Watercare Infrastructure Delivery and Asset Management Improvement Plan (2025–2026)

Annual Report 2026

Watercare

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Preface

Watercare's Infrastructure Delivery and Asset Management Improvement Plan (the "Plan") defines how Watercare seeks to elevate itself from its current state to more effectively deliver and manage its infrastructure assets for the benefit of Auckland now, while supporting its future growth.

The Plan was developed in 2025, incorporating findings from an Independent Expert (Stantec), the Independent Verifier (Turner & Townsend), and reviewed by the Crown monitor (Commerce Commission). It was published in January 2026.

The Annual Report (this document) aims to communicate progress in implementing above plan.

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Executive Summary

Driving real improvements for Auckland's water future

At Watercare, our goal is to build an organisation that reliably meets the commitments to our customers and those set out in clause 24 of the Watercare Charter. This improvement plan takes a close look at every stage of our capital delivery and asset management cycle – from strategic planning through to delivering benefits for our customers – and sets out a clear course for measurable progress over the next three years.

As per requirements under clause 25 of the Watercare Charter, this Annual Report provides an update on our progress implementing improvements and any changes to timelines.

Effectiveness of the actions taken to date was reassessed by last year's Independent Expert team. The 2026 assessment indicates that Watercare has made credible and observable progress since the 2025 baseline, particularly in areas supported by leadership attention, governance reform, capital programme delivery discipline, capability development and continuous improvement activity. Maturity increased across all ten areas assessed, improving overall by 12%, with the strongest uplift recorded in Capital Programme Delivery & Governance and Capability & Competence.

Watercare has established a stronger foundation for maturity improvement. Next financial year executive challenge is now to move from mobilisation to embedment: converting stronger intent, governance and project controls into repeatable enterprise-wide practices that improve asset lifecycle outcomes, programme delivery confidence, benefits realisation and long-term value.

Section 1.0: Introduction

In 2024, the Local Water Done Well policy saw the introduction of the Watercare Charter, which regulates Watercare on an interim basis from 1 July 2025 to 30 June 2028. As part of these reforms, the Watercare Charter required us to create an Infrastructure Delivery and Asset Management Improvement Plan. This plan drives systematic improvements in how we plan, deliver, and manage water infrastructure to ensure these processes are efficient, outcomes-focused, and fit for future challenges. The Watercare Charter also requires us to report on progress and overall performance annually (this report).

Section 2.0: Purpose of the annual report

The purpose of this report is two-fold:

1. To meet regulatory requirements under clause 25 of the Charter.
2. To satisfy the additional reporting expectations outlined by the Crown monitor in their formal feedback on the Plan (November 2025).

Overall, this report supports sound quality management practices by providing a regular audit on performance and progress so effort can be redirected as and where required.

Section 3.0: Background and context

3.1 Overview of the Plan

The 2025 improvement plan was developed based on recommendations from an Independent Expert and Independent Verifier against Infrastructure Delivery and Asset Management industry good practices (using IAM and P3M3 assessment frameworks). It was finalised following Commerce Commission feedback.

It focuses on improving below areas as per Clause 24 of the Charter:

a) **Investment prioritisation principles:** The guiding principles we will use to rank and select investments. *(Refer to section 5)*

b) **Planned improvements in infrastructure delivery and asset management:** Specifically, improvements to:

   i. **Linkages between investments and outcomes:** ensuring we understand and track how investments translate into service outcomes (including improved network resilience) and using that understanding to inform asset management decisions. *(Refer to section 6)*

   ii. **Processes for identifying preferred solutions:** establishing how we will identify the best solutions to service needs, including leveraging key inputs like asset health data and criticality modelling in decision-making. *(Refer to section 7)*

   iii. **Risk management and reporting programme**: strengthening our programme for identifying, mitigating, and reporting risks across project delivery and asset management activities. *(Refer to section 8)*

iv. **Cost estimation practices:** improving how project and asset lifecycle costs are estimated and managed (for example, developing unit rates for budgeting and forecasting). *(Refer to section 9)*

c) **Timelines for planned improvements:** A schedule outlining when each improvement initiative will be implemented. *(Refer to section 10)*

d) **Enabling housing growth:** Details on how we will enable that infrastructure investments accommodate housing and population growth in areas with constrained network capacity. This includes examining whether alternative funding (for example, financing under the Infrastructure Funding and Financing Act 2020) will be sought to support such growth, and if so, how and when that funding would be utilised. *(Refer to section 11)*

3.2 Role of the Crown monitor

A Crown monitor has been appointed by the Minister of Local Government to oversee our transition under the new arrangements. The Crown monitor plays a critical role in relation to this plan. Under the Charter, we submitted our draft plan to the Crown monitor by 31 August 2025 for feedback. The Crown monitor then reviewed the draft plan, with the aid of an Independent Verifier ("IV"), to ensure its robustness and that it meets the requirements of the Charter. We were required to incorporate the Crown monitor's feedback within 60 working days and then publish the finalised plan. Following publication, and as the plan is implemented, the Crown monitor will track our progress, receiving regular reports (as required by clause 25 the Charter) throughout the Charter period.

3.3 Annual reporting requirements

Under Clause 25, Watercare must prepare a report in each of the 2026–2028 financial years in relation to:

a) the planned improvements described in its infrastructure delivery and asset management improvement plan (see above),

b) any change to the timelines for those planned improvements.

The purpose of annual reports under this clause is to provide evidence of:

a) Improvements[1] delivery; and

b) the effectiveness of Watercare's infrastructure delivery and asset management improvement plan.

Further to clause 25, the Commerce Commission provided their additional expectations on reporting as part of their formal feedback on the plan (dated 24 November 2025). This included:

a) how Watercare will adopt and embed new processes and practices across the whole organisation;

b) prioritisation of initiatives, including reasons (e.g. costs/benefits) for prioritisation; and

c) where delivery is off track, why, and next steps.

[1] *Watercare Charter references "Infrastructure" delivery, this has been changed to "Improvements" delivery with Commerce Commission approval.*

Watercare must, by 30 September following the end of the financial year to which a report relates, publish the report on an internet site that is maintained by or on behalf of Watercare and is accessible to the public free of charge.

The plan and reporting against it not only address internal performance enhancements but also aligns with broader public accountability goals including keeping future water bills reasonable, improving efficiency, and ensuring we support Auckland's growth.

3.4 Methodology

As part of implementing the improvement plan, the business has identified and established several workstreams. These workstreams are being led internally, with external support where necessary, and are summarised as follows:

Table 1: Implementation activities grouped in workstreams

Workstream	Description
Governance workstream	Review of governance groups, terms of reference and reporting for performance management.
Asset Lifecycle processes and documentation workstream	Alignment with good practice and ISO principles, review of roles and responsibilities.
TOTEX workstream	Estimation, benchmarking and improvements to whole of life costs understanding and forecasting (dependencies with Enduring regulation Price Quality Path).
Programme Management Platform workstream	Improves line of sight between investment and outcomes, enables better overall visibility and management of portfolio, programmes and projects documentation, costs, risks and lessons learned.
Benefits realisation workstream	Alignment with strategic drivers and risks management at different levels and stages of the lifecycle to deliver benefits (dependencies with Water Services Strategy development for Enduring regulation).
Data improvement workstream	Integration of data across assets lifecycle for information accuracy and adequacy.
Capability and cultural uplift workstream	Organisational change management and competency framework.
External stakeholders	Engagement with Mana Whenua, Elected members, Community and Developers.

This approach aligns and supports the outcomes of the Plan through embedding continuous improvement as a behaviour and mindset within the business. It also empowers specific teams to better understand their responsibilities and roles within the asset lifecycle management delivery and be directly accountable for their performance.

The requirements to successfully deliver business improvement generate significant organisational change and therefore effective coordination of workstreams is essential. We have therefore adapted our implementation accordingly, to drive change management at an organisational level, instead of focusing on the completion of individual actions. Consequently, the timelines presented in the published Plan have been adjusted since the original recommendations to effectively support this approach.

In conjunction with this implementation approach, we have sought a follow-up review of our developing organisational maturity from the Independent Expert team at Stantec who assessed the business in 2025 and provided the original basis for the Plan. They have re-assessed our current state and provided feedback aligned with the improvement opportunities and key actions included in the Plan. Their findings are summarised in Section 12, and progress against opportunities and actions register is attached in full as Appendix 1.

The following sections of this report (sections 5 to 12) provide our progress update in direct alignment with the corresponding sections of the Plan. Each section includes the implementation approach, current status and next steps against the key improvement actions identified in the Plan last year.

Table 2 – Compliance statement references from the Watercare Charter (Clause 25)

Clause 25 Subclause reference	Improvement Plan and Clause 24 Reference	Section in this report
1(a)	Watercare must prepare a report in each of the 2026–2028 financial years in relation to the planned improvements described in its infrastructure delivery and asset management improvement plan	
2(a)	The purpose of annual reports under this clause is to provide evidence of improvements delivery.	
	Improvement plan section 5 – Clause 24(2)(a)	5
	Improvement plan section 6 – Clause 24(2)(b)(i)	6
	Improvement plan section 7 – Clause 24(2)(b)(ii)	7
	Improvement plan section 8 – Clause 24(2)(b)(iii)	8
	Improvement plan section 9 – Clause 24(2)(b)(iv)	9
	Improvement plan section 10 – Clause 24(2)(c)	10
	Improvement plan section 11 – Clause 24(2)(d)	11
1(b)	Watercare must prepare a report in each of the 2026–2028 financial years in relation to any change to the timelines for those planned improvements	10 & 11
2(b)	The purpose of annual reports under this clause is to provide evidence of the effectiveness of Watercare's infrastructure delivery and asset management improvement plan	12

Section 4.0: Areas for improvement

This annual report details progress in implementing improvements. It is structured as per the original improvement plan to ensure continuity.

The improvement opportunities are organised into thematic areas that correspond to the requirements of clause 24 and the key gaps identified. Each area for improvement encompasses one or more initiatives from the consolidated list of 37 opportunities. In the sections below, each section aligns with the relevant sub-clause(s) of clause 24, and the related improvement actions are discussed. We also note the impact rating of initiatives to indicate priority:

- High impact: expected to significantly improve outcomes; these are prioritised for early implementation.
- Medium impact: important improvements with moderate benefit; scheduled on a medium-term horizon.
- Low impact: supporting changes with smaller benefit or dependent on other actions; to be addressed opportunistically or in later phases.

Importantly, many improvements are interrelated and reinforce each other. A current status for each of the key improvements and actions has been assigned as at the time of reporting (i.e. Completed / In progress / Not started), noting that all improvements and actions are subject to ongoing review and continuous improvement.

