.

~~22.~~

Drinking water assessment

² <https://www.comcom.govt.nz/assets/Documents/crown-monitor/Watercares-performance-in-2025-28-November-2025.pdf>

~~23-20.~~ In developing this Statement of Expectations, Auckland Council has considered the Drinking Water Assessment 2026 on the access of Auckland communities to drinking water services.³

~~24-21.~~ The assessment found that in relation to the metropolitan network, Watercare has strong water service and quality monitoring and customer response programmes in place across its network and is consistently meeting its performance requirements.

~~25-22.~~ Auckland's water supply currently relies on a diversity of major sources that are rainfall dependent. Watercare also has in place a Drought Management Plan for its network.

~~26-23.~~ Watercare has set out a programme to upgrade the water supply network aimed at addressing current constraints and meeting projected growth in the region. There will be a need for a new water source for Watercare's water supply network in the 2040s to continue to service growing urban areas as well as provide increased resilience to the changing climate.

Section 2: Resource management and land use planning requirements

~~27-24.~~ This section covers the council's expectations of Watercare on resource management planning and land use planning matters.

~~28-25.~~ Watercare infrastructure planning and investment must align with the quality compact growth and prioritisation approaches set out in the Future Development Strategy and in the future regional spatial plan once it has been adopted, to the extent relevant.

~~29.~~ Investment planning must prioritise Auckland Council's spatial priority locations for growth, to the extent relevant.

~~30-26.~~ Infrastructure planning and design work must use the Auckland Growth Scenario (current version) as the basis for population forecast.

~~31-27.~~ Growth occurring in areas of Auckland that have not been planned for or are ahead of timing in the council's strategic planning documents, is a major consideration for the region. Council will provide direction to Watercare on managing the response to private plan changes or developments, including Fast-Track applications, that do not conform with the council's strategic planning documents. Watercare will follow this direction.

~~32-28.~~ Council will need input from Watercare on the development of the combined plan required by the new resource management legislation (Planning Act and Natural Environment Act and associated national instruments), provided that it is enacted. This includes the development of the regional spatial plan. Council will ensure that Watercare is provided with full and early opportunities to participate in the development of the plans.

Section 3: Expectations for roles and relationships

~~33-29.~~ This section covers the council's expectations for Watercare's key governance relationships – with the council (as shareholder), communities, stakeholders and iwi, hapū and other Māori organisations.

Watercare's relationship with Auckland Council

Council's role as sole shareholder of Watercare

³ Required under Section 69 of the Local Government (Water Services) Act 2025.

~~34-30.~~ Watercare is a council-controlled organisation (CCO) owned by the council. It is a separate legal entity and a limited liability company. Watercare operates at arm's-length from the council and is financially separate from it. While Watercare operates at arm's-length from elected members, council is ultimately held accountable by the public for Watercare's activities and performance.

~~35-31.~~ The role of council, as shareholder, includes:

- providing the strategic direction for Watercare – outlined in sections 1 and 2.
- appointing the board of directors and related functions in line with the Appointment and Remuneration Policy for Board Members of Council Organisations.
- establishing expectations for roles and key relationships – outlined in this section.
- providing direction on operating expectations as part of the council group, for example value for money – outlined in section 4.
- approving accountability documents and monitoring Watercare's performance – also described in section 4.

Role of the Watercare Board

~~36-32.~~ Watercare has a qualified, independent board to govern the company and that is responsible for the delivery of water and wastewater services in Auckland. It has operational autonomy from the council.

~~37-33.~~ The council expects the board (and Watercare) to:

- make decisions consistent with council expectations (as set out in this document)
- act in accordance with legislation (key pieces of legislation are set out in Appendix A), Watercare's constitution and the CCO Accountability Policy
- act in good faith and demonstrate good governance
- act in a transparent, open and accountable manner. This includes holding board meetings in public, in accordance with requirements under the Local Government (Official Information and Meetings) Act 1987.

~~38-34.~~ Watercare has legal obligations that are enforced and monitored by other entities, including Auckland Council as a resource consent authority, the Commerce Commission and Taumata Arowai – Water Services Authority.

~~39-35.~~ The board delegates day to day management to the Watercare chief executive, who is accountable to the board.

Auckland Council's shared governance model

~~40-36.~~ Auckland Council has a shared governance model – with the governing body and local boards responsible and democratically accountable for the decision-making of Auckland Council. In general, the governing body focuses on region-wide strategic decisions and local boards represent the communities in their area and make decisions on local issues, activities and facilities⁴. The governing body is responsible for decision-making in relation to the governance of the council's CCOs, including Watercare.

⁴ This shared governance structure is underpinned by the Local Government (Auckland Council) Act 2009 and is further defined through the 'Allocation of Decision Making' table in council's Long-term Plan.

~~41.37.~~ Watercare must ensure that it works effectively with the governing body and local boards and proactively builds and maintains good relationships with both. Watercare will need to recognise local interests while ensuring that regional priorities and strategies are achieved.

~~42.38.~~ There are likely to be cases where the local board is not the decision-maker, but the decision will have a significant local impact or require local or regional community consultation. In these cases, Watercare should consult with local boards genuinely, and early, in a way that allows local boards to influence such decisions.

The 'no surprises' principle

~~43.39.~~ Watercare needs to keep the council informed well in advance of anything that could be potentially contentious and update council about issues that arise in a timely manner. The public expects a high standard of accountability and transparency from the council group.

~~44.40.~~ Watercare should assess all issues to determine if they are likely to attract significant public interest and ensure the mayor, councillors and/or local boards (as appropriate) and relevant staff members are fully briefed. The council should have an opportunity to provide guidance on significant issues before information is released to the public and (generally) before the board makes decisions on these issues which bind it into a course of action.

~~45.41.~~ Examples of issues that should be raised with council include **significant**:

- matters of high interest to the public and key stakeholders, including potential media coverage
- New or escalating risks which have significant potential to cause major impacts to Watercare services.
- conflicts of interests (potential or actual) or fraudulent acts by directors, employees, or contractors
- litigation by or against Watercare, its directors or employees (potential or actual)
- large-scale restructuring, redundancies or industrial disputes
- acquisitions, divestments, and transactions, whether significant in scale or the nature of the activities
- release of information under the Local Government Official Information and Meetings Act 1987
- consent applications

Relationships with mana whenua, mataawaka and Houkura

~~46.42.~~ The Auckland Council Group is committed to a partnership with Māori based on te Tiriti o Waitangi / the Treaty of Waitangi. Watercare is expected to share this commitment and contribute to the delivery of Māori outcomes, as described in section 1.

~~47.43.~~ Council expects all CCOs, including Watercare, to build strong partnerships with mana whenua and mataawaka. This includes recognising te mana o te wai (prioritising the health and wellbeing of water before human activities), the significance of water in te ao Māori (the Māori world view) and the role that mana whenua play as kaitiaki (guardians) of this taonga (treasure).

~~48.44.~~ Engagements with Māori should align with the council's Mana ki te Mana

approach to Māori engagement, where relationships take precedence over issues or projects. This

9.1

approach respects the unique mana motuhake of each iwi and mataawaka entity by prioritising their needs and aspirations.

~~49~~45. In preparing the Watercare water services strategy, Watercare is expected to partner with council to engage with mana whenua. The purpose is to ensure coordinated early and ongoing engagement on the related topics of water, wastewater and stormwater. Māori participation in the development of the Watercare water services strategy is expected to inform decision-making and be visibly reflected in planning, investment, and service delivery outcomes.

Role of Houkura - Independent Māori Statutory Board

~~50~~46. Houkura has a statutory role in helping the council make decisions, perform functions and exercise its powers in accordance with te Tiriti o Waitangi / the Treaty of Waitangi⁵. This is an important accountability mechanism and Watercare is expected to maintain and build relationships with Houkura at both a governance and staff level.

~~51~~47. Every three years, Houkura conducts He Waka Kōtuia Te Tiriti o Waitangi audit, which recommends systemic improvements to the Auckland Council group. In addition, Houkura also prepares He Whenua Makaurau - the Schedule of Issues of Significance to promote cultural, economic, environmental, and social issues of significance for mana whenua and mataawaka of Tāmaki Makaurau.

