

**Minutes**

<b>Board meeting</b>	Public session
<b>Date</b>	1 November 2022
<b>Venue</b>	Watercare Services, Level 3 Boardroom and The Hub, 73 Remuera Rd, Remuera and via Microsoft Teams
<b>Time</b>	9.45am to 12pm

<b>Attendance</b>		
<b>Board of Directors</b>	<b>Watercare staff</b>	<b>Guests</b>
Margaret Devlin (Chair) Dave Chambers Nicki Crauford Graham Darlow Julian Smith Frances Valintine Brendon Green  <b>Apologies</b> Hinerangi Raumati-Tu'ua	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer) Amanda Singleton (Chief Customer Officer, for item 12) Priya Thuraisundaram (Head of Customer Insights, for item 12) Mark Bourne (Chief Operation Officer, for item 8) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga, for item 8) Chris Thurston (Head of Sustainability, for items 6 and 8) Shayne Cunis (Exec Programme Director CI, for item 8) Paula Luijken (Acting Head of HS&W, for items 8 and 10) Rebecca van Son (Executive Officer, for item 11) Apra Boyle-Gotla (Head of Innovation, for items 11 and 12) Emma McBride (Head of Legal and Governance)  <b>Via Microsoft Teams</b> Sarah Phillips (GM-People & Capability, for the second half of item 8) Mark Bishop (Regulatory & Policy Manager, for items 8, 10, 11, 13 and 17) Amber Taylor (Policy Planner, for items 8, 10, 11 and 13) Laura Saunders (Legal and Governance Advisor)	Trudi Fava, CCO Programme Lead, Auckland Council Members of the Citizen's Assembly (for item 12) Grant Hewison (University of Auckland Supervisor – Equal Justice Project, for items 6 and 8) Cassandra Pauling-Munro (Law Student – Equal Justice Project, for items 6 and 8) Donovan Kelso (Law Student – Equal Justice Project, for items 6 and 8) Madeline Wright (member of Watercare's Environmental Advisory Group, for items 8, 10, 11, 13 and 17)  <b>Via Microsoft Teams</b> Jenny Wigley (Customer Insights Specialist, for items 1 to 5, 14 to 16, 7, 9 and 12)

1.	<p><b>Opening karakia</b></p> <p>Frances Valintine opened the meeting with a karakia.</p>
2.	<p><b>Apologies</b></p> <p>Apologies were received from Hinerangi Raumati-Tu'ua. Hinerangi provided notes/questions to the Chair ahead of the meeting.</p>
3.	<p><b>Quorum</b></p> <p>The Chair confirmed that a quorum was established.</p>
4.	<p><b>Declaration of any conflicts of interest</b></p> <p>Nicki Crauford declared that she is Chair of GNS Science Limited.</p>
5.	<p><b>Minutes of the previous meeting</b></p> <p><i>The Board <b>resolved</b> that the minutes of the public session of the Board meeting held on 6 September 2022 be confirmed as true and correct.</i></p> <p><i>The Board then dealt with items 14, 15 and 16.</i></p>
14.	<p><b>Board planner</b></p> <p>The Board will hold a confidential board meeting on 6 December 2022 from 8am-10am.</p> <p><i>The Board <b>noted</b> the Board planner.</i></p>
15.	<p><b>Directors' meeting attendances</b></p> <p><i>The Board <b>noted</b> the report.</i></p>
16.	<p><b>Disclosure of Directors' and Executives' interests</b></p> <p>The CE confirmed that Marlon Bridge can be removed from the interests register.</p> <p><i>The Board <b>noted</b> the report.</i></p> <p><i>The Board then returned to item 7.</i></p>