The progress and approach to delivering the key improvement initiatives highlighted in the improvement plan under each Charter requirement area are described in the following sections 5 to 12.

The complete register of improvement opportunities, as recommended by Stantec in 2025, and updated to reflect progress to date is attached as Appendix 1.

Section 5.0: Investment prioritisation principles (Clause 24(2)(a))

Purpose: To implement a formal framework to rank and select investment, ensuring every project clearly contributes to strategic objectives and customer outcomes. This includes new criteria aligned with benefits, risk, and whole-of-life value, and a cross-functional governance forum to enforce these criteria.

Clause 24(2)(a) of the Charter requires that this plan specify “the principles that Watercare will use to prioritise investments.” In response, we are establishing a clear, transparent investment prioritisation framework. The aim is to ensure that funding is directed to the projects which best achieve our strategic goals (such as resilience, public health, environmental compliance, and growth needs).

5.1 Key improvements and actions

Several actions are focused on creating and embedding these prioritisation principles:

- **Develop standardised prioritisation criteria:** *(Improvement action 4.3) Status: In Progress.* We have standardised our business case template to ensure it captures risks, outcomes, benefits and whole of life costs. Further consistency will be achieved using drop down lists for key metadata. As we further detail our Strategic Asset Management plan and benefits definitions, templates will be reviewed and updated to ensure alignment.
- **Align programmes with strategic outcomes:** *(Improvement action 11.2) Status: In progress.* A portfolio structure comprising 13 programmes has been confirmed, including digital and operational programmes. The projects within each programme are at varying stages of development and require varying resourcing allocations. Programme managers are being progressively appointed to ensure clear accountability against realisation of desired outcomes. The establishment of these programmes will be phased across the next five years, and reviewed in subsequent years, with some programmes already in place. Common enabling functions and teams will ensure consistency across delivery and performance management.
- **Cross-functional investment review forum:** *(Improvement Action 18.3) Status: Complete.* Forums comprising representatives from key business units (Operations, Strategy and Planning, Delivery, and Finance) have been established. These forums are set at different levels depending on financial authority (senior management, then executive team, then sub-board, then board level).
- **Integrate risk-reward considerations:** *(Improvement Action 25.3) Status: In progress.* As part of preferred solution identification improvements, the business is reviewing optioneering guidance. A staged approach is being taken, with current focus being strengthening the cost estimation and cost risk evaluation components in decision making. From strengthening this, we will expand to further integration of risks and benefits, and review how to best integrate benefits quantifications in our context.
- **Benefits and outcome focus:** *(Improvement action 4.3) Status: In progress.* We reviewed our portfolio through a range of workshops at senior management level against strategic outcomes and priorities. Our current investment plan is mapped against these outcomes. In FY27 the implementation of the Programme Management Platform and associated processes will strengthen visibility at portfolio level, and reinforce visibility of post-implementation reviews, and projects performance requirements.

Section 6.0: Linking investments to outcomes (Clause 24(2)(b)(i))

Purpose: We will implement a benefits management approach to ensure every investment is justified by clear outcomes (e.g. improved service reliability, compliance, network resilience, etc.) and these outcomes are tracked post-implementation. This will establish a clearer connection between financial expenditures and the outcomes achieved for customers and the environment.

Clause 24(2)(b)(i) requires the plan to improve our "understanding of the linkages between investments and the outcomes (including network resilience) delivered by investments, and how this improved understanding will impact Watercare's asset management processes."

In simple terms, we must ensure that we are investing in the right things by clearly tying expenditure to the benefits or outcomes they produce, such as fewer pipe bursts, enhanced water quality, or increased network resilience to outages or droughts. We then need to feed that knowledge back into planning future work. This is about moving from an output-driven culture (where success is measured by delivering a project on time/budget) to an outcome-driven culture (where success is measured by the real-world impact of that project).

6.1 Key improvements and actions

To strengthen the investment-outcome link, it is proposed to implement a robust benefits management framework and associated practices:

- **Adopt a benefits management approach:** *(Improvement action 16.1) Status: In progress.* Through FY27, we will formalise how we identify, track, and realise benefits from projects and programmes, through the Programme Management Platform implementation and refresh of associated processes. Benefits definition will also be formalised as part of the update to the Strategy Asset Management Plan and Asset Management Plan. Additionally, we have developed a Mana Whenua engagement framework aligned with Auckland Council Tāmaki Ora strategy and will be further embedding it. A Stakeholder Engagement Framework will also be issued to ensure we align ourselves with Auckland Council and Community expectations.
- **Integrate benefits into governance gates:** *(Improvement Action 16.2) Status: In progress.* Technical governance reviews have been implemented at key project delivery milestones to ensure risks and outcomes are reviewed. The existing process and forms do capture performance requirements and outcomes from project initiation to completion. Further improvement will be expected through increasing checks and audits on these existing processes. The Programme Management Platform will enable better visibility and tracking.
- **Assign outcome ownership:** *(Improvement Action 16.3) Status: In progress.* The role of a programme manager/director, accountable for benefits realisation and handover to operations, is being implemented as programmes are set up. This is part of a wider rollout of programmes, delivery roles and resourcing review.
- **Improve network resilience understanding:** *(Improvement Action 18.1) Status: In Progress.* Maintaining and improving system resilience is a key strategic outcome. It includes improvements to assets operation and maintenance as well as capital investment prioritisation. To achieve repeatable long-term improvements, we are reviewing data collation, and how we interpret it into meaningful resilience information:
    - Improvements to our wastewater network monitoring and use of machine learning to tailor proactive maintenance are in progress
    - Asset criticality is used in conjunction with condition to prioritise intervention. A dashboard is now available and further improvements to data collation and confidence are ongoing.

- **Performance measures and feedback:** *(Improvement action 31.5) Status: In progress.* As part of the digitalisation of the business need, we will update the capture of key metrics. Not all projects may make a tangible impact on strategic outcomes metrics, such as number of overflows, or increased resilience. We will link back the programmes to strategic outcomes and measurable targets and ensure the projects within the programme articulate how their outputs contribute to the realisation of the programme's outcomes. This will be visible to the Strategy and Planning teams.
- **Programme governance with outcome mandates:** *(Improvement opportunity 35) Status: In progress.* Steering groups have been setup for existing programmes. As the rollout of a more structured programme governance is implemented, these will be reviewed and organised to ensure overall governance and lessons learned drive continuous improvement.

Section 7.0: Preferred solutions identification (Clause 24(2)(b)(ii))

Purpose: we will improve our processes to ensure the best solutions are chosen for each investment need. This involves requiring a whole-of-life analysis of options in every business case, using data on asset condition and criticality to compare alternatives, and considering both capital and operating cost impacts (Totex) in decision-making. By doing so, we will avoid suboptimal fixes and invest in solutions that offer the greatest long-term value.

Clause 24(2)(b)(ii) focuses on improving "processes for identifying preferred solutions (including key inputs such as asset health and criticality modelling)." In practice, this means we must enhance how we evaluate different options for meeting a service need. For example, when a problem is identified such as frequent pipe breaks in an area, should the preferred solution be to replace the pipe, rehabilitate it, do nothing, or something else? Historically, these decisions may have been made with limited analysis or on a case-by-case basis. The actions in the improvement plan introduce more rigorous, data-driven, and standardised processes so that the optimal solution is chosen, considering the full lifecycle implications.

7.1 Key improvements and actions

Several improvements target the evaluation and selection stage of project planning:

- **Standardise business case and options analysis:** *(Improvement action 4.1) Status: Complete.* A standardised business case template has been developed. Through the first half of FY27, to improve consistency, it will be checked for whole of life costing of solutions evaluated and document risks and benefits. We will also look into digitalisation opportunities through the Programme Management Platform implementation. By end of FY27 we should have enabled better up to date visibility and reporting, improving further feedback loop and overall analysis.

- **Include asset health and criticality data:** *(Improvement action 19.2) Status: In progress.* An asset risk model in ArcGIS has been developed for underground assets and captures asset health (condition and performance) and criticality data. This is strengthening fact based decisions around investment prioritisation. This will input into Business Need documentation and still require validation as we build confidence in the model through use and checks.
- **Mandate totex (capex+opex) evaluations:** *(Improvement action 18.2) Status: In progress.* A TOTEX tool has now been developed and is being implemented to ensure consistency of assessments. Reference tables will support sanity checking of the solution calculated OPEX and CAPEX against existing reference points. As projects go through completion, further information on actual costs will be compiled supporting development of reference tables. This will also support performance monitoring and tracking of savings or increase in costs, feeding into the continuous improvement process.
- **Develop decision support tools:** *(Improvement action 31.2) Status: In progress.* The TOTEX tool first iteration is being rolled out in multi-criteria assessment of solutions at Feasibility phase. It will support comparing Net Present Value (NPV) of different options across whole of life, as part of selecting preferred options for further design. Scenario modelling for adaptive planning and strategic planning is being evaluated.
- **Option quality control and panel reviews:** *(Improvement action 4.4) Status: Complete.* A cross-functional committee validates preferred option selection. Guidance documentation is being reviewed to ensure it weighs TOTEX, benefits and enterprise risk reduction, as well as confirm procurement approach.
- **Innovation and alternative solutions:** *(Improvement action 10.6) Status: In progress.* As part of developing a delivery strategy and confirming business need at project initiation phase, we will elect candidate projects for innovation and/or alternative delivery approaches. This will be embedded in the refreshed processes around projects initiation in FY27.

Section 8.0: Risk management and reporting programme (Clause 24(2)(b)(iii))

Purpose: We will overhaul our risk management practices to create a comprehensive, proactive risk programme spanning enterprise risk, project and programme delivery and asset operation. This includes a refreshed Enterprise Risk Management Framework, standardised risk registers across all functions, upgraded risk analysis tools (RiSOLVE), and regular risk reporting to leadership. Identified risks (e.g. project delays, asset failures) will be systematically mitigated and monitored, and risk information will directly inform investment and maintenance decisions.

Clause 24(2)(b)(iii) mandates improvements to our “programme for risk management and reporting.” Effectively, we must ensure that we have a robust system to identify risks (in both project delivery and asset management), mitigate them proactively, and report on risk status to decision-makers.

8.1 Key improvements and actions

Several improvements target the evaluation and selection stage of project planning:

- **Refresh organisation risk management framework:** *(Improvement opportunity 22) Status: In progress.* A first update to our Risk Management Framework has been released. It reviews and refreshes consequences scoring. The next iteration of updates will be coordinated with reviewing our strategic drivers and defining benefits realisation.