~~52~~48. Watercare is expected to contribute to the council group's response to both documents, in collaboration with Ngā Mātārae. This includes implementing relevant audit recommendations, progressing relevant issues of significance, and providing information necessary for the council to fulfil its statutory duties to Houkura.⁶

Relationships with communities and key stakeholders

~~53~~49. Water and wastewater activities are important to local communities. Watercare is expected to follow key principles of relationships and engagement for council with communities and stakeholders including:⁷

- having regard to the views of all of its communities
- taking account of the diversity of the community, and the community's interests, within its district or region; and
- the interests of future as well as current communities; and
- the likely impact of any decision on each aspect of social, economic, environmental and cultural well-being.

~~54~~50. The Watercare Significance and Engagement Policy describes Watercare's approach to determining significance of decisions, strategic assets and how communities, including Māori, will be engaged in decisions. It will be consistent with the council's Significant and Engagement Policy. When consulting on significant projects, the council expects local boards to play a critical role in identifying and communicating community views and preferences.

⁵ Under the Local Government (Auckland Council) Act 2009, sections 84 and 85.

⁶ Under the Local Government (Auckland Council) Act 2009, in particular section 88.

⁷ In accordance with Local Government Act 2002, section 14.

~~55-51.~~ As a water and wastewater service provider, Watercare also needs to be responsive to customer concerns and complaints. Council will continue to monitor Watercare's performance in this area – including using customer net satisfaction scores, community trust scores and responsiveness to customer complaints.

~~56-52.~~ Watercare should advise the council of any potential media coverage of activities that could attract public interest or critical comment (as noted in the 'no surprises' section). In many cases the mayor, committee chairs, councillors or local board members may be asked to comment or answer questions as elected members.

Central government relationship

~~57-53.~~ Council sets the strategic direction for Watercare and therefore has the primary relationship with central government and Ministers. Discussion or negotiation with government on any strategic policy relating to water or wastewater should be led by Auckland Council with Watercare in support where required, unless agreed otherwise on a case-by-case basis.

~~58-54.~~ Watercare may have an operational relationship with central government departments and entities and work with the government where messages are consistent with, and supports, the strategic direction set for Watercare by Auckland Council. Watercare should inform the council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in quarterly reporting. Council should also take the lead on any submissions to legislation, unless agreed otherwise on a case-by-case basis.

~~59-55.~~ Watercare is also subject to economic regulation by the Commerce Commission. The Commission is the Crown Monitor for Watercare under the interim Watercare Charter (2025-2028) and Watercare must also comply with information disclosure requirements which apply to all regulated water and wastewater providers. The Commission will set the first price-quality path for Watercare to apply under enduring economic regulation when the Charter ends in mid-2028.

~~60-56.~~ During this establishment period of new regulations, Watercare should inform the council of any new direction or requirement imposed by a regulator that is inconsistent with this statement of expectations. Auckland Council acknowledges that the regulator's direction or requirement prevails to the extent of the inconsistency.

~~61-57.~~ Reporting to Taumata Arowai - Water Services Authority and the Commerce Commission should be provided to the council and be summarised in quarterly reporting to the council.

Section 4: Operating expectations

~~62-58.~~ This section covers the council's expectations about how Watercare will operate as an entity.

The water services strategy will set delivery expectations

~~63-59.~~ Every three years Watercare must prepare and adopt a water services strategy that sets outcomes, strategic priorities, long-term infrastructure plans, activities, budgets, and performance measures.

~~64-60.~~ The Watercare water services strategy will be approved by both Auckland Council and the Watercare Board and reviewed and updated every three years. It is expected that the strategy will be developed and consulted on at the same time as the council develops its long-term plan. A water services annual budget will be prepared and adopted in the intervening years.

Value for money is a core principle across the council group

~~65-61.~~ Council requires Watercare to consider value for money for Aucklanders. This includes using resources effectively and efficiently and identifying costs and benefits in decision-making to deliver the greatest public value for Aucklanders.

~~66-62.~~ Council expects that planning and delivery across the council group infrastructure (including transport, stormwater, community, and water), and those of other utility providers, will be effectively and efficiently coordinated.

~~67-63.~~ As a council-controlled organisation, Watercare is to participate proactively and constructively in efforts to achieve efficiencies and savings for the council group, making the most of our size and scale, including group procurement and the use of shared services. This should bring benefits to all participating entities in the council group.

~~68-64.~~ Watercare needs to ensure it follows good financial practice:

- clear accountability for decisions about spending and the use resources and assets
- all activities and services are underpinned by prudent use of resources and assets
- there is a high degree of transparency in financial planning, budgeting, and sources of revenue and they follow the financial policies that apply to the council group set out in Appendix 2.
- significant investments are supported by robust business cases which meet the standards of the Auckland Council Group Business case policy, better value projects principles and provide a clear and strategic rationale for investment.

~~69-65.~~ Under the Watercare Charter 2025-2028, Watercare is expected to demonstrate value for money through implementation of the Operating Cost Efficiency Improvement Plan and Infrastructure Delivery and Asset Management Improvement Plan.

~~70-66.~~ Council regularly reviews the services and activities in the council group to assess value for money. Watercare is expected to contribute information and actively engage in reviews that the council commissions.

Council monitors Watercare performance monthly, quarterly and annually

~~71-67.~~ The Watercare Board is responsible for the performance of the entity, measured against its accountability documents and legal obligations. Council monitors the performance of Watercare, as shareholder. Elected members are held accountable to their communities for Watercare's performance and activities.

~~72-68.~~ The Watercare Chair and Chief Executive are required to attend meetings of the Governing Body or relevant committees to answer questions on this performance and risk management.

Monthly performance reports

9.1

~~73-69.~~ Monthly reports from Watercare provide information on financial and capital performance against plans to support the council group position. This allows elected members to have timely oversight of the group's financial performance.

Quarterly and half-year performance reports

~~74. Watercare quarterly and half-year reports are required to show financial, service, capital and operational performance against budget and targets. This allows the council to ensure that Watercare is held accountable for performance between annual reports. These reports must include risk, Māori outcomes and climate considerations. Quarterly and half-yearly reports must be provided within two months after the quarter (or half-year) and follow the format required by the council.~~

~~75. Quarterly reporting is required by legislation—including financial and other information required by the council to fulfil its reporting obligations under legislation and the New Zealand Exchange (NZX) rules.~~

Watercare comment: The two paras above should be amended to make clear that:

- Up until 1 July 2027, the Statement of Intent reporting regime remains in place.
- Up until 1 July 2028, Watercare will report quarterly against the 38 performance measures currently set out in the Statement of Intent (with four of those imposed by council). This could be done by inserting the list of measures into an appendix (like the current Statement of Intent has). Consideration will need to be given to how and where the targets for reporting will be determined.
- Ahead of 1 July 2028, Watercare will undertake a review of all performance measures, looking to consolidate them. The Statement of Expectations will be amended to reflect the outcome of this review.
- The current references in para 74 to reporting of “financial, service, capital and operational performance against budget and targets” and “risk, Māori outcomes and climate considerations” should also be clarified, so it is clear exactly what information is required.

We also understand from council staff that council may wish to impose a new performance measure in relation to developer. Note that Watercare already reports on developer sentiment in the monthly board report, with the results separated out in the customer dashboard. Data are collected through a survey completed by customers during the developer journey. The current results include both the works-over area and applications for new connections. While we do not yet have a complete view of compliance performance, we are working to improve the overall functionality of the survey.

To be meaningful, careful thought would need to be given to the methodology behind a formal performance measure on developer sentiment.]

~~76-70.~~ The release of the half-yearly report is required to be managed in accordance with the Financial Markets Conduct Act 2013 and the NZX listing rules.