7.	<p><b>Our performance under the 2021–2024 Statement of Intent</b></p> <p>Emma McBride presented the report and noted the following key points:</p> <ul style="list-style-type: none"> <li>• Auckland Council and the Mayor of Auckland have received an electronic copy of the Annual Report 2022. No hard copies were published.</li> <li>• In FY22, Watercare had a total of 27 Statement of Intent (SOI) measures, with three measures not met.</li> <li>• The Board noted that meeting 18 out of 19 iwi across Tāmaki Makaurau a great achievement and that the Citizen’s Assembly enabled Watercare to engage with the public.</li> </ul> <p><i>The Board <b>noted</b> the report.</i></p>
9.	<p><b>Good Employer Policy – update</b></p> <p>Jamie Sinclair presented the report and noted there were no substantial changes to the Policy.</p> <p>The Board encouraged Management to incorporate the following into the Policy:</p> <ul style="list-style-type: none"> <li>• Te Ao Māori and the concept of Manākitanga</li> <li>• Performance measures that support Watercare’s culture, including reporting on pay gaps.</li> </ul> <p><i>Subject to the above changes being made, the Board <b>approved</b> the updated Good Employer Policy.</i></p> <p><i>The Board moved to The Hub at 10am to receive the recommendation from the Citizen’s Assembly.</i></p>
12.	<p><b>Watercare Board’s response to NZ’s first Citizens’ Assembly: Aucklanders’ recommendations on the next source of water for the city</b></p> <p>Speeches were made by the Chair, Amanda Singleton and Elizabeth Drayton and Caitlin Jagger.</p> <p>The following video was played for attendees: <a href="https://vimeo.com/760846936">https://vimeo.com/760846936</a>.</p> <p><i>The Board <b>accepted</b> the recommendation set out in the paper and the Chair presented Elizabeth Drayton and Caitlyn Jagger with a letter accepting the recommendations of the Committee (Attachment 1).</i></p> <p><i>The Board returned to the Level 3 Boardroom and turned to item 8.</i></p>
8.	<p><b>Chief Executive’s report</b></p> <p>The CE took the paper as read and highlighted the following key topics from his report:</p>

***Current significant issues***

- Nine SOI measures were not met in September 2022. The effects of the storm in July were still apparent in the performance results for September 2022 and others are challenging to meet until later in the year such as mana whenua engagement.
- There were several safety incidents during September, including the injury to a worker at the Mt Albert Central Interceptor site. More recently, and after September, there have been incidents at the Redoubt Road site, Puketutu Island and Snells Beach.
- A focus remains on catching up on capital design and delivery.
- Staff turnover is currently at 18.7%. While this is high, anecdotally there are indications this is flattening off.

***Developer's NPS score***

- The Board noted the 6-point increase in the Developer NPS score and asked management to provide more detail behind why the score has increased, via the next CE's report.

***Organisational plan implementation***

- The Board noted it was admirable that we were working with Council on the Climate Related Financial Disclosure, with an aim of providing a voluntary report in 2023, before it became mandatory in 2024. The Board, however, noted that at the same time, we need to balance our people's time and resources as there are many other competing pressures at the moment.

***Climate change delivery and sustainability – climate change adaption and disclosure***

- The Board provided feedback on this new section and requested that the company's targets and risks be included in future updates.

***Water resources update***

- In relation to the closure of the Onehunga WTP and reflecting questioning from the Board, the CE noted that the PFAs (poly-fluorinated alkyl substances) found in 4/48 monthly samples at this facility are a global problem. To remove PFAs requires expensive technology and energy. We are investigating the best way to deal with PFA removal, as this WTP can provide us with 15-16MLD and 22MLD in the shoulder season. It was an important resource during the drought whilst we were working on the drought augmentation projects.
- Management discussed fluoridation levels in Auckland. Currently the direction from Council is to fluoridate at 0.7. The acceptable level is 0.7-1.0. The Maximum Allowable Value is 1.5. Management has signed off on a mid-point figure of 0.85. There is a marginal cost to increase fluoridation to this level.

***Community and stakeholder relationships***

- The Board noted the significant milestone of the signing of a kawenata between Watercare and Te Kawerau a Maki in August.
- The Board requested that copies of kawenatas Watercare has signed with iwi be included in the Resource Centre.