- **Embed risk in decision processes:** *(Improvement actions 22.4 and 22.2) Status: In progress.* The implementation of the Programme Management Platform through the first half of FY27 comes with better risk tracking and roll-up reporting functions. This will ensure decisions can reflect a more holistic view of the overall risks identified versus snapshots at specific times.

- **Improve programme/project risk practices:** *(Improvement opportunity 13) Status: In progress.* Better visibility of risks at projects and programmes level will support better checks and analysis of risks. The best approach to leveraging opportunities with other utilities, other opportunistic works, and supply chain will be developed and embedded as programmes and scheduling are reviewed and established.

- **Upgrade risk tools (RiSOLVE):** *(Improvement opportunity 14) Status: In progress.* The implementation of the Programme Management Platform in first half FY27 will be a significant improvement. Following implementation, any gap in functionalities will need to be re-assessed and prioritised.

- **Accountability and reporting:** *(Improvement action 14.5 and 22.3) Status: In progress.* Each programme currently setup has a governance group which reviews top risks. Capital delivery projects have also updated and standardised the risks reporting to ensure better monthly visibility at executive level. Through implementation of the Programme Management Platform these will be further standardised to ensure there is clear reporting on delivery and business risks and corresponding actions management.

- **Integrate asset condition risks:** *(Improvement opportunity 23) Status: In progress.* The underground assets risk model in ArcGIS and the asset condition and criticality dashboard (all assets) has been published to support risks assessment and assets useful life estimates. We are now reviewing roles and responsibilities around assets condition and performance monitoring. We are also working on how this translates to resilience at a system level, including scenario modelling to factor in future scenarios (e.g.: growth, flood levels, sea levels change, etc.). A portion of budget has been earmarked specifically to ensure assets renewals are prioritised.

- **Training and culture:** *(Improvement actions 23.6 and 28.5) Status: In progress.* Embedding risk considerations throughout the assets lifecycle will continue this FY27. Refreshers on risk identification and scoring will take place. We will review guidance across project phases to lift the quality and effectiveness of risk identification and discussion. Integration of operational risks will also support building a stronger business risk culture, supporting cross-departmental and a whole-of-life approach.

Section 9.0: Cost estimation improvements (Clause 24(2)(b)(iv))

Purpose: To strengthen cost estimation, we will introduce improved tools and practices for whole-of-life costing. This includes developing a library of unit rates and cost benchmarks for planning and budgeting, requiring lifecycle cost analyses in all business cases, and adopting a total expenditure (Totex) approach when comparing options. By forecasting not only the initial capital costs but also future operational and maintenance costs, we can select solutions that minimise total costs over an asset's life.

Clause 24(2)(b)(iv) calls for improvements in "cost estimation (such as unit rates for use in budgeting and forecasting)." Accurate and realistic cost estimation is critical for both prudent financial management and successful project delivery. Underestimation can lead to budget overruns and funding shortfalls; overestimation might result in worthy projects not progressing, or tie-up funds that could be used for other projects or to reduce funding pressure. Cost estimation is not just about the immediate capital cost – it should encompass the whole-of-life cost of owning and operating an asset.

9.1 Key improvements and actions

The improvement plan's key actions to improve cost estimation and financial planning across the asset lifecycle include:

- **Develop unit cost libraries and estimation tools:** *(Improvement action 31.2) Status: In progress.* Our Finance team has developed a library of unit rates for construction. They are validating construction contracts against these. They have also introduced a more detailed approach to construction schedule of prices to ensure unit rates can be applied meaningfully and compared across contracts and overtime.

  Benchmarking is in progress, with OPEX reference tables being developed using Water Services Association of Australia benchmarking work as a template. CAPEX reference tables will be further developed as data visibility and reporting capability increases. In the meantime, internal and external estimators support benchmarking and cost validation.

- **Embed a totex approach to costing in decision gates:** *(Improvement action 4.2) Status: In progress.* We are currently rolling out the use of a standardised TOTEX calculation tool. This will be used in optioneering and business cases from the first quarter of FY27. As part of improving our continuous improvement the accuracy of the calculation will be refined through the upcoming years. Through the rollout of the new Programme Management Platform we will also ensure the OPEX forecast is captured from project initiation and refined and updated throughout the project or programme lifecycle from the third quarter of FY27.

- **Implement a TOTEX approach:** *(Improvement action 18.1) Status: In progress.* Pilot testing of a standardised TOTEX calculation was completed as part of the tool development, on current and historical projects now in operation. It is anticipated that this approach will fit most projects, and the tool is being rolled assessed. We will also review application in the case of specialised and / or complex programmes of work.

- **Align financial and asset planning tools:** *(Improvement action 37.4) Status: In progress.* Implementation of the Programme Management Platform will modify our current state. An opportunity through the configuration of the tool is to realign project data and assets data. Our actuals will remain in our current financial system but ability to splice and interrogate data through a project and contract management lens versus an asset management lens will be reinforced. Our overall data architecture and digital tools are under review and recommendations for further changes and staging of these changes will be identified by FY28.

- **Cost estimation governance:** *(Improvement action 31.5) Status: In progress.* Cross-functional committees have been implemented. Agendas are to be updated to ensure cost estimation is included. As part of a post-implementation review we will also consider how to best provide better visibility on actual project / programme costs to the cost estimation team for continuous improvement.

Section 10.0: Improvement plan timelines (Clause 24(2)(c))

Clause 24(2)(c) requires us to include timelines for planned improvements. This clause emphasises that we must identify what we will do and when we will do it. Given the breadth of initiatives, scheduling and phasing are critical for successful implementation. Our timeline staggers initiatives over the Charter period (2025–2028), balancing quick wins against longer-term projects, resource availability, and interdependencies between actions.

Appendix 1 shows progress assessed by the Independent Expert against the improvement opportunities identified in 2025 as well as recommended timeframes. The below sections outline Watercare's updates to these original recommendations.

10.1 Timeline

An outline of key changes to the original timelines communicated in the Plan is presented below. Refer to Appendix 1 for further detail regarding actions.

Completed as at June 2026:

- Brought forward: Cross-functional governance forums (investment prioritisation governance groups, and some programme governance groups) have been established. FY27 to FY37 projects have been reviewed and prioritised according to our strategic outcomes.
- Complete: Standardised business case template is being used for all new capital projects (Clause 24(2)(b)(ii)).
- Complete: Asset management documentation and knowledge database has been re-structured, and awareness of asset management industry good practice is being improved at an organisational level.

Updated next steps:

By December 2026:

- Brought forward: We will have started a new Programme Management Platform project. This will enhance access to project information and resulting reporting, decision-making and benchmarking capability.
- On track: We will have started reviewing our overall data architecture and business requirements. We will be looking at aligning ourselves with industry reference models. This will shape the data capability uplift required to improve data sharing and integration and provide better timeline of implementation.

By June 2027:

- Re-phased: The Risk Management Framework refresh and roll out training to all project managers has been rescheduled around the roll out of new project and programme management tools.
- Re-phased: Similarly, the standardisation of outcomes to investment mapping (Clause 24(2)(b)(ii)) will be strengthened through the roll out of the new Programme Management Platform. This is an essential building block for ongoing positive change. It will ensure clearer lines of sight to outcomes throughout the lifecycle as well as more confidence in benefits realisation.
- Re-phased: The Strategic Asset Management Plan will be available in the second half of FY27 and has been rephased to align with the Enduring Regulation requirements.
- On track: Also, some operational improvements such as integrating key asset condition and criticality data into a dashboard have been achieved. Data quality and confidence improvement will be an iterative process, strengthening decision-making overtime.

During 2027 / early 2028:

- Several longer-term improvements will have come to fruition. The integration of data from multiple sources will have progressed and confidence in the data will be building *(Improvement action 17.3)* giving users across departments access to real-time asset data. A Resource Management Framework *(Improvement action 29.1)* will be implemented, giving us an organisation-wide view of skills and capacity. This will enable better planning of who works on what improvement initiative. A Performance Management Framework *(Improvement action 33.1 et seq.)* will formalise tracking of KPIs that tie back to the improvement outcomes. These mid-term deliverables solidify the changes made. Monitoring, continuous improvement, and adequate governance will support driving savings over time.

By late 2028:

- Most improvement actions will be complete. For those few extending beyond this date, we will incorporate them into our next asset management plan cycle or business plans. We will be noticing cultural changes, such as risk-awareness, cross-department collaboration and continuous improvement, indicating that the improvements are embedded and consistently applied across the business.

  The timeline is structured to build momentum.

  The aim is to target early wins as well as setting up foundations for reliable performance and steady improvement.

Section 11.0: Enabling housing growth and alternative funding (Clause 24(2)(d))

Clause 24(2)(d) requires us to detail "how Watercare proposes to ensure that investment will enable housing growth in areas with limited network capacity," including whether and how alternative funding will be sought for that growth, and a timeline for those actions. This aspect of the Charter acknowledges a critical external outcome: supporting Auckland's development. We must align our infrastructure improvements with the region's growth needs and do so in a financially sustainable way.

Our bulk infrastructure programme is planned, funded and sequenced in line with:

- The Auckland Plan 2050
- The Auckland Future Development Strategy 2023-2053
- The Auckland Council Growth Scenario
- Auckland Unitary Plan (Operative in Part).

The organisation cannot support out-of-sequence development where doing so would compromise services to existing zoned areas, as premature growth without supporting bulk infrastructure can create risks to water quality, environmental outcomes and network capacity. Addressing growth pressures is a complex challenge that extends beyond funding to include resource availability, statutory approvals, construction timeframes and coordination of wider infrastructure requirements.

Watercare is working closely with Auckland Council to identify practical solutions that balance short-term growth demands with long-term customer and environmental outcomes. While alternative funding and financing mechanisms have the potential to support some growth infrastructure, they are unlikely to be applicable in all circumstances or address all investment requirements. Watercare must therefore continue to carefully balance housing growth objectives, customer affordability, broader infrastructure needs, delivery constraints and the organisation's capacity to sustainably finance investment over time.

11.1 Key improvements and timeline

Three workstreams are being undertaken in parallel:

- ### Alternative Funding:

Watercare has undertaken a pilot investigation of Infrastructure Funding and Financing (IFF) arrangements to better understand their potential application to growth-related infrastructure. The work has provided valuable insights into where alternative funding mechanisms may be most effective, indicating greater applicability in larger greenfield growth areas where infrastructure requirements, landowners and future beneficiaries can be more clearly identified.