~~77-71.~~ Watercare also ~~need to~~ report quarterly to the council's Audit and Risk Committee, including an overview of Enterprise Risk. ~~with a risk summary to the~~

9.1

~~council's Audit and Risk Committee.~~

~~78. Watercare will report quarterly to the council's Audit and Risk Committee, including an overview of Enterprise Risks.~~

Annual performance reports

~~79.72.~~ Under the Local Government (Water Services) Act 2025, ~~t~~The Watercare annual report is required to show actual entity performance against the water services strategy and explanation of variances. It includes audited financial statements and service performance results to ensure transparency and accountability. The annual report must be delivered to the council no later than three months after the end of the financial year, and must be publicly available on the Watercare website, with a hard copy available to any member of the public upon request.

~~80.73.~~ The release of the annual reports is also required to be managed in accordance with the Financial Markets Conduct Act 2013 and the NZX listing rules.

~~81.74.~~ Auckland Council is a Climate Reporting Entity under the Financial Markets Conduct Act 2013, which means the council group's climate reporting needs to comply with this Act and consequently the Aotearoa New Zealand Climate Standards. Watercare is required to provide information to support a group view of required disclosures in the climate statement. This includes, but is not limited to, annual greenhouse gas emissions (Scope 1, 2, 3) and associated commentary in line with Auckland Council Group greenhouse gas reporting methodology and policy.

Other reporting

~~82.75.~~ Services provided by Watercare contribute to the well-being of Tāmaki Makaurau and the goals and activities of the council group. In some cases Watercare will need to provide additional information to contribute to analysis of the impacts of the council group and the health of the region.

Collaboration across the council group

~~83.76.~~ The relationship between Watercare and the Council (as shareholder) is described in section 3. At a practical level this involves collaborating closely and sharing data in a timely fashion across the council group.

9.1

~~84.77.~~ Key areas of collaboration include:

- Long-term investment strategies including the water services strategy, strategic asset management plan, asset management plan and the council's Infrastructure Strategy.
- Spatial Plans including the Future Development Strategy (or equivalent) and subsequent monitoring reports, Housing and Business Development Capacity Assessment and Council Plan Changes, including Plan Change 120.
- Auckland Water Strategy implementation.
- Water-related bylaws and place-based sub-regional planning.
- Participation in staff group forums – including meetings of Chief Executives, strategy leads, water investment area oversight group, communications, engagement, finance, Māori outcomes forums.
- Council Group implementation of the Auckland Deal.

~~85.78.~~ Operational direction is described in Table 1. These include managing risk appropriately, ensuring staff health, safety and wellbeing, group shared services and procurement, job descriptions and salaries. Key policies and links are included in Appendix 2.

Table 1: Operational direction to Watercare

Area	Expectation
Delivering Māori outcomes	Working collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the council group to take a whole-of-council-group approach to delivering outcomes for Māori. This includes continuing to participate in council-led activities and hui such as the Māori Outcomes Steering Committee. Council also expects Watercare to provide both quantitative and qualitative reporting on its progress in delivering its Achieving Māori Outcomes Plan. This qualitative feedback can be gathered using the Tāmaki Ora Monitoring, Evaluation and Reporting framework.

Managing risk appropriately	Proactively manage all risks including strategic, financial, operational, and reputational risks (including the risk of fraud and/or corruption). This includes maintaining an enterprise risk management policy and framework. These risks should be reported to the council: • <u>an Enterprise Risk Report outlining the top risks faced by Watercare risk report and top risks register</u> (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis • An Enterprise Risk Report outlining the top risks faced by Watercare (as presented to its own audit and risk committee, board or equivalent) to council staff on a quarterly basis • a risk summary (using standard template format) to the council's Audit and Risk Committee on a quarterly basis. • relevant board members (or their delegates) attend the council's Audit and Risk Committee as requested by the committee • as part of end of financial year processes, report all Audit Findings through council staff to the council's Audit and Risk Committee in format specified by council and attend the relevant Audit and Risk Committee meeting to discuss these audit and financial risk updates.
------------------------------------	--

Area	Expectation
Ensuring staff health, safety and wellbeing	Maintain safe systems of work that comply with legislative requirements and minimise the risk of harm to kaimahi and others impacted by operations. Deliver hauora and wellbeing support for staff and to develop organisational cultures that actively support hauora. This can include support for stress caused by workload and support for staff who are subjected to unacceptable behaviour.
Group shared services and procurement	<u>Subject to legislative requirements around financial independence,</u> <u>a</u>Actively participate in the Group Shared Services Board to streamline, simplify and improve common support or 'back office' functions across the Auckland Council whānau. This work is to leverage our collective scale removing unnecessary duplication. This should deliver greater value for money, better tools for our kaimahi, and better customer experiences for Aucklanders. Due to the Watercare Charter and financial ring-fencing, this will be pursued where Watercare can make savings. Watercare should follow the group procurement policy. It is particularly important to have a group view of new technology platforms and arrangements of all council entities to ensure that Aucklanders are getting the best value from digital investments.-

Job descriptions and salaries	Job descriptions for the Chief Executive and executive level staff should reflect that roles are within the Auckland Council group and the associated obligations. This includes the importance of being responsive to the council direction and developing effective relationships. Salaries should adhere to the Auckland Council Group Remuneration Policy. and executive pay should not exceed the salary of the group chief executive.
Media, communications and branding	The council's Communications and Marketing Department maintains the primary relationship with CCO communications staff to promote consistency of messaging across the council group. This is a two-way, no surprises relationship. The council expects Watercare's communications to be strategically aligned with the council to support the public to understand that Watercare is a public service entity and part of the Auckland Council Group. Note that the Auckland Council Group Communications Framework is being reviewed and Watercare will be consulted in its development. The Branding Guidelines 2025 ensure branding is used in a consistent way to increase awareness among Aucklanders of the full range of services and facilities of the council group.
Quality advice	Any advice and options analysis for decision-making should have the rigour reflected in the council's quality advice standards, particularly in relation to risks and credible analysis.

Council agreements with third parties may impact Watercare operations

~~86-79.~~ When Auckland Council enters into agreements and arrangements with parties outside the council group, it may expect Watercare to help deliver on commitments with those third parties. This is consistent with the principle of taking a group approach in conducting relationships. An example is the Tūpuna Maunga o Tāmaki Makaurau

9.1

Authority that manages ancestral maunga (mountains) across Auckland, some of which contain water infrastructure owned and/or operated by Watercare.

~~87-80.~~ These commitments could create additional responsibilities or have unintended consequences for elements for Watercare's strategic and operational programmes. Council will seek input and collaborate with Watercare before entering into agreements which may affect Watercare's business. Likewise Watercare should actively seek clarity from the council on which obligations apply to it and the specific role it would play with the third party. In some cases a formal agreement may need to be negotiated.

Appendix 1: Key legislation that applies to Watercare

Legislation	Description
Key legislation for Watercare Services Limited	
Local Government (Water Services) Act 2025	Establishes the planning and accountability settings for the new water services delivery system. This applies to Watercare as an Auckland water organisation and a water services provider.
Local Government (Water Services Preliminary Arrangements) Act 2024	Sets out the requirements for the Watercare Charter.
Local Government Act 2002	Defines the framework and powers of local authorities. Defines council-controlled organisations.
Local Government (Auckland Council) Act 2009	Establishes the Auckland Council as a unitary authority for Auckland and includes provisions about water supply and wastewater services in Auckland.
Local Government Official Information and Meetings Act 1987	Governs how councils manage requests for information, requires open meetings and provides limited grounds for withholding information. Greater transparency of decision-making can help increase accountability to the public.
Waitākere Ranges Heritage Area Act 2008	Recognises the national, regional and local significance of the Waitākere Ranges Heritage Area and promotes the protection and enhancement of its heritage features for present and future generations. Watercare has five dams in the heritage area.
Water Services Act 2021 and regulations	Establishes a comprehensive regulatory framework for drinking water, wastewater, and stormwater services,
Additional legislation	
Companies Act 1993	Forms the core of the corporate regulatory system, for example it provides for the registration of companies, rules for directors and officers, shareholders or members, disclosure and reporting requirements.
Employment Relations Act 2000	Legal framework for relationships between employees, employers and unions.
Goods and Services Tax Act 1985	Legal framework for the imposition, collection and administration of Goods and Services Tax (GST).
Health and Safety at Work Act 2015	Establishes duties responsibilities and a proactive risk management framework for all workplaces.
Human Rights Act 1993	Aims to give all people equal opportunities and prevent unfair treatment on the basis of irrelevant personal characteristics.