	<ul style="list-style-type: none"> <li>• The Chair noted that a kawenata was signed with the Maniapoto RMCs on 31 October 2022.</li> </ul> <p><b><i>Health, safety and wellbeing</i></b></p> <ul style="list-style-type: none"> <li>• The Board was concerned with the recent spate of ram-raids and anti-social behaviour in Auckland. The CE confirmed that MSN staff who interface with the public have had security training. We are installing CCTV cameras at construction sites as there is an ongoing issue with people gaining unlawful access. Management is keeping the issue under review and continuing messaging to staff to keep themselves safe.</li> <li>• Shayne Cunis showed a video of the recent CI Level 3 Incident safety exercise <a href="https://vimeo.com/765587711">https://vimeo.com/765587711</a>. During the simulation, which was not rehearsed, the CI tunnel was evacuated and incident management teams called in. It was a challenging environment, but the team did a fantastic job. A longer video will be created for wider industry training. The exercise revealed several learnings and we have already taken a number of steps on site relating to who is in control during these types of incidents.</li> <li>• Shayne then provided an update on the crush injury at Mt Albert. Investigations revealed that there was a failure of controls on this site. It was not the individual worker’s fault. When the incident occurred, Watercare proactively shut down all CI operations across the isthmus, including tunnelling, not just the Mt Albert site. Shayne noted that during the follow up with the GAJV, the aim was to hold the people responsible to account. Accordingly, he had direct and clear conversations with the GAJV and they are well aware of our high expectations around safety and the consequences of not putting in place the required controls.</li> <li>• The Board and management agreed that there are more things everyone can be doing, including leadership walks, and safety walks. It was noted that many inexperienced, and junior people are entering the industry, which means vigilance needs to high. Staff also need to be advised that they are empowered to take immediate action when they see something dangerous.</li> <li>• In response to questioning from the Board, Paula explained the issues with spotters. The job is an important one, but often the person who does the work is the most junior on site. Further, there is no accredited training for spotters. Instead, it is taught “on-the-job” by a more experienced worker and via “standard operating procedures”. The Board noted that this is an industry concern and the CE confirmed that he will raise this at the next CHASM and CEs industry forums.</li> </ul> <p><i>The Board noted the report.</i></p> <p><i>The board then welcomed members of the public who were in attendance to provide public deputations.</i></p>
6.	<p><b>Public deputations - Equal Justice Project</b></p> <p>Chris Thurston introduced law students, Cassandra Pauling-Munro and Donovan Kelso from the advocacy group, Equal Justice Project, as well as their University of Auckland Supervisor, Grant Hewison.</p>

	<p>Donovan and Cassandra addressed the Board on a number of issues including: intergenerational equity as it relates to water quality, climate change and building meaningful relationships. They challenged Watercare to become a global enabler of authentic climate action and response.</p> <p>The EJP also encouraged all Board members to join Chapter Zero, being New Zealand’s branch of the Climate Governance Initiative.</p> <p>EJP’s speaking notes are set out in <b>Attachment 2</b>.</p> <p>The Board and CE thanked the EJP for challenging the Board and confirmed a formal response will be sent to them shortly.</p>
<b>10.</b>	<p><b>Review of Watercare’s commitment to health, safety and wellbeing</b></p> <p>The CE introduced the report and explained the changes now incorporate Te Ao Māori.</p> <p><i>The Board <b>approved</b> the updated commitment to health, safety and wellbeing.</i></p>
<b>11.</b>	<p><b>Scanning the Horizon</b></p> <p><i>Rebecca van Son and Apra Boyle-Golta joined the meeting at 11:14am.</i></p> <p>Rebecca van Son introduced the report which was taken as read. The Board and Management discussed the following points:</p> <ul style="list-style-type: none"> <li>• In relation to talent shortages, it was noted that the Workforce Development Council for Construction and Infrastructure (Waihanga Ara Rau), was established last year and their role is to ensure the vocational education system meets industry needs and gives a stronger voice to Māori business and iwi developments. The Council has already done work in relation to the Water industry.</li> <li>• The Board asked for information on whether Watercare’s contractors are paid a living wage.</li> </ul> <p><i>The Board <b>noted</b> the report and requested that future reports include updates in relation to the political environment (e.g. central government election, fair pay legislation, migration), and government policy settings.</i></p>
<b>13.</b>	<p><b>Strategic focus: We educate, innovate and collaborate for future generations</b></p> <p>Apra Boyle-Golta gave a presentation to the Board that was prepared in conjunction with Frances. She noted the following key points:</p> <ul style="list-style-type: none"> <li>• In a global context, Watercare is below the standard for innovation.</li> <li>• However, the Watercare \$1m innovation fund had helped kick-start a culture for experimentation in a “safe-to-fail” environment.</li> <li>• To date, younger staff have been engaging with the programme.</li> <li>• Feedback from staff has been very positive and the programme has been a way to engage people across the business.</li> </ul>

