

## Board meeting | 12 December 2024

## Public session



Venue	Watercare Services, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9:45am to 11:30am

Meeting administration		Spokesperson	Action sought	Supporting material
1	<a href="#">Opening karakia</a>	Chair	-	Verbal
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	A majority of directors	Verbal
4	Declaration of any conflicts of interest	Chair	For noting	Verbal
5	<a href="#">Minutes of the previous meeting of 5 November 2024 Board meeting</a>	Chair	For approval	Minutes
6	Public deputations	Chair	For information	Verbal
Items for information, discussion and approval				
7	<a href="#">Warkworth growth wastewater servicing – southern branch alignment</a>	Shayne Cunis	For approval	Report
8	<a href="#">Review of 'our commitment to health, safety and wellbeing'</a>	Andrew Mercer	For approval	Report
9	<a href="#">Health, safety and wellness update</a>	Andrew Mercer	For discussion	Report
10	<a href="#">Chief Executive's report</a>	Executive Team	For discussion	Report
11	<a href="#">Our purpose, values and employee engagement survey results</a>	Sarah Phillips	For discussion	Presentation
Governance				
12	Audit and Risk Committee meeting update	Andrew Clark	For discussion	Verbal update
13	Asset Management Committee meeting update	Graham Darlow	For discussion	Verbal update
14	Capital Finance Committee meetings update	Julian Smith	For discussion	Verbal update
15	<a href="#">Board planner</a>	Chair	For information	Report
16	<a href="#">Directors' appointment terms, committee memberships and meeting attendances</a>	Chair	For information	Report
17	<a href="#">Disclosure of directors' and executives' interests</a>	Chair	For information	Report
18	General business	Chair	For discussion	Verbal update

Date of next meeting	Wednesday, 26 February 2025
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**Karakia Timatanga (To start a meeting)**

**1. Whakataka te hau ki te uru**

**Whakataka te hau ki te tonga**

**Kia mākinakina ki uta**

**Kia mātaratara ki tai**

**E hī ake ana te atakura**

**He tio, he huka, he hau hū**

**Tihei mauri ora!**

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



2. Tukua te wairua kia rere ki ngā taumata

**Hai ārahi i ā tātou mahi**

**Me tā tātou whai i ngā tikanga a rātou mā**

**Kia mau kia ita**

**Kia kore ai e ngaro**

**Kia pupuri**

**Kia whakamaua**

**Kia tina! TINA! Hui e! TĀIKI E!**

*Allow one's spirit to exercise its potential*

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

*Take hold and preserve it*

*Ensure it is never lost*

*Hold fast.*

*Secure it.*

*Draw together! Affirm*



**Minutes**

<b>Board meeting</b>	Public session
<b>Date</b>	5 November 2024
<b>Venue</b>	Watercare House, Level 4 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
<b>Time</b>	9:48am

<b>Attendance</b>		
<b>Board of Directors</b>	<b>Watercare staff</b>	<b>Guests</b>
Geoff Hunt (Chair) Julian Smith Frederik Cornu Andrew Clark	Dave Chambers (Chief Executive Officer) Mark Bourne (Chief Operations Officer) Shayne Cunis (Chief Programme Delivery Officer) Richie Waiwai (Tumuaki Rautaki ā-lwi me ngā Hononga) Sarah Phillips (Chief People Officer) Brent Evans (Acting Chief Customer Officer) Priyan Perera (Chief Strategy and Planning Officer) Andrew Mercer (Head of Health, Safety and Wellbeing) Tere Ryan (Security Coordinator) Emma McBride (Head of Legal and Governance) Pinaz Pithadia (Legal and Governance Advisor)  <b>Via Microsoft Teams</b> Alan Foubister (Security Manager) Tracey Carter (Legal and Governance Business Partner)	<b>Members from Auckland Council</b> Councillor Ken Turner (Watercare's Lead Councillor) Trudi Fava (CCO Programme Lead) (Via Microsoft Teams) (for items 1 to 6)  <b>Members from the public</b> Lina Jang and Ruby Wilson, Equal Justice Project, Faculty of Law, University of Auckland  <b>Members from Commerce Commission</b> Charlotte Reed, Water Implementation Director