Income Tax Act 2007	Governs the setting, calculation and administration of income tax.
Privacy Act 2020	Sets protection for personal information and establishes clear obligations for agencies.
Protected Disclosures Act 2022	Facilitates the disclosure and investigation of serious wrongdoing in the workplace while providing protection for employees.
Public Records Act 2005	Governs how government information and records are kept, managed and retained to ensure transparency and accountability.
Financial Markets Conduct Act 2013	Council is as a Climate Reporting Entity under this Act and required to make a group climate reporting statement (including on behalf of CCOs).

Appendix 2: List of Auckland Council policies and plans that Watercare need to follow

Policy / plan	Description	Link
Outcomes / objectives set by the council		
Auckland Regional deal dated April 2026	Sets out how Government and the council will work together to unlock Auckland's potential, boosting economic growth and improving living standards.	Link
CCO Accountability Policy	Sets the council's expectations and requirements for its substantive council-controlled organisations (CCOs). It forms part of the long-term plan.	Link
Policies / plans relevant to Watercare operations		
Appointments and Remuneration Policy for Board Members of Council Organisations	Sets the process (for council) for appointing and remunerating directors of council organisations. The section for Watercare is the requirement for them to do a board performance review every two years.	Link
Auckland Council Group Business Case Policy	Ensures consistent business case practice and governance to achieve best value for money.	Link
Auckland Council Group Procurement Policy	Sets the expectations that the council group will procure goods and services together (where possible) to minimise duplication, maximise value and reduce costs.	Link
Auckland Council Group Remuneration Policy	Framework for making decisions on employee remuneration across the council group. Key principles are fairness, financial responsibility, social equity and contribution.	Link
Quality Advice Standards	Sets standards for advice from staff, that analysis should focus on decision-makers and be credible, clear and concise.	Link
Better value projects principles	10 delivery principles to provide rigour across the council group and ensure decisions on projects and spending are considered carefully	Link
Branding Guidelines	Guidelines is to ensure the pōhutukawa logo is used in a clear, consistent and flexible way by CCOs in order to increase awareness among Aucklanders of the full range of services and facilities provided or funded by the council group.	Link
Continuous Disclosure Policy	Established a committee (council staff) to ensure the council's compliance with continuous disclosure obligations for the New Zealand Stock Exchange (NZX).	Link

9.1

Group standards for money and assets / sensitive expenditure	Principles and standards for the spending and receiving of public money and include sensitive expenditure principles and non-negotiable rules.	Link
---	--	----------------------

Appendix 3: Issues of significance to Māori in Tāmaki Makaurau

Houkura Issues of Significance		
He Whenua Makaurau Schedule of Issues of Significance 2025-2030	Prepared by Houkura, this document promotes cultural, economic, environmental, and social issues of significance for mana whenua and mataawaka of Tāmaki Makaurau.	Link

Attachment 2



8 July 2026

Geoff Hunt
Chair [REDACTED]
Watercare Services Limited

Via email

Tēnā koe Geoff

Draft Statement of Expectations

The attached draft Statement of Expectations sets out Auckland Council's expectations for Watercare and provides guidance for the preparation of your first water services strategy.

The water services strategy will replace the statement of intent (SOI) from 1 July 2027 as Watercare's primary accountability document to the council and the public. We note that Watercare is modifying your SOI 2025-2028 with updated financials for 2026/2027.

The draft Statement of Expectations has been developed based on the council's agreed strategies, direction and expectations for Watercare, including the existing [Statement of Expectations of Substantive Council-Controlled Organisations \(2021\)](#). It includes outcomes and strategic priorities, decisions needing council involvement, direction on managing growth, principles of value for money and no surprises and reporting requirements.

We ask for your feedback on the draft Statement of Expectations by 31 August 2026. Following that the Statement of Expectations will be finalised by the council in September 2026.

Ngā mihi

A handwritten signature in blue ink that reads "Wayne Brown".

Wayne Brown
Mayor of Auckland

A handwritten signature in blue ink that reads "Greg Sayers".

Cr Greg Sayers
Chair Budget and Performance Committee

cc:
Cr Ken Turner, Lead Councillor
Jamie Sinclair, Chief Executive, Watercare
Claire Gomas, Acting Manager CCO Governance and External Partnerships

Board meeting | 27 August 2026
Public session



Watercare Significance and Engagement Policy

For approval

Document ownership / Whaimana tuhinga

Prepared by / Kaiwhakarite

Danielle Hamilton | Grace Eliseeva
Stakeholder Manager – Programme Delivery | Legal Counsel

Recommended by / Kaitaunaki

Brent Evans
Acting Chief Corporate Affairs Officer

Submitted by / Kaitono

Jamie Sinclair
Chief Executive Officer

1. Purpose of the report / Te take mō te pūrongo

A requirement of the Local Government (Water Services) Act 2025 (LGWSA 2025), Watercare's Significance and Engagement Policy has been developed to provide a transparent and consistent framework for determining the significance of Watercare's decisions and proposals, and to ensure that the organisation engages appropriately with consumers, communities, Mana Whenua, stakeholders and Auckland Council on matters that may affect them. The policy helps Watercare identify when engagement is required, what level of engagement is appropriate, and how that engagement should be undertaken in accordance with the requirements of the legislation.

Following a period of public and mana whenua consultation and approval by Auckland Council, the Watercare Board is requested to formally adopt the Policy ([attachment 1](#)).

2. Executive summary / Whakarāpopototanga matua

- Watercare is required under the LGWSA 2025 to adopt a Significance and Engagement Policy by 27 August 2026.
- As shareholder, Auckland Council must approve the Policy.
- The Policy guides which decisions are considered significant and the level of significance aligns to a specified level of engagement.
- The Policy is supported by internal frameworks and does not supersede any other regulatory or legislative requirements for engagement.

3. Background / Rauhanga ā-kaupapa

3.1 Process

The Watercare Significance and Engagement Policy has been developed following internal workshops and a workshop with representatives of Local Boards in line with the requirements of the LGWSA 2025.

Following initial development, public consultation took place to provide customers, communities and key stakeholders with the opportunity to understand more and provide feedback. Engagement with Mana Whenua also took place through memos, briefings and in-person hui. Lastly collaboration with Auckland Council staff and feedback from local boards was considered in refinement of the Policy.

A workshop was held with the Auckland Council Budget and Performance Committee on 17 June 2026 to provide opportunity for the governing body to seek clarity and give feedback before the Policy draft was finalised. A final draft of the Policy was presented at the Budget and Performance Committee meeting on 21 July 2026 where it was approved. At the same time Auckland Council's Significance and Engagement Policy (under the Local Government Act 2002) was amended to remove references applicable to Watercare which are now covered in the Watercare Policy.

3.2 What the Policy does

There are two main aspects to the Policy:

Specific decisions: The LGWSA 2025 provides that public consultation and council approval is required before Watercare makes certain decisions. The Policy determines how these obligations apply, as summarised in the table below.

Decision requiring public consultation and council approval	Role of Policy
Enter into a "significant contract" for "the performance of any aspect of providing a water service" on Watercare's behalf.	Sets out factors for assessing "significance" for these purposes.
Enter into a "significant joint water service provider arrangement" with another water services provider.	Sets out factors for assessing "significance" for these purposes.
Make a "significant change to a level of service" .	Sets out factors for assessing significance" for these purposes.
Transfer control or ownership, or receives ownership or control, of a "strategic water services asset" .	Defines "strategic water services asset" for these purposes.

All other decisions: The Policy also sets out Watercare's general approach to engagement on all other decisions it may make. Broadly, the approach is that engagement will be proportionate to the significance of the proposed decision, with "significance" assessed considering factors set out in the Policy.

4. Proposed budgetary implications / Ngā ritenga ā-pūtea kua marohi

There are no direct budgetary implications as long as the Policy is followed. Non-compliance with the Policy creates risk of judicial review with potential cost implications.