The investigation has also highlighted practical challenges in applying IFF more broadly, particularly in established urban areas where growth occurs incrementally over time. While larger greenfield developments can often provide a clear link between infrastructure investment, landowners and future beneficiaries, this is more difficult in brownfield environments where redevelopment occurs progressively across multiple sites and owners. In these circumstances, determining who should be subject to levies, when levy obligations should arise, and who should bear financing costs while infrastructure is delivered ahead of development occurring can be complex, potentially limiting the applicability of IFF for some programmes.

Building on these learnings, Watercare will now assess on a greater scale where IFF mechanisms could support future growth infrastructure and reduce reliance on traditional funding sources. In parallel, Watercare is in the early stages of exploring whether Public-Private Partnership (PPP) models or other alternative delivery arrangements may have a role in supporting future infrastructure delivery. Further work is required before potential programmes, funding pathways and implementation approaches can be identified. Alternative funding and financing mechanisms may support some growth infrastructure requirements, but they are unlikely to address all investment needs. Watercare must therefore continue to balance housing growth objectives, customer affordability, broader infrastructure requirements and the organisation's capacity to sustainably finance investment over time.

- ## Growth projects:

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.

A six-monthly update on capacity and progress to the Developer community has also been set up, and a Developer portal is in development to enable better engagement.

We are doing further work in understanding our capacity constraints specifically how much is remaining in terms of number of property connections, so we can support developers making more informed decisions. First example of this being done is North Harbour 1 watermain. We will next be investigating Hibiscus Coast wastewater constraints in FY27 first quarter, then expand to other areas.

In limited areas, we are also targeting more holistic catchment renewals programmes in wastewater to maximise capacity by reducing stormwater ingress (some business cases being submitted to this intent in first half of FY27).

- ## Procurement methods:

We have typically followed traditional delivery strategies (design-bid-build and design-build under NZS3910 and NZS3916 contracts). As the number and size of our projects and programmes increase we are reviewing this approach:

– we consulted with the Australian and New Zealand market in 2025 on one of our complex brownfield upgrade (>$200M). This has now resulted in adjusting our original procurement strategy, tendering process, and staging, to better manage our overall delivery, operational and commercial risks.

– we are also considering Alliances for some of the larger works and have identified suitable programmes, such as the Waikato Water Supply Programme.

Section 12.0: Performance measurement

Watercare commissioned Stantec to undertake the 2026 Infrastructure Delivery and Asset Management Maturity Assessment as an independent re-assessment of organisational capability and performance across its infrastructure delivery and asset management functions. The assessment builds on the 2025 baseline and supports Watercare's obligations under the Watercare Charter to maintain and implement an Infrastructure Delivery and Asset Management Improvement Plan.

The 2026 assessment indicates that Watercare has made credible and observable progress since the 2025 baseline. Improvements were noted across all ten themes assessed, particularly in areas supported by leadership attention, governance reform, capital programme delivery discipline, capability development and continuous improvement activity. Overall maturity improved by 12%, with the strongest uplift recorded in Capital Programme Delivery & Governance, and Capability & Competence.

However, stronger governance arrangements and improvement activities have not yet been consistently translated into embedded enterprise-wide practices. The most important remaining gaps relate to asset information accessibility, lifecycle decision-making, operations and maintenance considerations integration, benefits realisation, programme-level delivery discipline and continuous improvement feedback loops.

Individual projects performance is being monitored and has shown some successful delivery over the years, which learnings are being incorporated going forward. As highlighted in Table 3, which summarises improvement against the Charter clauses, the next stage of maturity uplift will rely on converting that intent and activity into repeatable organisational practice.

Watercare's challenge is now shifting from establishing improvement initiativesto embedding the behaviours, decision disciplines, accountabilities and performance measures needed to sustain improvement over time and across the portfolio.

Table 3: Watercare Charter Requirement Summary and 2026 Assessment Commentary

Watercare Charter Clause and Requirement Summary	Assessment Area Focus	2026 Assessment Commentary
Clause 24(2)(a) Principles Watercare will use to prioritise investments	Strategic Alignment & Leadership; Performance & Continuous Improvement; TOTEX; Risk & Decision Making	The 2026 assessment identified improvement in governance, business case development, risk-informed decision-making and the emerging TOTEX approach. Finalisation of the SAMP and IDP, full implementation of the TOTEX framework, and continued development of prioritisation tools will strengthen alignment between investment decisions, service outcomes, risk and value, and embedment across the organisation.
Clause 24(2)(b)(i) Documentation of linkages between investments and outcomes, including network resilience, and how improved understanding will impact asset management processes	Benefits Realisation; Lifecycle & Asset Information; Asset Operations & Maintenance	Watercare is becoming more disciplined in defining intended outcomes through business cases and governance processes, but there remains limited evidence that benefits are consistently tracked, validated and reported following project completion. Continued implementation of the Infrastructure Delivery Plan, Water Services Strategy and benefits realisation practices will strengthen Watercare's ability to demonstrate delivery of customer, operational and resilience outcomes.

Watercare Charter Clause and Requirement Summary	Assessment Area Focus	2026 Assessment Commentary
Clause 24(2)(b)(ii) Improving identification of preferred solutions	Lifecycle & Asset Information; Asset Lifecycle Management; TOTEX; Risk & Decision Making	The 2026 assessment found improvements in lifecycle planning, demand management and risk-informed decision-making. Emerging TOTEX practices, risk-based renewal modelling and asset performance reporting is expected to improve identification of preferred solutions by supporting more evidence-based and whole-of-life decision-making. However, fragmented asset information and inconsistent lifecycle practices continue to constrain maturity in this area.
Clause 24(2)(b)(iii) Risk management and reporting programme	Risk Assessment, Decision Making & Contingency Planning; Integration & Governance	Risk management maturity has improved, particularly in structured risk identification and risk-informed investment planning. However, the assessment identified ongoing variability in the application of risk appetite, programme-level risk management and integration of risk information across systems. Continued maturity uplift will depend on strengthening enterprise-wide risk governance and improving integration between risk, asset and investment information.
Clause 24(2)(b)(iv) Risk management and reporting programme	Capital Programme Delivery & Governance; TOTEX; Performance & Continuous Improvement	The key development since 2025 is the introduction and pilot of the TOTEX framework and tool. This initiative is expected to improve whole-of-life costing and CAPEX/OPEX trade-off decisions. The assessment found the approach is promising but not yet consistently embedded across the organisation. Further rollout and integration into business case processes will be required to realise the full benefits.
Clause 24(2)(c) Timeframes for implementing improvements	Improvement Plan; Governance & Reporting	The 2026 assessment found that approximately three quarter of identified actions are either complete or in progress. Multiple workstreams have been established across governance, lifecycle management, programme delivery, TOTEX and capability development.

Watercare Charter Clause and Requirement Summary	Assessment Area Focus	2026 Assessment Commentary
		The challenge now is less about mobilisation and more about embedding these initiatives consistently across the organisation and demonstrating measurable outcomes.
Clause 24(2)(d) Enabling housing growth and alternative funding	Strategic Alignment & Leadership; Lifecycle & Asset Information; Programme Delivery	The 2026 assessment found improvement in demand planning, programme governance and strategic planning capability. Continued alignment between growth planning, infrastructure delivery and emerging alternative funding investigations will be important to supporting housing growth in areas with constrained network capacity.

Section 13.0: Conclusion

This annual report demonstrates business improvement and commitment to organisational change to drive efficiencies.

Watercare's challenge is now shifting from mobilisation to embedment. The next stage of maturity uplift will depend less on launching additional initiatives, or closing individual actions, and more on ensuring that existing initiatives are consistently implemented, outcomes are measured and communicated, and improvements become embedded across the business.

We aim to meet the Charter's expectations as well as setting up a culture of quality management and continuous improvement that ensures reliable and repeatable results, and fulfil our mission to deliver safe, reliable, and affordable water services for Auckland.

Appendix 1: Improvement opportunities register

Below table shows Watercare assessment of progress to date moderated by the independent expert feedback. It lists the same actions as identified in Improvement Plan Appendix 1. Items marked as "Review" indicate we are reviewing their practical application and fall under "In progress".

Timeframes marked with an "*" indicate a timeframe change from 2025. Refer to section 10 for more context.

Actions are inter-related, independent actions completion will not result in immediate tangible impact, and a holistic assessment of overall business change impact and improvement remains important.

Impact will be measured over time, through embedment, monitoring, and refining changes.