	<ul style="list-style-type: none"> <li>• From here, the question for Watercare is whether we focus our innovation into one area (e.g. sustainability in a wide sense), or keep the remit wide.</li> <li>• The Chair noted that this is a great start and that the challenge for the Board is how to keep the momentum going, encourage people to stay engaged, and to engage external parties.</li> </ul> <p><i>The Board <b>noted</b> the presentation.</i></p>
17.	<p><b>General business</b></p> <p>The meeting closed at 11:55am.</p>

CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair

1 November 2022

Citizens’ Assembly  
c/- Elizabeth Drayton and Caitlyn Jagger

Kia ora

**Response to the 2022 Watercare Citizens’ Assembly’s recommendations**

Thank you for investing the time and effort to understand and provide reasoned and thoughtful proposed solutions to one of the most important questions our city faces: *what should be Auckland’s next source (or sources) of water?*

I hope you enjoyed being part of our inaugural Citizens’ Assembly. I certainly was impressed by your reflections on the final day, ranging from a deep appreciation for the opportunity to influence such an important future decision, to acknowledging the value of your learning about the world of water, to being grateful for new friendships formed through this process.

Having had the opportunity to study your recommendations, our responses to each of your recommendations is as follows:

**Recommendation 1: Recycled water**

<p><u>What the Assembly said:</u></p> <p><i>We recommend the implementation of direct recycled water as the next source of water for Auckland. Engaging the Auckland public in education on the safety and quality of the water is necessary to facilitate acceptance.</i></p> <p><u>What we understand:</u></p> <p>The assembly wants Watercare to plan for direct recycled water as the next source of water for the Auckland metropolitan network after 2040. We note that this recommendation had unanimous support from the assembly.</p> <p>This source was chosen because it is more cost-effective and environmentally friendly than the other options, as well as providing</p>	<p><u>What we will do:</u></p> <p><b>We accept this recommendation.</b></p> <p>Our commitment is to stand up a detailed programme – from strategic planning to building – to work out the details that will support the realisation of direct recycled water as a source of drinking water for people on the Auckland metropolitan network. We note that there are no sources of resilient water that will be cheaper to develop than our current sources. Any new source will cost more than we currently pay.</p> <p>The direct recycled water programme will cover three key programmes of work, which will be publicly visible in Watercare’s servicing strategies and asset management plans. This programme will be published by 2024.</p> <p><u>Operational commitments:</u></p> <ol style="list-style-type: none"> <li>1. We will complete the Watercare reuse advanced water treatment pilot - for both non-potable and potable reuse.</li> <li>2. The pilot activities will collect data and help us understand:             <ol style="list-style-type: none"> <li>a. water quality,</li> <li>b. plant requirements (breakdown and maintenance),</li> <li>c. operational costs,</li> <li>d. emerging contaminants of concern,</li> </ol> </li> </ol>
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<p>security of supply to the city. The importance of equal and fair access to water as a human right as articulated by mana whenua was taken on board when deciding on this final recommendation.</p> <p>The assembly wants education on this water source to begin immediately. The assembly would not have recommended direct recycling if it weren't for the understanding that there is enough time to get people on board. The assembly have also noted that the naming of the new water source is important too.</p>	<ul style="list-style-type: none"> <li>e. lab testing ability,</li> <li>f. cost of testing,</li> <li>g. management of by-products,</li> <li>h. disposal of by-products, and</li> <li>i. the environmental effects of disposal.</li> </ul> <p>3. If the water does not meet quality requirements (health or environmental standards) or is prohibitively costly, we will re-evaluate direct recycled water as a source.</p> <p><u>Regulatory commitments:</u></p> <ul style="list-style-type: none"> <li>1. We will work with the following organisations to develop recycled water as a drinking water source: <ul style="list-style-type: none"> <li>a. Taumata Arowai, for drinking water quality standards and recognition of reuse as a drinking water source.</li> <li>b. The Ministry of Health, to ensure health impacts are known, understood, and not negative.</li> <li>c. The Ministry for the Environment, for the discharge of residuals, and</li> <li>d. Auckland Council to support resource consents under the Resource Management Act (or relevant acts within the new legislation).</li> </ul> </li> </ul> <p><u>Community engagement commitments:</u></p> <ul style="list-style-type: none"> <li>1. We will invest in a number of pilot project to gradually introduce the concept to the people of Auckland.</li> <li>2. We will develop an education plan and policy to support understanding and acceptance of recycled water.</li> <li>3. We will monitor progress towards community acceptance using best practice methods.</li> <li>4. We will partner with mana whenua for development of the reuse programme to support the citizens' assembly recommendations ensuring that we embed tikanga in the process.</li> </ul>
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**Recommendation 2: Desalination**