5. Next steps / Ngā mahi ka whai ake

Following adoption of the Policy, an implementation plan will be rolled out and will include internal communications, briefing sessions and usage and compliance guidelines along with support from the Community and Programme Engagement and Legal and Governance teams as needed.

6. Recommendation / Ngā taunakitanga

That the Board adopts the Watercare Significance and Engagement Policy as approved by Auckland Council at the 21 July 2026 Budget and Performance Committee meeting.

7. Attachment / Te whakapiringa

Attachment number	Description
1.	Watercare Significance and Engagement Policy



Attachment 1

Watercare Significance and Engagement Policy

Table of Contents

About Watercare	1
Introduction	2
Purpose of this policy.....	2
Determining significance	2
Specific considerations	3
a. Defining strategic water services assets	3
b. Determining significance of contracts	4
c. Decisions relating to significant joint water service provider arrangements.....	5
d. Determining whether a proposed service level change is significant	5
e. Water Services Strategy.....	6
Watercares values and general engagement approach	7
Methods for engagement.....	7
Mana Whenua engagement	9
Applying the policy.....	11
Appendix 1: Key definitions	12

10.1

About Watercare

Watercare is New Zealand's largest water utility, supplying safe water to Auckland's communities and treating their wastewater. We provide water and wastewater services to 1.8 million people in the Auckland region. In Papakura, we provide bulk water and wastewater services to Veolia Water, which manages the community's local network and retail services. Our testing facilities, Watercare Laboratory Services, monitor and test drinking water and wastewater for over a third of New Zealand's population. We also carry out extensive work to upgrade and build infrastructure, so that we can maintain and improve levels of service and provide capacity for a fast-growing population.

Watercare is a substantive Council Controlled Organisation (CCO) with our shareholder being Auckland Council.

Introduction

The [Local Government \(Water Services\) Act 2025](#) (the Act) requires us to develop and adopt a Significance and Engagement Policy. This will help to ensure that we engage appropriately with consumers, communities, iwi, key stakeholders and our shareholder, Auckland Council. Under the Act, Auckland Council is required to approve this Policy before we adopt it.

Purpose of this policy

This policy has been developed to meet the requirements of the [Local Government \(Water Services\) Act 2025](#).

Its purpose is to set out Watercare's approach to assessing the significance of matters on which it makes decisions, and to broadly guide the engagement approach to be undertaken, proportionate to the significance of the issue.

It includes the following:

- Watercare's general approach to the significance (importance) of proposals, and decisions in relation to issues, water infrastructure and other matters
- the factors that Watercare will consider when determining the level of significance of proposals, issues, infrastructure, decisions and activities
- Watercare's general approach to engaging with stakeholders and partners, depending on the level of significance.

Auckland Council has its own Significance and Engagement Policy, made under the Local Government Act 2002. That Policy guides council's engagement on its own decisions. Determining significance

Significance is a continuum ranging from very low degrees of significance (limited importance) to very high degrees of significance (very important or critical).

When assessing a matter's level of significance for these purposes, we may consider the following factors:

- the number of people affected, the degree to which they are affected and the likely impact of the proposal or decision (for example, disruption through construction)
- whether the type of matter is likely to generate wide public interest, including political interest
- the impact of the proposal or decision on Watercare's ability to;
 - meet regulatory obligations and perform statutory responsibilities
 - deliver on objectives in the Water Services Strategy

10.1

- the impact of the proposal or decision on intended service levels
- the degree to which the proposal or decision can be reversed should circumstances warrant.
- Mana Whenua and cultural heritage - the extent to which a decision relates to land, a body of water or culturally significant sites and upholds the relationship of Māori with their culture and traditions, with their ancestral whenua (land), water bodies, wāhi tapu, valued flora and fauna and other taonga.
- the financial impact of the proposed decision to both Watercare and its customers.
- the consistency of the proposed decision with previously adopted and/or communicated decisions. For instance, a notable variation from the previously adopted pricing pathway or meaningful changes to what has been communicated in the Water Services Strategy.
- whether the proposal involves promoting behaviour change and acceptance in a population, particularly if benefits will not be realised without engagement and communications support.
- the extent of any environmental or public health impacts of the proposed decision (both upstream and downstream of any intervention).
- whether the proposal may have reputational implications for Watercare or the Auckland Council group, including in relation to social licence.

These criteria provide an indication of the matters that Watercare may consider when assessing significance. Ultimately, however, significance will be assessed on a case-by-case basis, taking into account the above factors and also the overall circumstances of the matter.

In general, we will not consult on changes to price, other than as required by law. This is because our pricing is regulated by the Commerce Commission.

Specific considerations

a. Defining strategic water services assets

The Act requires Watercare (or its shareholder, Auckland Council) to consult if it is considering transferring ownership or control, or receiving ownership or control, of a “strategic water services asset”.¹

Broadly, under the Act, a “strategic water services asset” is defined as water infrastructure or assets that are necessary for Watercare to:

- Meet its regulatory requirements, or

¹ LGWSA, s 28(1) and 31 – 32. There are some exceptions to this requirement, set out in s 28(2).

- Maintain its capacity to achieve the outcomes set out in its Water Services Strategy.²

For the purposes of this definition, Watercare considers the following assets to be strategic water services assets:³

- Water supply networks
- Wastewater networks

In general, each network as a whole constitutes the “strategic asset”, rather than the individual components or assets within it.

However, an asset or component within it may constitute a “strategic asset” if it is so integral to the operation of the network as a whole that without it, Watercare cannot meet its regulatory requirements or maintain its capacity to achieve the outcomes set out in its Water Services Strategy.

b. Determining significance of contracts

The Act places a range of obligations on Watercare in respect of “significant contracts” for the performance of any aspect of providing a water service on behalf of Watercare. This includes an obligation to consult the public, and to seek council approval. Watercare will use the factors set out on page 2 under “Determining significance” in determining whether a proposed contract for the performance of any aspect of providing a water service on behalf of Watercare is a “significant contract”. Watercare will also consider the following criteria:

- whether the proposed contract is of high value relative to the revenue that Watercare receives from providing the water service to which the contract relates; and
- whether the proposed contract will create a public-private partnership; and
- all matters that are essential to Watercare’s ability to meet its obligations under the Act in relation to the water service to which the contract relates;
- whether the total contract value is over \$1 billion (in which case it will automatically be considered a “significant contract”)

A contract will not be a “significant contract” where

- the proposal, or project to which the contract relates is contained within the approved Watercare Water Services Strategy.

² Section 4 of the LGWSA defines a “strategic water services asset” as follows: “(a) means water services infrastructure or another asset or group of assets without which the provider is unable— (i) to meet its regulatory requirements; or (ii) to maintain its capacity to achieve the outcomes set out in its water services strategy; and (b) includes an asset or a group of assets listed as strategic water services assets in the provider’s significance and engagement policy”.

³ “Strategic water services assets” are separate to “strategic assets” as defined under the Local Government Act 2002 and identified by Auckland Council in its Significance and Engagement Policy.

When a contract is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, the proposal may formally submit their feedback to present their views.

Any consultation on a significant contract would not include any matters that could impact on the ability of Watercare to conduct a competitive commercial tender process.

c. Decisions relating to significant joint water service provider arrangements

The Act places a range of obligations on Watercare in relation to “significant joint water service provider arrangements”, including an obligation to consult the public, and to seek council approval.

Under the Act, a joint water service provider arrangement is defined as:

“an arrangement entered into by two or more water service providers for one or both of the following purposes:

- *providing water services or any aspect of water services in the providers’ combined service areas;*
- *providing for any matters relating to providing water services (for example, a shared service agreement for technical or administrative support)”.*

Under the Act, this Policy must set out:

- Matters for determining whether a proposed joint water service provider arrangement is a “significant” one; and
- How Watercare will undertake engagement in relation to a proposed significant joint water service provider arrangement in a manner consistent with statutory requirements.

Watercare will determine whether a joint water service provider arrangement is significant utilising the factors listed on page 2 under the heading “Determining significance”.

When a joint water service provider arrangement is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, may formally submit their feedback to present their views on the proposal.

d. Determining whether a proposed service level change is significant

Watercare will determine whether a proposed service level change is significant utilising the factors listed on page 2 under the heading “Determining significance”.