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
Strategic Alignment & Leadership	1	Clearly establish roles and responsibilities for infrastructure delivery and asset management (e.g. RACI) to ensure alignment with Watercare's intended service delivery model and operations	1.1	Ensure alignment of the infrastructure delivery and asset management across Watercare	**In Progress** – Workday Leadership module (digital tool) is being configured with the competency framework to support capability building. Functional realignment is underway. Programmes are still maturing, with progress being considered through governance groups.	High	High	1 - 3 years	2(b)	a) **Clear ownership and accountability** across all stages of the infrastructure delivery and asset lifecycle management b) Stronger **collaboration** between capital delivery, operations, and asset planning teams c) Improved **handover, benefit management / realisation**, and long-term asset performance d) **A 'One Watercare' approach** to managing infrastructure from cradle to grave.
			1.2	Establish cross-functional RACI matrices across: - Strategic asset planning - Programme and project planning and delivery - Design and delivery - Operations, maintenance and renewals	**In Progress** – The business structure has been reorganised to establish streams aligned to service outcomes rather than geographic outcomes. Planning and Operations & Maintenance functions are being mapped, with implementation continuing.	High	Medium	6 - 12 months	2(b)	
			1.3	Communicate and build capability against roles and interfaces	**In Progress** – The competency framework is under development to drive capability building. Progress remains ongoing and is linked with the completion of Item 1.2.	High	Low	*1 - 3 years	2(b)	
			1.4	Align governance and gate reviews	**Completed** – A formal gateway process is in place for all projects, and governance is well understood and embedded in project delivery.	Medium	Medium	*maintain	2(b)	
			1.5	Monitor compliance and performance for management review and continuous improvement	**Not Started** – A structured approach to monitoring compliance performance has not yet been established and remains a future action.	Medium	Low	1 - 3 years	2(b)	
	2	Strengthen governance, accountability and leadership behaviours to drive system improvement and alignment	2.1	Formalise Leadership Roles and Commitments in Governance Structures	**In Progress** committee governance structures are in place and operating effectively. Governance arrangements are established, while leadership roles and accountabilities continue to be refined.	High	Medium	6 - 12 months	2(b)	a) leadership commitment becomes **systemic and visible at all levels**, not episodic or siloed b) asset and project delivery excellence is **championed with consistency and credibility** c) a cultural shift where leadership actively drives alignment, improvement and integration d) increased confidence across the organisation that 'leadership walks the talk'
			2.2	Develop a leadership accountability framework	**In Progress** – A formal leadership accountability framework has not yet been fully developed. Progress is being supported through the Workday Competency Framework, which is expected to provide greater clarity on leadership expectations and accountabilities.	Medium	High	6 - 12 months	2(b)	
			2.3	Strengthen governance with structured oversight and management reviews	**In Progress** – Management reviews are occurring and governance structures have been refined. Change initiatives have progressed and the intended governance arrangements are now in place.	Medium	Medium	6 - 12 months	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			2.4	Model consistent leadership behaviours	**In Progress** – Leadership commitment remains visible, with the executives actively supporting improvement opportunities. Further maturity is expected through implementation of the Workday Competency Framework.	High	Low	6 - 12 months	2(b)	
			2.5	Enable and support leadership capability development	**In Progress** – Progression plans are in place for operational personnel, and an engineering progression framework has been developed but is not yet fully implemented. Ongoing implementation is linked to the Workday Competency Framework.	Medium	Medium	*1 - 3 years	2(b)	
	3	Develop, publish and embed the Strategic Asset Management Plan (SAMP) - i.e. asset management strategy, to drive asset management system improvements and alignment.	3.1	Clearly define the role of the SAMP in Watercare's Planning Hierarchy	**In Progress** – The SAMP is being developed and yet to be implemented. Strategic outcomes are defined.	Medium	Low	6 - 12 months	2(b)	a) The SAMP becomes a **central, unifying strategy document that is periodically reviewed and updated** - not a one-off 'sat-on-the-shelf' document b) Decisions, projects and asset plans are **visibly and consistently aligned** to long-term priorities c) Culture shift towards **value-drive, whole lifecycle-focused asset stewardship**
			3.2	Use the SAMP to drive line-of sight and integration	**In Progress**– The SAMP is being developed.	Medium	Low	6 - 12 months	2(b)	
			3.3	Engage leaders in cross-functional teams in the next update of the SAMP	**In Progress** – Cross-functional engagement in SAMP development and delivery has commenced but is still maturing.	Medium	Medium	6 - 12 months	2(b)	
			3.4	Align governance and delivery assurance with the SAMP	**In Progress** – The SAMP is being developed, but strategic outcomes are already in use.	Medium	Low	6 - 12 months	2(b)	
			3.5	Communicate the SAMP as a living, actionable strategy	**Planned (FY28)** – The SAMP has not yet been published and managed as a living strategy document. This remains a focus area for FY28.	Medium	Low	*1 - 3 years	2(b)	
			3.6	Link SAMP implementation to overall maturity and business improvement goals and objectives	**Planned** – Links between the SAMP and organisational maturity goals are still being developed, with delivery tool alignment targeted for FY27 and broader maturity integration targeted for FY28.	Medium	Medium	*1 - 3 years	2(b)	
	4	Implement a standardised business case framework that aligns investment with strategy and overall lifecycle objectives	4.1	Develop a tiered and standardised business case template	**Completed** – A new TOTEX process has been developed and trialled on selected projects to refine the approach and methodology.	High	Medium	*maintain	(2)(b)(ii)	a) Every investment proposal speaks a **consistent strategic language** b) Stronger **integration between AMPs, capital plans, and delivery programs** c) Higher-quality investment decisions with **clear line of sight to organisational goals** d) More confidence in **benefits realisation**, lifecycle performance, and community outcomes
			4.2`	Embed asset management principles into the template (whole-of-life cost modelling, operational and maintenance implications, asset condition and performance drivers, and risk alignment)	**In Progress** – The TOTEX tool has been developed to incorporate whole-of-life cost considerations and is being rolled-out.	High	Medium	*6 - 12 months	(2)(b)(iv)	
			4.3	Align to programme and benefits realisation frameworks (alignment with prioritisation criteria, etc.)	**In Progress** – Prioritisation is occurring through programme-based planning, with executive decision-making taking a service-area-agnostic view to optimise outcomes across the organisation. **Improving reporting ability.**	High	Medium	*6 - 12 months	(2)(a) + (2)(b)(i)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			4.4	Establish a business case Quality Review Panel (alignment pre-approval from key cross-functional team)	**Completed** – A formal business case quality review function is now provided through the Committee governance process.	High	Medium	*maintain	2(b)	
			4.5	Support with the development and implementation of tools and training	**Planned (FY27)** – Tools continue to be refined through pilot projects, with further development of the delivery tool planned for FY27.	High	Medium	1 - 3 years	2(b)	
	5	Build a clear and cascading planning and delivery framework that fully aligns strategy to execution	5.1	Define and establish a clear planning hierarchy and framework	**In Progress** – Further strengthening is planned through the FY27 delivery tool enhancements.	Medium	Medium	6 - 12 months	2(b)	a) A **shared, enterprise-wide understanding** of 'why we're doing what we're doing' b) Stronger alignment between long-term strategy and day-today-delivery c) Better prioritisation, benefit realisation, and stakeholder confidence d) Empowered teams who understand the **purpose and impact** of their work
			5.2	Establish and ensure alignment between business cases and project briefs	**In Progress** – Business cases are being developed using project briefs, with strategic alignment improving. Additional strengthening is planned through the FY27 delivery tool.	Medium	Medium	*6 - 12 months	(2)(b)(ii)	
			5.3	Communicate the framework across the business	**Planned** – Business cases are being developed using project briefs, with strategic alignment improving. Additional strengthening is planned through the FY27 delivery tool.	Medium	Low	1 - 3 years	2(b)	
			5.4	Build accountability for alignment through shared visibility of compliance and improvement actions	**Not Started** – Shared organisational visibility of compliance requirements and performance has not yet been established and remains a future action.	High	Medium	1 - 3 years	2(b)	
Stakeholder Engagement	6	Consider a system (i.e. process and/or digital platform) for capturing, sharing, and applying community / iwi insights, needs and expectations across Watercare		**Consolidated with Improvement Opportunity #9**						
	7	Create a tiered and enabled communications and engagement model to extend reach without overextending resources	7.1	Establish a tiered engagement delivery and resourcing model	**In Progress** – A dedicated Communications and Engagement team is in place, supported by engagement templates and stakeholder management plans.	Medium	Low	6 - 12 months	2(b)	a) Stakeholder engagement capacity is **scaled intelligently without needing major headcount increases** b) Teams across Water feel **equipped, confident, and consistent** in engagement and comms delivery c) Strategic messaging is protected while lower-risk initiatives are **handles efficiently and consistently** d) Improved stakeholder
			7.3	Train and empower 'engagement and comms champions' across Watercare	**In Progress** – The Communications team provides engagement support and guidance across the organisation, with training activities underway to build engagement capability.	Medium	Low	6 - 12 months	2(b)	
			7.4	Prioritise high-value and high-risk engagements for specialist, internal engagement SME resourcing	**In Progress** – High-value and strategically important engagements are receiving specialist communications and engagement support.	Medium	Low	6 - 12 months	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			7.5	Monitor and review compliance to drive continuous improvement	**In Progress** – Monitoring and reporting of engagement compliance is not yet formally structured.	Medium	Low	1 - 3 years	2(b)	trust, brand consistency, and internal collaboration
	8	Build stakeholder engagement and communication as a core function and activity of project delivery - not a dependency		**Consolidated with Improvement Opportunity #10**						
	9	Continue to build on current efforts and design, develop and deploy a scalable communications and engagement capability framework and toolkit	9.1	Co-design a Watercare communications and engagement framework	**In Progress** – Templates and examples of stakeholder management plans are in place and being used across projects. A broader stakeholder engagement framework is emerging and continues to be developed to provide greater consistency in approach and application.	Medium	Low	6 - 12 months	2(b)	a) Communications and engagement **shift from reactive and people-dependent** to **structured, repeatable, and scalable** b) Teams feel **confident and capable** even without direct support from Watercare's Stakeholder Engagement Team c) Watercare builds a **mature, recognisable, and trustworthy engagement identity** across all projects and assets d) Stakeholders - internal and external - experience a **consistent, respectful, and transparent engagement approach**
			9.2	Develop a modular toolkit and appropriate, proportionate resources	**In Progress** – A modular stakeholder engagement toolkit, including templates and supporting resources, is in active use and helping to standardise engagement practices across the organisation.	Medium	Low	6 - 12 months	2(b)	
			9.3	Build a digital hub or portal for stakeholder engagement, processes, tools, guides and engagement outcomes and insights	**Not Started** – No centralised digital hub, portal, or system has yet been identified or developed to support stakeholder engagement management, knowledge sharing, or reporting.	Medium	Medium	1 - 3 years	2(b)	
			9.4	Roll-out and establish the resulting communications and engagement framework	**In Progress** – The Communications team is actively providing support, guidance, and resources to projects and business functions, helping to improve stakeholder engagement practices across the organisation.	Medium	Medium	1 - 3 years	2(b)	
			9.5	Embed the framework through governance arrangements, management reviews and compliance assurance	**In progress** – Iwi executives and WSL Chief executive are regularly meeting and it is reflected in our CE KPIs,	Medium	Medium	1 - 3 years	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
	10	Embed community / iwi engagement and considerations across all projects through process integration and positive incentives	10.1	Integrate stakeholder mapping into project governance and workflow by design	**In Progress** – Stakeholder engagement is occurring across projects and programmes but is not yet integrated by design into organisational planning, delivery, and governance processes.	Medium	Low	1 - 3 years	2(b)	a) Every project is **delivered with community and Iwi context front-of-mind**, not as an afterthought b) Project Managers feel **supported, clear, and rewarded** for driving and delivering good engagement outcomes c) Risk of community pushback, cultural missteps, or reputational harm is greatly minimised d) Over time, Watercare builds a **genuine partnership culture** - internally and externally
			10.2	Develop a cultural and engagement risk rating tool to ensure stakeholder risk mitigation, not creation, as a result of project planning and delivery	**Not Started** – No formal cultural risk assessment or stakeholder engagement risk-rating tool has been developed to consistently evaluate engagement complexity, sensitivity, or potential impacts.	Medium	Low	1 - 3 years	2(b)	
			10.3	Make engagement and cultural considerations a core Project Manager (PM) accountability	**In Progress** – Stakeholder communication at the project level is generally strong, supported by active involvement and assistance from Te Rua Whetu team. Representatives engage monthly to discuss upcoming and in progress projects.	Medium	Low	1 - 3 years	2(b)	
			10.4	Incentivise through recognition, commercial mechanisms, and visibility (reputation)	**Not Started** – Formal incentive mechanisms or accountability measures to encourage and reinforce effective stakeholder engagement have not yet been identified or implemented.	Medium	Medium	1 - 3 years	2(b)	
			10.6	Collaborate with Iwi early to co-design, incorporate expectations and achieve outcomes	**In Progress** – Engagement with mana whenua is strong throughout consenting processes and regulatory activities. Opportunities remain to further strengthen engagement and partnership approaches across broader planning, delivery, and operational activities.	Medium	Medium	1 - 3 years	2(b)	
Capital Programme Delivery & Governance	11	Adopt a programmatical approach to infrastructure delivery with well defined scope, budget and delivery timelines.	11.1	Define and establish key programme management principles for the adoption by the business, including the establishment of key roles and responsibilities, business case templates, etc.	**In Progress** – The organisation is transitioning from a project-based approach to a programme-based approach, with the Executive team increasingly reviewing investment and delivery holistically across programmes. Further development and embedding of programme management practices is planned for FY27.	Medium	Medium	1 - 3 years	2(b)	a) Projects are grouped and delivered to achieve **common business objectives** **c)** Supports **Totex optimisation,** enabling lifecycle focused decision-making. b) Improves the ability for Watercare to identify and manage interdependencies between projects
			11.2	Collate and maintain investment needs on a programmatical basis (e.g. category management, asset needs / solutions types, geographies / regions, delivery vehicles / supply chain partners, complexity, value, etc.)	**In Progress** – Investment needs are being identified, assessed and prioritised through a programmatic approach rather than as standalone projects. This capability continues to mature, with further enhancements planned for FY27.	Medium	Medium	1 - 3 years	(2)(a)	
			11.3	Establish (or adapt current) gated approval and governance arrangements for the delivery of programmes and projects	**Completed** – governance arrangements are established and a formal gateway review process is in place for all projects, providing structured oversight and assurance throughout project delivery.	Medium	Medium	** maintain*	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
	12	Consider an 'advanced' workflow approach to programme management delivery to retain value and optimise delivery	12.1	Categorise emerging programmes to establish an appropriate range of 'runways' and proportionate gated workflows - e.g. DMC, simple, medium, complex, major projects	**In Progress**– Emerging programmes have been identified. Workflows are being reviewed to ensure they are proportionate.	High	Medium	**6 - 12 months*	2(b)	a) Programmes are designed to maximise lifecycle value, rather than just short-term capital delivery outputs b) Improved ability to reprioritise or reallocate resources to manage constraints or exploit opportunities within Programmes c) Less duplication of effort and rework through controlled sequencing and integration of workstreams.
			12.2	Optimize emerging programmes and projects - e.g. schedule optimization (utilizing standard / historic resource and schedule profiles), technical optimization (apply systems planning and systems-thinking approaches - totex solution hierarchy, catchment based solutions, etc.) and supply chain optimisation (batching, standardization, value engineering, geography, etc.)	**Planned (FY27)** – A structured approach to schedule optimisation across projects and programmes is a focus area for FY27.	High	High	1 - 3 years	2(b)	
	13	Improve programme level risk management through reporting and tracking mitigations as outcomes from projects	13.1	Establish risk management process and management arrangements aligned to ISO31000	**In Progress** – Risk management processes and tools are being further enhanced through the FY27 delivery tool initiative.	Medium	Medium	1 - 3 years	(2)(b)(iii)	Enhanced visibility and control over cumulative programme risks, leading to more reliable and value-optimised infrastructure delivery outcomes for Watercare
			13.2	Consider the adoption and application of APM programme / project assurance guidance, reviewing projects and programmes using the 10-criteria assurance model	**Not started** – Asset Management Planning (APM) guidance has not yet been adopted.	High	Low	**1 - 3 years*	(2)(b)(iii)	
	14	Review RiSOLVE usage and effectiveness in the development and delivery of the capital delivery programme and revise functionality as necessary	14.1	Review RiSOLVE usage / compliance and effectiveness for infrastructure delivery	**In Progress** – Risk management processes and tools are being further enhanced through the FY27 delivery tool initiative.	Medium	Medium	6 - 12 months	2(b)	a) capital delivery risks are consistently tracked and visible across the business b) risks are actively managed throughout delivery c) risk data becomes a trusted input to investment and operational decisions
			14.2	Ensure RiSOLVE application is aligned to ISO 31000 compliance risk management processes considered in #13.1	**Under Review** – Current risk management practices have not yet been formally assessed against ISO 31000 requirements and alignment is to be reviewed.	Medium	Medium	6 - 12 months	(2)(b)(iii)	
			14.3	Define risk management requirements (business and functional) with capital delivery and asset management teams	**In Progress** – Risk management requirements for capital delivery have previously been defined and incorporated into project delivery processes. A review and refresh are planned to align with emerging benefits realisation requirements and organisational priorities.	Medium	Medium	6 - 12 months	(2)(b)(iii)	
			14.4	Tailor existing software and ensure it supports quantitative and qualitative risk analysis, cost, schedule, and asset impact etc.	**Planned (FY27)** – Quantitative risk assessment and analysis capability has not yet been significantly enhanced. Further development is planned through the FY27 delivery tool implementation.	Low	Medium	**1 - 3 years*	(2)(b)(iii)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			14.5	Align accountability for capital delivery risk management and ownership to existing and established project / programme governance arrangements	**In Progress** – Risk ownership is established at the project level, providing accountability for risk management. Further strengthening and standardisation are planned through the FY27 delivery tool initiative.	Medium	Medium	6 - 12 months	(2)(b)(iii)	
	15	Establish and embed a change management process for changes to programmes and programme schedules and costs, etc.	15.1	Aligned with #11.3, establish and implement change management protocols as part of overall programme management gated structure	**In progress** – A standard management of change process exists for capital delivery activities and is being applied across projects. Opportunities remain to review and streamline the process and formalise the change management plan.	High	Medium	1 - 3 years	2(b)	Ensure that project level change management successes are realised and applied across a programme management approach for Watercare.
	16	Implement a disciplined approach to benefits management and realisation across the infrastructure delivery programme	16.1	Adopt a benefits management approach, aligned to OGC MSP practices	**In progress** – A process for validating benefits following project completion has been established. The framework requires regular checks and further embedment.	High	Medium	**1 - 3 years*	(2)(b)(i)	a) Infrastructure investments will be better aligned to strategic priorities, with benefits clearly defined, tracked and realised - ensuring that project deliver **tangible outcomes** rather than just outputs b) Consistent measurement of realised benefits will provide Watercare with reliable data to inform future investment decisions, resource allocation, and improvement planning
			16.2	Consider how benefits are being captured and revised at every project and programme governance gate	**In progress** – Benefits capture and review processes have been incorporated into project gateways. These arrangements will be strengthened through the planned FY27 digital delivery tool.	High	Medium	1 - 3 years	(2)(b)(i)	
			16.3	Consider the role of 'Project / Programme Sponsor' responsible for the measurement, preservation and recognition through the project / programme lifecycle	**Review** – The benefits realisation responsibilities are assigned to the role of Project or Programme Manager/Director.	Medium	Medium	1 - 3 years	(2)(b)(i)	
Asset Operations & Maintenance	17	Shift from siloed data systems to an integrated, accessible, decision-supporting asset information environment	17.1	Develop and asset data and information architecture blueprint	**In Progress** – The Data Hub programme is underway to establish future-state data models and enable advanced analytics capability.	High	Medium	6 - 12 months	2(b)	a) teams across the organisation can access **relevant, reliable, and real-time asset and project information** without friction b) duplication, rework, and manual effort are reduced c) decision-making improves - especially in planning, investment and risk-prioritisation d) Watercare moves closer to **digitally enabled asset**
			17.2	Integrate or federate key business systems across Watercare via interfaces or data services	**In Progress** – Information governance initiatives are underway, including development of a single source of truth through the Data Hub programme and broader digital transformation activities.	High	High	3+ years	2(b)	
			17.3	Build a centralised asset information portal or dashboard	**In Progress** – Foundational data models and reporting capability have been established through Power BI and ArcGIS. Further enhancement is planned through the Data Hub and Digital Roadmap.	High	Medium	**3+ years*	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			17.4	Standardise asset data structures and definitions, linked to functional locations	**Completed** – An asset register and data and information standard are established with defined asset attributes.	High	Medium	**maintain and adjust*	2(b)	**management and portfolio optimisation**
			17.5	Embed data accessibility into roles and processes	**Review** – Data accessibility requirements are not formally embedded within roles, responsibilities or performance expectations and require further review.	Medium	Medium	1 - 3 years	2(b)	
			17.6	Establish information governance and oversight	**In Progress** – Core information governance activities have been established, with ongoing review required to confirm ownership, effectiveness and continuous improvement actions.	Medium	Medium	6 - 12 months	2(b)	
	18	Apply systems-thinking to Capex-Opex trade-offs to optimise asset life, service reliability and value on a Totex basis	18.1	Develop a Totex solution hierarchy and value management framework (defining optimisation for Watercare across Capex, Opex and lifecycle cost areas - service levels, risk, cost to serve, asset life, etc.)	**In Progress** – The TOTEX tool has completed its first iteration and has been piloted on selected projects. Further refinements are planned based on operational experience and user feedback.	High	Low	6 - 12 months	(2)(b)(iv)	a) a consistent, cross-functional approach to **optimising lifecycle value** b) greater asset life, resilience, and service value for spend c) capital decisions that **balance upfront cost, ongoing impact, and strategic outcomes**
			18.2	Mandate Capex / Opex evaluation in all business cases	**In Progress** – TOTEX evaluation has been standardised with implementation commencing from August 2026.	High	Medium	6 - 12 months	(2)(b)(ii)	
			18.3	Establish cross-functional investment review forums	**Completed** – Cross-functional investment review forums are now operating through tiered governance arrangements.	Medium	Medium	*maintain	(2)(a)	
			18.4	Pilot whole-of-life optimisation reviews to validate structured Totex approach	**In Progress** – TOTEX tool was tested on existing and historical projects and will be further refine through use.	High	Medium	6 - 12 months	(2)(b)(iv)	
			18.5	Embed Totex thinking in enabling systems and templates	**In Progress** – TOTEX principles to further embed and monitor through the FY27 digital delivery tool programme.	High	Medium	1 - 3 years	2(b)	
	19	Establish an enterprise-wide Asset Lifecycle Management Framework across all asset classes, that is driven on an asset health and criticality basis	19.1	Develop and establish a whole lifecycle management framework for all assets (standardised lifecycle model that applies across all asset types from planning - delivery - operation - maintenance - disposal)	**In Progress** – Lifecycle management practices continue to mature, with Operations engaged during feasibility and commissioning phases. Organisational structures are now in place, and further process maturity will be built over time.	Medium	Medium	1 - 3 years	2(b)	a) all assets are planned, delivered, and managed through a **consistent, value-driven lifecycle lens** b) decisions across Watercare are made with **long-term performance and outcomes in mind** c) Operational and capital teams are aligned through **shared processes, metrics, and accountabilities** d) Investment becomes **smarter, more transparent, and better aligned** with community needs and financial sustainability.
			19.2	Establish core lifecycle planning and delivery processes for all asset classes (including criticality, condition, and asset class strategies)	**In Progress** – Planning, acquisition, operations and maintenance processes are generally well established. Handover and end-of-life processes require enhancement.	Medium	Medium	1 - 3 years	2(b)	
			19.3	Standardise asset performance monitoring across asset systems and classes across Watercare	**In Progress** – A standardised approach to asset performance monitoring across all asset systems has not yet been established.	Medium	Medium	**1 - 3 years*	2(b)	