<p><u>What the Assembly said:</u></p> <p><i>We recommend Watercare continue research &amp; investigation studies to understand the feasibility of desalination for the future as we believe it may be a required supplementary source if it is projected that we will not be able to meet our water needs with recycled water only.</i></p>	<p><u>What we will do:</u></p> <p><b>We accept this recommendation.</b></p> <p>We will continue to monitor all water source technologies. We will ensure we stay abreast of innovation in desalination methodologies that may reduce environmental impacts and reassess accordingly.</p> <p><u>Research and Investigation:</u></p> <ul style="list-style-type: none"> <li>1. We will continuously review international best practice on desalination.</li> </ul>
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<p><u>What we understand:</u></p> <p>The assembly is concerned that droughts are going to be a more frequent part of our future and wants to ensure that desalination remains an option. The assembly does not want to invest a lot of resources into this option.</p>	<p>2. We will monitor the environmental and health impacts of desalination in other parts of the world and include desalination research in our management plans, where appropriate.</p> <p><u>Community engagement:</u></p> <p>We will provide ongoing updates about our research and learnings regarding desalination on our website and in any pilot desalination plant that is developed.</p>
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### Recommendation 3: water efficiency and education

<p><u>What the Assembly said:</u></p> <p><i>The recommendation is that Watercare ‘provide education and resources to consumers in reducing water usage.’ The assembly also notes that ‘rain tanks can play a positive part in reducing water usage’ and there was support for education ‘around rain water tanks, but the decision and implementation of them should be at the discretion of homeowners (minimal resources to promote rain tanks).</i></p> <p><u>What we understand:</u></p> <p>Assembly members recognise that water is a taonga and want Aucklanders to use less water so the finite resource will go further. Assembly members believe the reason people don’t save more water is because there is an information gap in how to reduce water use. Assembly members want Watercare to do more to educate Aucklanders on how to use less water. The assembly wants to support the installation of rain tanks through education but not through mandates or financial incentives.</p>	<p><u>What we will do:</u></p> <p><b>We accept this recommendation.</b></p> <p>Water literacy and water efficiency will always be a key area of focus for Watercare but we understand that the assembly has have asked us to invest more in this space. We will put more resources into education and engagement activities with the intention of driving down water use.</p> <p><u>Education and resources: ongoing</u></p> <p>We will invest in the following initiatives:</p> <ol style="list-style-type: none"> <li>3. Ongoing water wise campaigns to educate customers on ways to be water efficient</li> <li>4. Introducing an app to promote better oversight of residential water use, including water efficiency tips</li> <li>5. Investigating a similar style of process as the citizens’ assembly for a younger audience eg. youth summit as a way to promote water literacy and water efficiency for rangatahi</li> <li>6. Investigating how to bring water education into the school curriculum, and should the right model or opportunity be developed we commit to co-funding this with an appropriate partner organisation.</li> </ol> <p><u>Reducing water usage: 2022-2025</u></p> <ol style="list-style-type: none"> <li>1. We are committed to targets to reduce usage in accordance with our water efficiency plan to 2025 and Auckland Water Strategy to 2050: <ol style="list-style-type: none"> <li>a. Reducing loss from leakage</li> <li>b. Improving data oversight from source to tap, including a significant investment in smart meters for commercial and residential customers</li> <li>c. Reducing pressure in our network</li> </ol> </li> </ol>
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	<p>d. Improving residential, community and commercial water efficiency:</p> <ul style="list-style-type: none"> <li>▪ We will continue to work with commercial customers to enhance water efficiency in different industries so that we support economic growth while reducing water use.</li> <li>▪ We will continue to support rain tank adoption and work with the Auckland Council to reduce barriers to rain tank installation, including promoting rain tanks for gardeners and potentially commercial customers</li> </ul>
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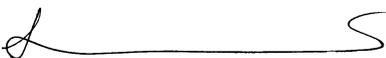
**Minority Report on the public involvement in decision-making**