When a proposed service level change is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, may formally submit their feedback to present their views on the proposal.

e. Water Services Strategy

Watercare will follow the direction of our shareholder, Auckland Council, in determining whether and how to consult on the Water Services Strategy, in accordance with the Act and this Policy.

10.1

Watercare's values and general engagement approach

Watercare has a set of values that guide our organisational way of working.



Watercare's engagement is about involving Aucklanders in making decisions on matters that affect them.

Where appropriate, knowledge we hold about people's views will inform decision-making, even where we do not consult (e.g. insights and feedback from previous interactions and engagements). This can include considering the extent to which the decision aligns with priorities that our stakeholders and partners have previously expressed.

Watercare proactively engages with elected members on significant matters to provide timely information, seek insights on community impacts and priorities, and ensure local and regional perspectives are considered as part of its decision-making process. This engagement complements, but does not replace, engagement with customers, communities, mana whenua and other stakeholders.

In general, the higher the significance of a proposal or decision the more likely it will be appropriate to engage with stakeholders and partners. Similarly, the higher the significance, the more intensive levels of engagement will likely be appropriate.

Watercare acknowledges that community engagement occurs across a continuum at differing levels and is broader than consultation.

Engagement is a process which may involve all or some of the community and can be focused on sharing information, building relationships, generating ideas, decision making, and/or problem solving. Watercare's engagement and methodology is informed by the Engagement Institute and is guided by its Engagement Framework for proposals or decisions at all levels of significance.

Where legislation prescribes a particular notification, engagement or consultation process (e.g. for access to private land), Watercare will follow that process.

Methods for engagement

Watercare will use a variety of methods in line with best practise as established by the Engagement Institute, taking on board over time views about preferred engagement methods of stakeholders and partners, whilst being responsive to the needs of specific stakeholder groups.

This table is a general guide only and is an indication of how engagement may be conducted in line with significance as evaluated via the factors above.

Where appropriate an Engagement Plan will be developed for each project or decision using the guidance provided in the Watercare Engagement Framework.

Type or nature of decision	Example methods of how we might engage
Small and simple (Low significance) <i>For example:</i> Renewal of existing assets, expansion or development of assets with a hyper- localised impact: • Infrastructure works affecting a limited area of impact i.e. a street within a suburb • Watermain or sewer renewals and upgrades • pump station upgrades	Direct notification and information provision as appropriate may include: • information flyers • door knocking • public notices • social media • newsletters • emails • the Watercare website
Medium significance <i>For example:</i> Expansion or development of assets with a localised impact such as: • long term infrastructure works affecting a defined significant area of impact i.e. works of more than 6 months on a main/arterial road • infrastructure works affecting one or more suburbs • new supporting assets like pump stations and reservoirs	In addition to the methods above, as appropriate further online and/or face to face engagement may include: • local events • webinars • targeted meetings • pop-ups/drop-in sessions
Large or complex (High significance) <i>For example:</i> Large scale / regional infrastructure or long-term planning and strategies such as: • infrastructure works affecting a wider region/multiple suburbs • infrastructure supporting servicing of a wider region • new major infrastructure such as water and wastewater treatment plants • Future additional water sources • Biosolids management strategy • Water Services Strategy⁴	In addition to the methods above, as appropriate further online and face to face engagement may include: • formal submission processes and surveys • community meetings / forums • deliberative panels • focus groups • public workshops

⁴ The Water Services Strategy is a long-term strategic planning document that is developed by Watercare. It sets out the direction for Watercare in the short, medium and long term, and includes planning for infrastructure investment, service levels, pricing, performance measures and financial forecasting.

Along with how significant the issue is, we may also consider the following when deciding whether engagement is needed, and what that engagement might look like:

- How much Watercare already knows about the views, preferences and priorities of stakeholders and partners on the issue (for example, from feedback received through earlier engagement).
- Whether the decision, or the situation it is being made in, allows Watercare enough flexibility to consider different options or take other people's views into account.

Mana Whenua engagement

While the level of significance may influence engagement requirements with Mana Whenua partners, this policy does not replace or supersede the guidance provided in Watercare's existing Mana Whenua engagement framework, and Watercare's Tāmaki Ora – Achieving Māori Outcomes Plan.

Beyond this, we are committed to meaningful and enduring partnerships with Mana Whenua, guided by the principles of Te Tiriti o Waitangi (Treaty of Waitangi). We recognise treaty obligations to Tangata Whenua under Te Tiriti (Treaty) and affirm their rangatiratanga (authority, leadership and self-determination) and role as kaitiaki (guardians and stewards). Decisions that may affect Treaty interests, the exercise of rangatiratanga, or the relationship of Māori to their ancestral lands, waters, wāhi tapu (sacred sites) and taonga (treasures) may be considered significant for the purposes of this policy.

Our approach is to engage early, openly and in good faith, working collaboratively to shape outcomes, particularly where proposals or decisions have the potential to impact culturally significant lands, waters, or other matters that Mana Whenua have expressed interest in. We prioritise building trusted relationships over time through our rangatira ki te rangatira approach, supporting Mana Whenua aspirations and enabling shared decision-making where appropriate.

Through this partnership approach, we ensure our work reflects mātauranga Māori, protects taonga and delivers sustainable outcomes that support intergenerational wellbeing. Where relevant, Watercare will also have regard to He Whenua Makaurau – Schedule of Issues of Significance, He Waka Kōtuia Te Tiriti audit recommendations, and Treaty settlements.

Nothing in this policy limits or replaces Watercare's obligations regarding Te Tiriti o Waitangi or under any other relevant legislation.

Applying the policy

Watercare has a number of operational resources which support staff to implement this policy including:

- Watercare Engagement Framework provides more detailed guidance on engagement principles and best practice
- Watercare Mana Whenua Engagement Guidelines
- Watercare Tāmaki Ora – Achieving Māori Outcomes plan
- Templates and other related guidance

These operational resources are reviewed and amended on an ongoing basis to ensure that they remain up to date and reflect best practice.

10.1

Appendix 1: Key definitions

The following key definitions apply to commonly used terms in the policy.

TERM	DEFINITION
ENGAGEMENT	Engagement is defined as a planned process with the purpose of working with stakeholders and partners to inform decisions, share knowledge and strengthen relationships. Engagement is a broad term which covers all types of engagement from communicating/informing through to consultation, involvement and co-design.
CONSULTATION	Consultation is a specific engagement method which involves obtaining feedback on proposals. The terms consultation and engagement are not used interchangeably.
STAKEHOLDER	The word stakeholder refers to individuals, groups or organisations with a stake or interest in the outcome of a decision. Stakeholders may also have the ability to influence the decision given their role or position. Stakeholder has been used as a collective term to include community, consumers, and other individuals or groups.
PARTNER	Mana Whenua and Iwi are referred to as partners.
COMMUNITY	The term community refers to a group of people that has something in common such as identity, behaviours, interests or values. A community often share a sense of place in a given geographical area (e.g. a country, city, town, or neighbourhood) or in virtual space through communication platforms.
CONSUMER (CUSTOMER)	Consumer means a person who consumes, uses, is provided with, or benefits from the provision of, water services by Watercare – also known as a customer.
SHAREHOLDER	Auckland Council is the sole shareholder of Watercare. As shareholder, Auckland Council issues a Statement of Expectations to Watercare, and approves Watercare's Water Services Strategy. The council also has a legislative role of approving some other specific Watercare decisions, some of which are noted in this Policy.
ELECTED MEMBERS	Elected Members refers to Auckland Council elected members, including the Mayor, Governing Body members (Councillors) and Local Board members, who play a critical role in representing the interests and aspirations of Auckland communities.