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			19.4	Embed whole lifecycle management thinking into project and programme delivery and governance (e.g. design to operate, waste management, circular economy)	**In Progress** – part of embedding continuous improvement including whole of life measures.	High	Medium	3+ years	2(b)	
			19.5	Build asset management stewardship mind-set and capability across the enterprise - i.e. Watercare, stakeholders, supply chain, etc	**In Progress** – Asset condition information is being used to inform risk models and capital prioritisation, with methodologies established and organisational maturity continuing to evolve.	Medium	Medium	3+ years	2(b)	
	20	Introduce project-to-asset integration processes and ways of working	20.1	Embed formal handover, commissioning, and asset acceptance criteria into all capital delivery processes	**In Progress** – Handover processes exist and asset registers are updated upon transfer to operations. Greater consistency and standardisation are planned through the FY27 delivery tool programme.	High	Low	6 - 12 months	2(b)	a) clear organisational expectations for whole-of-life value and performance b) greater visibility into how projects deliver long-term asset benefits c) Stronger alignment between planning, delivery, and operations
			20.2	Ensure asset performance expectations are defined early and tracked post-delivery	**In Progress** – Operations are engaged during feasibility and project closeout processes. Outcome validation occurs but consistency and challenge mechanisms require strengthening.	High	Medium	1 - 3 years	2(b)	
	21	Build core knowledge, capability and consistency in lifecycle, and value-based decision making through the implementation of asset class management plans / strategies	21.1	Establish and deliver targeted training for Watercare planners, project managers, finance and deliver staff in: a) Watercare whole-of-life principles b) Capex/Opex trade-offs c) Value optimisation and lifecycle performance	**In Progress** - Internal training and external training available, currently being restructured and reviewed with Competency Framework roll-out.	Medium	Medium	1 - 3 years	2(b)	
Risk Assessment, Decision-Making & Contingency Planning	22	Review the application and embedment of an Enterprise Risk Management Framework at all levels of the organisation (**Aligned to Key Actions in Improvement Opportunity #13)**	22.1	Review and refresh Watercare's Risk Management Framework (clarify risk domains relating to infrastructure delivery and asset management and define responsibilities and ownership)	**In Progress** – Better integration between enterprise, operational and project risks remain a priority and will be strengthened through the FY27 delivery tool programme.	Medium	Medium	6 - 12 months	2(b)	a) risk management becomes **strategic, repeatable, and cross-cutting** b) decisions are better aligned with the client's **risk appetite and tolerance** c) risk becomes a **value enabler**, not just a defensive mechanism d) enables **continuous learning and resilience** through better insight and treatment of systemic risks
			22.2	Map and align risk registers across the business to improve integrated asset and infrastructure decision-making and outcomes	**In Progress** – Risk registers exist across organisational levels, however alignment between project, programme and enterprise risks is to be improved.	Medium	Medium	6 - 12 months	2(b)	
			22.3	Strengthen existing governance functions and responsibilities to oversee systemic and cross-cutting risks and interdependencies	**In Progress** – Audit and Assurance functions, risk champions for business units are established. Governance oversight effectiveness and support requirements are being reviewed.	Medium	Medium	1 - 3 years	2(b)	