<p><u>What the Assembly said:</u></p> <p><i>We recommend that 2-3 people from the Assembly sit on Watercare’s steering committee for future water sources</i></p> <p><u>What we understand:</u></p> <p>The members gained a lot of knowledge during the assembly. The authors of the minority report see an opportunity to support the realisation of the recommendations by continuing to be involved in the development of a future water source; that they might be a part of the education and engagement of Aucklanders. There is also some concern that without representation of this group, momentum may stall.</p>	<p><u>What we will do:</u></p> <p><b>We accept this recommendation.</b></p> <p>Our suggestion is that a nominated sub-set of representatives of the citizens’ assembly be invited to public board sessions where water resource updates are discussed. This topic is on the agenda twice a year.</p>
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*Tēnā koe mōu i whai wāhanga ai ki te wānanga i ētahi taunakitanga uaua, nui hoki mō tō hapori te take.*

Again, we thank you for making complex and important recommendations on behalf of your community.

Ngā mihi nui,



Margaret Devlin  
Board Chair  
**Watercare Services Limited**

## Attachment 2

### Intro - Donovan

*Pai ake apōpō atu i tēnei rā:* Better tomorrow than we are today. I can't think of a more appropriate vision for an organisation that is responsible for one of Tamaki Makaurau's most precious taonga – our water. Cassandra and I have spent the last year working with Chris to really understand that vision and ask if Watercare is doing the best it possibly can to be kaitiaki and pass on our environment in a better place than when you inherited it. It's been a privilege to meet and chat with people from all over the organisation; we had a fantastic meeting with Priya and Jenny from the customer team earlier this year, as well as some great discussions with Brendon and Emma in the last few weeks. What we want to do today is bring together everything we've learned from these connections to help us answer one key question:

- *How can Watercare continue to fulfil its vision for the benefit of younger generations?*

### Intergenerational equity - Donovan

While searching for an answer to this question, we adopted the lens of intergenerational equity. Intergenerational equity is a key concept in modern policy-making and can be broadly defined as an obligation to meet the needs of the present without compromising the ability of future generations to meet theirs.

What this really means is recontextualising the way we think and talk about long-term consequences. Publications like Watercare's annual report and asset management plan talk a lot about investing in and growing into the future. This language paints a situation where Watercare is passing on benefits to the future, when in reality, the money Watercare spends today is merely lessening the burden that our actions will have on future generations. My generation. This conversation can be a difficult one – it's a lot easier to sell optimism – but it is an incredibly important one. People with the power to make decisions – like yourselves – need to understand the dual relationship that we have with the environment, both as beneficiaries and as kaitiaki for the future.

For Watercare, I see intergenerational equity as having three key faces. The first is improving water quality for future generations, including the mauri of each individual body of water. The second is sharing the cost of climate change and recognising that achieving the same level of change by the time my generation is in charge is going to cost exponentially more than taking action now. The third is building meaningful relationships to facilitate better practices, which Cassandra is going to share her research and thoughts on.

## **Championing current successes - Cass**

We would like to begin our presentation by championing some current sustainable successes within Watercare that have stood out to us. During our discussions with the customer insights team, the citizens assembly was brought up as a unique and forward looking technique for solving some of our most crucial water related issues. This strategy is impressive, not only from an adaptation and mitigation perspective, but also for education and customer involvement. A comprehension that Donovan and myself came into this experience with was an appreciation for Watercare's 2020 drought campaign - the effort and resources outpoured into education and awareness not only saved significant water during the crisis, but the effects of this water education continue to reverberate today. From our personal standpoints, an approach to the climate emergency with a similar level of public outreach and urgency would be beneficial.

## **Chapter Zero - Cass**

There are resources available to you to manage making climate-smart governance decisions. We would like to begin by asking how many of you are members of Chapter Zero? The team in our position next year will be interested to check back and see if this changes.

We urge you to make use of this incredible organisation. Chapter Zero makes up the New Zealand branch of the Climate Governance Initiative - forming a crucial part of a worldwide network of leaders and directors who have made a commitment to better understand the climate emergency, and to reflect this in their decision making. Its mission is to mobilise, connect, educate, and equip directors through events, workshops, and toolkits. Recent Chapter Zero panels have focused on how to prepare your board for the risks, opportunities, and innovation of climate change, to understand where New Zealand stands globally in climate change initiatives.