10.1

Board - Public Session - Board planner

		Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Meetings	Board	27-Aug	29-Sep	28-Oct	11-Nov (Board Strategy Session) 25-Nov	15-Dec	27-Jan	23-Feb	25-Mar	28-Apr	12-May (Board Strategy Session) 27-May	22-Jun	27-Jul	31-Aug	28-Sep	28-Oct	10-Nov (Board Strategy Session) 10-Nov	14-Dec
	Audit and Risk Committee	14-Aug			23-Nov			4-Feb		14-Apr	20-May			13-Aug 23-Aug			18-Nov	
	Asset Management Committee	7-Aug	4-Sep	6-Oct	2-Nov	2-Dec		12-Feb	12-Mar	9-Apr	7-May	4-Jun	9-Jul	6-Aug	10-Sep	8-Oct	5-Nov	3-Dec
	Economic Regulation Committee	11-Aug	8-Sep	13-Oct	10-Nov	8-Dec		4-Feb	11-Mar	14-Apr	11-May	3-Jun	8-Jul	12-Aug	9-Sep	7-Oct	9-Nov	2-Dec
Board	Financial	PF28 financial statements and annual report 2026 Tax Management Policy and GST Policy			Auckland Council Draft Annual Plan - approve Watercare input													
	Auckland Council appointments and Performance Review Committee	Feedback on the draft Statement of Expectations due by 31 August 2026 Significance and Engagement Policy to be approved by Watercare Board for implementation	Water Services Strategy: Board provides feedback on early draft	Watercare to attend Appointments and Performance Review Committee on 8 October 2026 to answer questions regarding the C4 reports (from 10am to 1pm) Water Services Strategy: Board approval of draft consultation content and supporting information		Watercare to attend Appointments and Performance Review Committee date TBC Budget and Performance Committee approves draft Water Services Strategy for Consultation on 10 December 2026		Budget and performance committee approval of consultation material 9 February 2027 Public consultations from 26 February to 28 March 2027			Board approval of Water Services Strategy 27 May 2027	Publication of Water Services Strategy on 15 June 2027	Water Services Strategy effective from 1 July 2027					
	Regulatory reporting	Combined report (C4/PF26) on open, capex (due on 30 September 2026) and performance targets (due on 11 August 2026)	Annual reports due 30 September 2026 on: 1. efficiency progress, 2. price quality path earning stage, and 3. infrastructure delivery and asset management improvement		Combined report (C4/PF27) on open, capex (due on 31 December 2026) and performance targets (due on 30 November 2026) Draft proposal shared with the Independent Verifier on 2 November 2026		Combined report (C4/PF27) on open, capex (due on 31 March 2027) and performance targets (due on 28 February 2027)			Combined report (C4/PF27) on open, capex (due on 30 June 2027) and performance targets (due on 31 May 2027) PQ proposal submission for review due on 24 May 2027	Report on PF28 Price Quality Path due on 30 June 2027	Annual disclosure of forecast information due on 31 July 2027 Periodic disclosures due on 31 July 2027 regarding: 1. forecast information, 2. asset management plan, 3. strategic asset management plan, 4. investment delivery plan	Combined report (C4/PF27) on open, capex (due on 30 September 2027) and performance targets (due on 31 August 2027)	Annual reports due 30 September 2026 on: 1. efficiency progress, 2. price quality path earning stage, and 3. infrastructure delivery and asset management improvement			Combined report (C4/PF28) on open, capex (due on 31 December 2027) and performance targets (due on 30 November 2027) Annual disclosure of actual information due on 30 November 2027	
	Governance and Policy reviews	Treasury Management Policy Review of the Corporate Governance Charter Review of Watercare's Enterprise Risks Board delegations to the CE policy			Good Employer Policy update	Review of the Economic Regulation Committee Terms of Reference Review of Watercare's Enterprise Risks		Sensitive Expenditure Policy	Review of Watercare's Enterprise Risks	Risk Financing Policy	Treasury Management Policy Gifts and Inducements Policy Risk Management Policy Incident Management Policy Review of Watercare's Enterprise Risks		Board delegations to the CE Policy	Review of Watercare's Enterprise Risk			Review of the Economic Regulation Committee Terms of Reference	Review of Watercare's Enterprise Risks
	Keynote	Graham Darlow	Karen Sherry	Julian Smith	Rukunona Schaafhausen	John Crawford	Goeff Hunt	Andrew Clark	Graham Darlow	Karen Sherry	Julian Smith	Rukunona Schaafhausen	John Crawford	Goeff Hunt	Andrew Clark	Graham Darlow	Karen Sherry	Julian Smith
	Confidential	Investment Delivery Plan update Information Swaps and Derivatives Association (ISDA) agreements U.S. \$5,000,000,000 European Medium Term Note programme	Western Water Supply (including the Waipa Biodiversity trust) update		C1 progress update on CE's KPIs				C2 progress update on CE's KPIs	Half-yearly statutory compliance report			C3 progress update on CE's KPIs		Half-yearly statutory compliance report		C4 progress update on CE's KPIs and approve CE's KPIs for PF28	

Board - Public Session - Board planner

		Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Meetings	Board	27-Aug	29-Sep	28-Oct	11-Nov (Board Strategy Session) 25-Nov	15-Dec	27-Jan	23-Feb	25-Mar	28-Apr	12-May (Board Strategy Session) 27-May	22-Jun	27-Jul	31-Aug	28-Sep	28-Oct	10-Nov (Board Strategy Session) 10-Nov	14-Dec
	Audit and Risk Committee	14-Aug			23-Nov			4-Feb		14-Apr	20-May			13-Aug 23-Aug			16-Nov	
	Asset Management Committee	7-Aug	4-Sep	6-Oct	2-Nov	2-Dec		12-Feb	12-Mar	9-Apr	7-May	4-Jun	9-Jul	6-Aug	10-Sep	8-Oct	5-Nov	3-Dec
	Economic Regulation Committee	11-Aug	8-Sep	13-Oct	10-Nov	8-Dec		4-Feb	11-Mar	14-Apr	11-May	3-Jun	8-Jul	12-Aug	9-Sep	7-Oct	9-Nov	2-Dec
Audit & Risk Committee		P25 reporting Deloitte's update Risk Financing Policy Compliance Report Cybersecurity uplift programme Controls system resilience Internal audit report Annual Summary of the Performance of Watercare Dams for 2025 Tax Management Policy and EOT Policy Board delegations to the CE Policy	Annual update to the Auckland Council Audit and Risk Committee		Planning report for half-year accounts Internal audit report and plan Enterprise Risks Deep Dive on opportunities and risk arising from use of Artificial Intelligence Review of Watercare's Risk Appetite			Internal Audit Report		Insurance matters	Internal Audit Report			Internal Audit Report Insurance Workplan FY26			Internal Audit Report and Plan	
Asset Management Committee		Project and programme dashboards Infrastructure Delivery and Asset Management Improvement plan Annual Report 2026 Infrastructure Delivery and Asset Management Maturity Re-Assessment Whenuapai Redhills WW Project Preliminary design phase for Mangere Sudge Conditioning	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract		Project and programme dashboards	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards	Project and programme dashboards	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards	Project and programme dashboards	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract	Project and programme dashboards Quarterly update on \$50m plus projects Quarterly update on asset capitalisation Capital infrastructure delivery for the Waikato District Council Contract
Economic Regulation Committee		Programme status report Local Infrastructure Growth Charge HQR28 proposal strategy Transition into permanent economic regulation																

Board meeting | 27 August 2026

Public session



Directors' appointment terms, committee memberships and meeting attendances

For information

Document ownership / Whaimana tuhinga

Submitted by / Kaitono

Jamie Sinclair

Chief Executive Officer

1. Purpose of the report / Te take mō te pūrongo

This report is for noting and sets out:

- 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 meetings; and
- details of directors' attendance at committee meetings.

2. The details / Kōrero pitopito

We currently have seven directors appointed by Auckland Council.

2.1 The tenure of directors

Director	Original appointment date	End of term
Geoff Hunt (Board Chair)	12 October 2024	1 st term ends on 31 October 2027
Graham Darlow	3 February 2021	2 nd term ends on 31 October 2027
Julian Smith	1 January 2022	2 nd term ends on 31 October 2027
Andrew Clark	1 June 2024	1 st term ends on 31 October 2027
Karen Sherry	1 February 2025	1 st term ends on 31 January 2028
John Crawford	1 February 2025	1 st term ends on 31 January 2028
Rukumoana Schaafhausen	1 June 2025	1 st term ends on 31 May 2028
Derrick Adams	1 August 2026	1 st term ends on 31 July 2029

2.2 Details of the committees

We currently have three 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.