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			22.4	Embed risk management into all infrastructure delivery and asset management processes (where appropriate)	**In Progress** – Risk is considered through all phases and relevant processes. Effectiveness and quality of risk review and management require further review.	Medium	Medium	**6 - 12 months*	2(b)	
			22.5	Develop practical risk tools and templates	**In Progress** – Some additional analytical and simulation capability is planned through the FY27 delivery tool programme.	Medium	Low	6 - 12 months	2(b)	
	23	Integrate asset performance data and risk considerations to allow for condition-based risk management and decision-making	23.2	Establish a condition-based risk classification model	**Completed -** Condition-based scoring framework is in place.	High	High	**maintain*	2(b)	a) asset risks are identified earlier and managed more proactively b) projects are scoped and sequenced based on condition and consequence, not just age or compliance c) funding is better aligned to risk exposure - improving ROI and service outcomes
			23.3	Embed lifecycle risk assessments into asset planning	**In Progress** - Condition data informs risk models, and dashboards. Confidence in the data is being built up to inform capital prioritisation activities.	High	Medium	1 - 3 years	2(b)	
			23.4	Standardise risk mitigation planning across projects and assets	**In Progress** – Criticality grading, facility planning and reliability considerations are incorporated within prioritisation processes. Ongoing review will confirm effectiveness.	Medium	Medium	1 - 3 years	2(b)	
			23.5	Establish rules for risk funding allocation	**In Progress** – Risk-informed dashboards exist, however further development is required to support long-term investment planning. A portion of our budget has been dedicated to renewals to ensure prioritisation.	Medium	High	1 - 3 years	2(b)	
			23.6	Train teams in condition-based risk and mitigation planning	**In progress** – Formal capability development and training focused on condition-based risk management to be embedded.	Medium	Medium	1 - 3 years	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
	24	Include a risk management software / capability in the capital delivery program management functions which is monitored and contributed by all business functions (a review of RiSOLVE for effectiveness)		**Consolidated with Improvement Opportunity #14**						
	25	Introduce structured risk-reward analysis into investment governance and prioritisation.	25.1	Develop a structured risk-reward assessment model (e.g. to determine return per unit of risk exposure)	**Review** – Investment decisions are informed by risk and cost considerations, however no formal risk-adjusted return methodology currently exists.	Low	High	**3+ years*	2(b)	a) investment governance becomes **value-seeking**, not just risk averse b) high-potential opportunities are no longer **automatically rejected due to perceived risk** c) Watercare builds **transparency and defensibility** into decisions. d) programme and portfolio optimisation improves across **strategic, financial and community outcomes**
			25.2	Embed risk-reward trade-offs into business case and options assessment (align to existing templates and make it scalable)	**Review** - Business cases increasingly articulate risk reduction benefits, although quantifying risk-reward assessments is to be considered.	Low	High	**3+ years*	(2)(b)(ii)	
			25.3	Integrate risk-reward evaluation into investment governance (risk adjusted return, balance resilience cost and benefit, value creation and risk etc.)	**Review** – Enterprise risks are integrated with investment decision, however quantifying benefits in monetary terms needs consideration.	Low	High	**3+ years*	(2)(a)	
			25.4	Consider programme-level risk-reward dashboards and reporting	**Review** – Enterprise risks reported to leadership and board but not in risk-reward format.	Low	Medium	**1 - 3 years*	2(b)	
			25.5	Build Watercare's capability in strategic risk thinking and maturity	**In Progress** - Enterprise risk well understood at strategic level. More work needed for consistency and alignment at all levels.	Medium	Medium	1 - 3 years	2(b)	
			25.6	Pilot risk-reward thinking (start small, validate, prove, adjust, then scale)	**In progress** - reviewing application on specific programmes.	Low	Medium	**1 - 3 years*	2(b)	
			25.7	Review and calibrate risk appetite statements	**In Progress** - Risk appetite and tolerance well understood at executive level, improving consistency and capture at programme and project levels.	High	Medium	6 - 12 months	2(b)	

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Capability, Competency & Resource Management	26	Develop and maintain resource management and succession plans to build and retain capability and capacity for delivery across core business functions	26.1	Develop and maintain resource management and succession plans to build and retain capability and capacity for delivery across core business functions	**In Progress** – Individual development planning and succession activities are occurring, with continued focus on knowledge transfer and capability retention.	Medium	Medium	1 - 3 years	2(b)	"a) Watercare will have the right people, with the right skills, in the right roles - when and where they're needed - enabling more consistent and timely delivery of project and asset outcomes b) With succession plans and talent development in place, Watercare will be better positioned to retain institutional knowledge and grow internal capability aligned to long-term priorities"
	27	Establish a learning and development framework to support effective and efficient asset management and infrastructure delivery	27.1	Develop a Capability and Competency Framework for roles across the whole asset and infrastructure delivery lifecycles	**In Progress** – Workday Leadership and Training modules implementation is in progress	High	High	1 - 3 years	2(b)	a) competency management shifts from being reactive and fragmented to **systematic, strategic and fit-for-purpose** b) Watercare is better able to deliver **whole-of-life outcomes** with **less reliance on individuals** c) Service delivery and improvement efforts are supported by **role clarity, training, and sustained capability development**
			27.2	Establish a consistent capability assessment process	**In Progress** - Further formalising competencies and goals capture in Workday to then develop assessments against.	Medium	High	1 - 3 years	2(b)	
			27.3	Link capability needs to asset management and infrastructure delivery requirements	**In Progress** - part of above actions	Medium	Medium	**1 - 3 years*	2(b)	
			27.4	Embed capability uplift efforts and investment into existing Watercare governance and resourcing forums	**In Progress** - Learning and development team and budget in place. As part of above competency framework will need to review performance management and integration in governance processes	High	Medium	1 - 3 years	2(b)	
			27.5	Identify where targeted and supported capability development investment is required	**In Progress**- will progress as a result of above actions.	Medium	Medium	**1 - 3 years*	2(b)	
	28	Embed formal audit and review mechanisms to drive continuous improvement in programme / project delivery, asset management and associated business operations	28.1	Define an audit and review framework for Watercare	**In Progress** – Audit and assurance processes, incident reviews and action tracking mechanisms are established. Review further focus areas.	High	Medium	1 - 3 years	2(b)	a) the organisation moves from **ad-hoc improvement to structured, evidence-led improvement** b) culture becomes **actively supported by systems and routines**, not just goodwill c) performance improvement is embedded into the
			28.2	Identify core service areas and organisational domains for regular review	**In Progress** - as per above action	High	Medium	1 - 3 years	2(b)	