A prominent issue that our discussions with members of the Watercare team illuminated was balancing competing interests - managing cost and customer satisfaction against the climate emergency. It's a paradox that can stunt sustainability initiatives, but one that Chapter Zero is equipped to support. Governed by a steering committee of corporate, social and scientific leaders; and administered by a Working Group made up of individuals from the institute of directors, corporate partners, and climate-change advisory groups.

As well as creating long-term value for shareholders and stakeholders, it is completely free for you to join. Becoming a member is a signal to us and your customers of your intention to truly understand and engage with information regarding the climate emergency. To take action in decisions and to move away from pledges and promises, and connect with intergenerational equity, what you owe to future generations, on a practical level.

### **Annual report + intergenerational equity - Donovan**

When Watercare's annual report was published at the end of September, there were two things that Cassandra and I were really looking for: leadership and intergenerational equality. What we found was a strong theme of industry leadership, particularly in terms of intellectual capital. Given that Watercare is by far the largest water utility provider in New Zealand, we think that this is much lower than where we should be aiming for. Furthermore, Watercare's key targets, such as 50% reductions by 2030 and net zero by 2050, are in line with the bare minimum standards set out in legislation. These targets might be ambitious compared to the current level of global action, but they are nowhere near ambitious enough to reverse the impacts of climate change.

Instead of aiming for leadership within the small scene that is the New Zealand water industry, Watercare should be positioning itself to become a global enabler of authentic climate change action and response. You are responsible for one of Auckland's most precious taonga – our water. This presents two really significant opportunities for Watercare. First, water is incredibly important in te ao Māori; it has its own mauri, its own mana o te wai, and plays a fundamental role in our own identity. This provides a unique opportunity for Watercare to create its own model of climate change response that embraces partnership and mutual recognition with iwi under Te Tiriti o Waitangi. Second, New Zealand is a nation surrounded by water. It is essential to every tiny part of our environment, and it brings us together to swim, to surf, to sail. What you decide in this room is going to impact everyone in New Zealand, not just stakeholders, not just customers, and not just Aucklanders.

Now I can look around and point to the costs right now of doing the bare minimum. Of NOT taking the lead. I can show you that flood insurance premiums are expected to double every two to three years, and that if you own a \$1 million dollar house, you could be paying \$100,00 a year of flood insurance in less than 20 years. I can tell you that 29 percent of monitored streams around Auckland failed at least one national or proposed regional bottom line for water quality attributes. But what I can't show is the cost that inaction is going to have on my generation and my kids' generation. If we have to sit where you're

sitting now and make the decisions that should have been made today, it's going to cost exponentially more. This is the crux of intergenerational equity.

Just because the onus of the big decisions has to sit on your generations, doesn't mean we can't pursue intergenerational cooperation and solutions. We saw a significant emphasis on inspiring young talent to join the water industry. As - if I do say so myself - a young talent, I can tell you that what's actually going to inspire young people to get into the water industry is seeing Watercare making actual change and taking the lead. In the modern world, young people want the chance to be a part of the global knowledge economy. Watercare has every opportunity to be bold, choose some key solutions, and create a unique value proposition on the world stage.

### **Conclusion - Cass**

We aren't corporate experts, we don't have the tools to understand the intricate complexities of the decisions we are urging you to make, nor are we climate scientists - but we are part of the generation that will have to bear the cost of current action and inaction. As the UN Secretary general aptly put it, 'we need an avalanche of action'. A difficult but necessary prioritisation of the climate emergency and intergenerational equity is that avalanche. The research undertaken in Watercares 2020 study 'understanding Aucklanders relationship with water' left us with one key insight.

Aucklanders are motivated by the betterment of the future. The solution that they saw fit was investing in water infrastructure for future generations - this solution was seen as fair, and the cost increase was justified by the long term benefits.

There's still time to stop treading water, to make a change mid-stream, and to dive right in at the deep end. We urge the board to take intergenerational equity into account during decision making, to join Chapter Zero to signal your commitment, and to engage in educational efforts around climate change. We encourage the board to reevaluate its priorities and be bold about how it imagines its position as a global leader

We thank you for your time and for this opportunity to present. We would also like to thank Chris and everyone he introduced us to for engaging with us throughout this process. And a big thank you to Grant for his continued support and guidance.