The table below sets out the membership of the current committees.

Director	Audit and Risk Committee	Asset Management Committee	Economic Regulation Committee
Geoff Hunt (Board Chair)		✓	✓
Graham Darlow		Committee Chair	
Andrew Clark	Committee Chair		
Julian Smith	✓		Committee Chair
Karen Sherry	✓	✓	
John Crawford			✓
Rukumoana Schaafhausen			✓
Derrick Adams			

2.3 Directors' attendance at Board meetings is detailed in the table below:

Attended ✓ Did not attend ✕ Not on the Board ■	Attendance at Board meetings														
	3 February 2026	25 February 2026	4 March 2026 strategy session	30 March 2026 Board workshop	31 March 2026	29 April 2026	27 May 2026	30 June 2026	28 July 2026	27 August 2026	29 September 2026	28 October 2026	11 November 2026 strategy session	25 November 2026	15 December 2026
Geoff Hunt (Board Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Graham Darlow	✕	✕	✓	✓	✓	✓	✓	✓	✓						
Julian Smith	✓	✓	✓	✓	✓	✓	✕	✓	✓						
Andrew Clark	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Karen Sherry	✓	✓	✓	✓	✓	✓	✕	✓	✓						
John Crawford	✓	✓	✓	✓	✓	✓	✓	✕	✓						
Rukumoana Schaafhausen	✕	✓	✓	✓	✓	✓	✓	✕	✓						
Derrick Adams															

2.4 Directors' attendance at committee meetings is detailed in the table below:

Attended ✓ Did not attend ✕ Not on the committee ■	Audit and Risk Committee meetings					Asset Management Committee meetings										Economic Regulation Committee meetings													
	4 February 2026	14 April 2026	21 May 2026	14 August 2026	23 November 2026	6 March 2026	10 April 2026	15 May 2026	8 June 2026	8 July 2026	7 August 2026	4 September 2026	6 October 2026	2 November 2026	2 December 2026	28 January 2026	18 February 2026	14 April 2026	6 May 2026	9 June 2026	14 July 2026	11 August 2026	8 September 2026	13 October 2026	10 November 2026	8 December 2026			
Geoff Hunt (Board Chair)						✓	✓	✓	✓	✕	✓					✓	✓	✓	✕	✓	✕	✓							
Graham Darlow						✓	✓	✓	✓	✓	✓																		
Julian Smith	✓	✓	✓	✓												✓	✓	✓	✓	✓	✓	✓	✓	✓	✓				
Andrew Clark	✓	✓	✓	✓		✓										✓		✓		✓									
Karen Sherry	✓	✓	✓	✕		✓	✕	✓	✓	✓	✓																		
John Crawford																✓	✓	✓	✓	✓	✓	✓	✓	✓					
Rukumoana Schaafhausen																✓	✕	✓	✓	✓	✓	✓	✓	✓					
Derrick Adams	✓																												

3. Recommendation / Te tūhunga

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



Board meeting | 27 August 2026
Public session



Disclosure of directors' and executives' interests

For information

Document ownership / Whaimana tuhinga

Submitted by / Kaitono

Jamie Sinclair
Chief Executive Officer

1. Purpose of the report / Te take mō te pūrongo

Section 189 of the Companies Act 1993 requires the company to keep an interests register. Section 140 requires all directors to cause to be entered in the interests register, and disclose to the Board of the company, their interests.

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.

2. The details / Kōrero pitopito

2.1 Watercare Services Limited's directors' interests register

The company obtains Directors and Officers (D&O) insurance for of all Watercare directors in accordance with section 162 of the Companies Act 1993.

Director	Interest
Geoff Hunt	• Principal, Geoff Hunt Consulting Ltd • Member, Institution of Engineering and Technology • Member, Institute of Directors • Trustee, Hunt Family Trust • Advisor to the Board, Geostabilization New Zealand Ltd (GSI) • Independent Chair, Propellworks
Graham Darlow	• Director, Holmes GP ANZ Ltd • Director, Hick Group Ltd • Business Executive, Acciona Infrastructure NZ Limited • Director and Shareholder, Brockway Consulting Limited • Direction and Chair, Frequency NZ Limited

Director	Interest
	• Director, Hick Bros. Civil Construction Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited • Director, Holmes Group Limited • Director, Pac Tranz Limited • Chair, The LEAD Project Alliance Board • Project Governance Group, Sludge Minimisation Project and Major Transport Group, Wellington City Council • Advisor, Wellington Metro Water Services Delivery Plan
Julian Smith	• 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 • Body Corporate Committee member, The Connaught Residential Apartments, Auckland • Group Secretary – Northland Corporate Group • Member, Waikato Tainui Kawenata Joint Governance Oversight Group • Director, Northport Group Limited • Director, Northport Limited • Director, Marsden Maritime Holdings Limited • Director, Marsden Marina Coves Limited • Director, MetService • Director, CDL Investments New Zealand Limited • Strategic Advisory Board, Ministry of Environment • MyCareerBrand
Andrew Clark	• Chief Financial Officer, Port of Auckland Limited • Director, Auckland City Water Limited (Watercare's subsidiary company) • Member, Waikato Tainui Kawenata Joint Governance Oversight Group
Karen Sherry	• Director, Donnell Sherry Ltd • Director, The Power Company Ltd • Director, PowerNet Ltd • Director, Electra Ltd • Director, Sasha & Otto Limited • Director, Electra Generation Limited • Director, Electra Services Limited • Director, Pylon Limited

Director	Interest
	• Director, Lakeland Network Limited • Director, Otagonet Limited • Director, Last Tango Limited • Trustee, Fritz Seppel Trust • Trustee, Freya, Fritz & Zorba Trust • Trustee of a number of Private Client Trusts which cannot be disclosed due to solicitor/client confidentiality reasons
John Crawford	• Director, Tarata Investments Ltd (Family Investment vehicle) • Director, Tier1 Advisors Ltd (not trading) • Director, Wealth Matters Ltd (not trading) • Director, Punganui Estate Ltd
Rukumoana Schaafhausen	• Shareholder and director, Schaafhausen Inc Limited • Director, Te Whata A Tamihana Limited • Director, Contact Energy Limited • Shareholder and Director, Kaitiaki Guardian Services Limited • Director, Kiwi Group Capital Limited • Director, Tainui Group Holdings Limited • Director, Te Rau o te Korimako Limited • Managing Director, Te Waharoa Investments (GP) Limited • Trustee, The King's Trust Aotearoa New Zealand • Trustee, The Tindall Foundation • Trustee, Waikato Endowed Colleges Trust
Derrick Adams	• Chair of Vinci Construction NZ • Chair of HEB Construction • Chair of The Blue Pen Ltd • Chair of Cassidy Construction • Chair of Hikuai District Trust • Chair of the Te Ahu a Turanga Project Alliance Board

2.2 Watercare's executives' interests register

Executives	Interest
Jamie Sinclair	• Director and Shareholder, Sinclair Consulting Group Ltd
Priyan Perera	• Board member, Water New Zealand • Director and Shareholder, Popellow Limited
Mark Bourne	• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Sarah Phillips	• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Richard Waiwai	• Director and owner, Te Hautapu Consultants Limited • Trustee of Te Rana Te Araroa Waiwai Whanau Trust • Relatives work for Waikato Tainui • Director, Moeā Limited • Chair and Trustee of Te Kopani, 27, 28, 29 & 30 Papakainga Trust
Angela Neeson	• Director, Tranquillo Properties Limited
Mark Crowle	• Trustee, JJC Family • Trustee, NMC Family Trust • Member, Infrastructure New Zealand Industry Advisory Council
Brent Evans	• Nil
Nigel Toms	• Co-Chair, Toi Ora Live Arts Trusts • Chair Interim Water Management Committee, Gisborne District Council • Director, TRN Risk & Resilience Consulting • Member, Audit and Risk Committee, Institute of Risk Management • Chair, Institute of Risk Management New Zealand Group

3. Recommendation / Ngā taunakitanga

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