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			28.3	Introduce post-initiative and post-investment reviews as standard	**In Progress** - templates and process are in place. Further embed and increase visibility.	Medium	Medium	6 - 12 months	2(b)	**planning, delivery, and evaluation cycle**
			28.4	Establish a central register of business improvement opportunities across Watercare	**In Progress** - central register created but adoption is low. Under review with implementation of new digital tool in FY27.	Low	Medium	6 - 12 months	2(b)	
			28.5	Promote a safe, constructive improvement culture	**Ongoing** - Company values include "adapt and learn" and engagement surveys show improvement.	Medium	Medium	**maintain*	2(b)	
			28.6	Integrate audit and review findings into organisational governance	**In Progress** – Improvement actions are monitored through assurance mechanisms. Greater formalisation of follow-up, closure and governance reporting is required.	Medium	Medium	1 - 3 years	2(b)	
	29	Shift from reactive to coordinated and strategic resource management across the asset and project lifecycle	29.1	Establish a Resource Management Framework across Watercare	**In Progress** – Resource planning processes exist but continue to evolve from reactive management towards a more coordinated and strategic workforce planning approach.	Medium	High	1 - 3 years	2(b)	a) resourcing becomes **coordinated, visible, and proactive** across Watercare b) programs and initiatives are **prioritised based on realistic delivery capacity** c) Teams and staff with the **right capabilities**, not just the right headcount d) Resource planning becomes an **enabler of project and asset lifecycle success**, not a bottleneck
			29.2	Implement Enterprise Resource Planning (ERP) and forecasting tools	**In Progress** – resource forecasting linked to forecast is available, additional capability to be developed through Workday and Programme Management Platform.	High	High	1 - 3 years	2(b)	
			29.3	Establish a central and consistent view of capital and asset delivery resourcing	**In Progress -** as per above actions.	Medium	High	1 - 3 years	2(b)	
			29.4	Introduce resource-based gate checks for project and programme approvals	**Not started** - look into updating agendas	Medium	Medium	1 - 3 years	2(b)	
			29.5	Develop and monitor role-based capability profiles and needs	**In Progress** – Competency frameworks and role expectations are being developed through Workday and broader capability initiatives.	Medium	Medium	1 - 3 years	2(b)	
			29.6	Integrate contractors and delivery partners into resource planning	**Review** – External resource planning held in partner systems	Medium	Medium	1 - 3 years	2(b)	
			29.7	Link resource data to performance and outcomes	**Not started** - build upon above actions	Low	High	**1 - 3 years*	2(b)	
Performance & Continuous Improvement	30	Leveraging elements of project change management processes	30.1	Formalise an Enterprise Change Management Framework for Watercare	**In Progress** - existing processes are specific to different type of changes, review inclusion in a wider framework.	Medium	Medium	**1 - 3 years*	2(b)	a) from **pockets of excellence** in project change control to **coordinated**

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		and approach, apply change controls and governance more broadly across the business (process safety, network / asset change etc.)	30.2	Integrate Enterprise Change into governance structures	**Not started** - to formalise	Low	Medium	1 - 3 years	2(b)	**enterprise capability** b) Clear accountability and ownership of change outcomes across the business c) sustainable, long-term adoption of strategic, cultural, or process improvements or changes d) reduction in resistance, duplication, and project benefit erosion
			30.3	Create a shared change control model across all levels of Watercare - reinforce shared ownership of outcomes beyond just delivery	**In Progress** - see action 30.1	High	High	1 - 3 years	2(b)	
			30.4	Build internal competency and skills in Organisational Change Management	**In Progress -** Change leads now recruited	Low	High	1 - 3 years	2(b)	
			30.5	Define and track change metrics (e.g. readiness and adoption, stakeholder satisfaction)	**In Progress** - draft metrics developed (e.g.: TOTEX tool adoption) and to embed	Low	Low	6 - 12 months	2(b)	
	31	Integrate whole-of-life costing into project planning, business cases, and benefits realisation processes and decision-making	31.1	Embed whole-of-life costing into business case templates and gateway review processes	**Completed** - included in templates, monitor adoption	Medium	High	**maintain*	(2)(b)(ii)	a) business cases are balanced and whole-of-life focussed b) decision-making is oriented towards long-term value c) planning outcomes are aligned across lifecycle functions d) accountability is distributed across asset and service owners for investment decisions e) tools and processes are integrated across all stages of the lifecycle
			31.2	Develop lifecycle costing tools and guidance artefacts	**In Progress**	Medium	High	1 - 3 years	(2)(b)(iv)	
			31.3	Align project and asset management functions (integrated planning process) to drive whole-of-life decisions and outcomes	**In Progress -** incorporated in templates, review effectiveness and improve	High	High	1 - 3 years	2(b)	
			31.4	Introduce Totex decision-making approaches (e.g. totex-based value framework)	**In Progress -** TOTEX tool and refreshed optioneering guidance being rolled out and to be monitored	High	High	**6 - 12months*	2(b)	
			31.5	Establish feedback loops from benefit realisation to planning (link and alignment to benefit realisation improvement actions)	**In Progress -** Post implementation reviews exist, improving consistency and visibility	High	Medium	6 - 12 months	(2)(b)(i)	
			31.5	Integrate whole-of-life cost principles to the SAMP and broader financial and infrastructure strategies across Watercare	**In Progress**	High	Medium	**1 - 3 years*	(2)(b)(iv)	
	32	Embed continuous improvement across Watercare's programme, project and asset management practices		**Consolidated with Key Action #28.1**						

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
	33	Establish a connected, transparent, integrated and business-aligned Performance Management Framework across Watercare	33.1	Map and audit existing performance reporting activities and metrics	**In Progress** –Performance dashboards and metrics are established, particularly for capital delivery. Further development is required to support organisational outcomes and decision-making.	Medium	Low	6 - 12 months	2(b)	a) performance across asset management and infrastructure delivery are connected and visible across Watercare b) Performance metrics and reporting are cascaded from strategic to operational levels (clear line of sight) c) benefits management and realisation is fully integrated into Watercare's performance framework and system
			33.2	Develop a tiered Performance Management Framework for Watercare	**Not started** - Performance metrics exist and are reported on but have not been consolidated in a framework	Medium	Medium	**1 - 3 months*	2(b)	
			33.3	Design common performance templates and standards	**In Progress** – Common reporting templates and performance measures are not yet standardised across the organisation. Will improve through FY27 delivery digital tool implementation	Low	Medium	6 - 12 months	2(b)	
			33.4	Establish a common system (digital or otherwise) for reporting of metrics across the organisation	**In Progress** – Performance reporting is not yet consistently aligned with project, programme and asset outcomes.	Medium	High	1 - 3 years	2(b)	
			33.5	Align performance management with governance and benefits realisation	**In Progress** – Consistency and structure across governance groups to be improved	Medium	High	1 - 3 years	(2)(b)(i)	
	34	Develop an enterprise-level Change Management Framework and build change management capability		**Consolidated with Improvement Opportunity #30 and Key Action #30.1**						
Integration & Governance	35	Continue to establish enterprise governance arrangements that enable a shift to programme, outcomes, and performance management that sustains change	35.1	Establish a transitional governance blueprint for Programme Management that aligns project and program tiers and includes transitional arrangements for the move to program-based delivery	**In Progress** – being reviewed	High	High	1 - 3 years	2(b)	a) governance becomes **stable, scalable, and aligned** to the organisation's evolving needs and priorities b) decisions are more strategic, transparent, and **whole-of-life oriented** c) asset and programme outcomes and initiatives are governed in ways that support **performance, people, and value**
			35.1	Introduce program boards with lifecycle and strategic mandates (authority over project initiation, interdependencies, prioritisation, budgeting, risk, performance, engagement, benefits etc)	**In Progress** – different committees provides programme-level oversight and need to be reviewed through transition	High	Medium	**1 - 3 years*	(2)(b)(i)	
			35.3	Formalise roles, delegations and interfaces to ensure appropriate authority and autonomy at all levels of governance and decision-making	**In Progress** – being reviewed as part of the wider transition from projects to programmes	Medium	Medium	6 - 12 months	2(b)	
			35.4	Create a governance playbook for consistency and onboarding (defining governance principles, structures, decision frameworks, reporting etc)	**Not started** – A formal governance playbook has not yet been developed.	Low	Low	**1 - 3 years*	2(b)	

Theme	#	Improvement Opportunity	KA #	Recommended Actions	2026 progress to date	Impact	Complexity	Timeframe	Cl.24 Alignment	Outcomes targeted
			35.5	Use the shift to the Programme model as an opportunity to drive change and learning	**In Progress** – The shift towards a programme model is supporting the One Watercare operating philosophy but requires further maturity.	Low	Low	6 - 12 months	2(b)	
			35.6	Elevate and adapt Watercare's governance model and processes as changes and improvements mature over time (ensure they remain agile and fit-for-purpose)	**Not started** – will build on above actions	High	Medium	1 - 3 years	2(b)	
	36	Strengthen and align governance across functions to drive consistent and effective decision-making		**There are a number of actions and improvement opportunities that speak to integration and alignment of governance and decision-making across Watercare.**						
	37	Create a consistent and integrated asset, project delivery, and financial planning model across Watercare, supported by enabling systems integration.	37.1	Establish a common planning framework and cycle	**In Progress** – Asset renewals planning is informing long-term financial planning and investment decision-making. Further enhancements are planned through the FY27 delivery tool programme.	High	Medium	1 - 3 years	2(b)	a) asset, project and financial planning become **aligned, transparent, and forward looking** b) investment decisions reflect **real lifecycle needs**, not just available funding c) resources are allocated more strategically, with better visibility of trade-offs and risks
			37.2	Define standard planning inputs and templates	**In Progress** – Standard planning inputs, templates and methodologies are not yet consistently applied across the organisation.	Medium	Medium	6 - 12 months	2(b)	
			37.3	Create a portfolio integration and prioritisation process (prioritise asset-based needs across portfolios and evaluate proposals based on value, community need, risk, and financial capacity)	**In Progress** – Portfolio prioritisation is occurring through programme-based planning. Current approaches are largely spreadsheet-based and will be enhanced through future digital tools.	High	High	6 - 12 months	2(b)	
			37.4	Digitally link asset and financial planning tools across Watercare	**Review** –Common data fields and assets definition are used across asset and financial tools as per ISO 55010 guidance, but the tools are not fully integrated digitally.	Medium	Medium	1 - 3 years	2(b)	
			37.5	Pilot integration in one business area before broader deployment across Watercare	**Review**	Medium	Medium	*1 - 3 years	2(b)	