1.	<b>Opening karakia</b> Julian Smith opened a meeting with a karakia.
2.	<b>Apologies</b> Graham Darlow (Director) and John Small (Chair of the Commerce Commission) sent their apologies.
3.	<b>Quorum</b> Four directors were present at the meeting, so a quorum was established.
4.	<b>Declaration of any conflicts of interest</b> No conflicts of interest were noted.
5.	<b>Minutes of the previous Board meeting of 15 October 2024</b> <i>The Board <b>resolved</b> that the minutes of the public session of the Board meeting held on 15 October 2024 be confirmed as true and correct subject to following amendments (in blue) on page 10 of the pack.</i> <ul style="list-style-type: none"> <li>Andrew Clark, the Audit and Risk Committee (ARC) Chair advised that <i>he Nicki Crauford (previous ARC Chair) and Angela Neeson (Chief Financial Officer) attended Auckland Council's ARC meeting on 17 September 2024.</i></li> </ul>
6.	<b>Public deputations</b> Emma McBride introduced the students from the Equal Justice Project, Lina Jang and Ruby Wilson to the meeting. Ahead of the meeting, Lina and Ruby sent their presentation ( <a href="#">attachment 1</a> ). Lina and Ruby presented their submission to the Board ( <a href="#">attachment 2</a> ). The Chair thanked Lina and Ruby for their presentation and their deep analysis of our annual report and Statement of Intent (SOI). A formal response would be sent shortly and in the meantime, Lina and Ruby are welcome to visit one of our treatment plants to see first-hand the work we do and challenges we face.
7.	<b>Our performance under the 2023 – 2026 Statement of Intent</b> Emma McBride took the report and presentation as read. The following points were made: <ul style="list-style-type: none"> <li>There was a robust discussion around the SOI measure on attendance at sewerage overflows (page 31 of the pack). It is one of the Department of Internal Affairs (DIA) measures that Watercare is required to report on. Mark Bourne explained the way that overflows are triaged as either P1s (1 hour for overflows into the environment), or P2s (4 hours for overflows that are relatively contained). For FY23, the target of this measure was ≤60 minutes. Given Auckland's heavy traffic, it was impossible for crews to get to a call-out within 60 minutes. Accordingly, for FY24, the target was changed from ≤60 minutes</li> </ul>

	<p>to ≤75 minutes for FY24. The CE noted that the SOI measure for the resolution of sewerage overflows has not changed and continues to be met (item 20 on page 28 of the pack). This measure is more important as it involves the cleanup of an overflow. The target for attendance at sewerage overflows is to be reviewed for the SOI 2025-2028.</p> <ul style="list-style-type: none"> <li>• The CE noted that in FY23, we delivered a very large capital programme and met 27 SOI measures, which was a great result and represents the enormous efforts of our people. Previously, the controllable cost measure was reported against the Long-Term Plan (LTP) budget rather than the P&amp;L. From FY24, we have aligned the LTP budget with the FY25 budget and therefore this measure is now being reported against the P&amp;L. This means the variance reported in the finance update (confidential business update) and this measure have been aligned.</li> <li>• Julian Smith noted that FY24 was a transformational year for Watercare with many key staff seconded to the DIA for Affordable Water Reform. Then, those people returned to Watercare once Local Water Done Well was announced. Despite all of these challenges, the SOI measures related to water quality, which is Watercare's core purpose of providing safe and reliable drinking water services, were all met.</li> </ul> <p><i>The Board <b>noted</b> the report and the presentation.</i></p>
8.	<p><b>Health, safety and wellbeing update</b></p> <p>Andrew Mercer took the report as read and responded to questioning from the Board. The following points were made:</p> <ul style="list-style-type: none"> <li>• In relation to the incidents noted on pages 44 and 45 of the pack and learnings from those incidents, Andrew noted that we are making sure these learnings are being captured in our system. We have a regular forum with our contractors to discuss key learnings from incidents. We also have an online learning library.</li> <li>• Regarding the Priority 1 recommendation from the HSE Global Review (page 48 of the pack), Andrew noted that the delay in delivering this recommendation is due to the recent organisational changes that occurred mid-year. We are now on track to complete the update of HSW policy before Christmas. From December 2024, our reporting on the HSE Global Review will be folded in our "business as usual" reporting.</li> <li>• Regarding the HSW metric on leadership walks (page 43 of the pack), the focus is on the quality of engagements rather than the number of engagements. Overall, there has been an increase in walks from operations and programme delivery teams and we expect to see positive safety outcomes on site in the coming months. We are ensuring that our people leaders have a KPI on leadership walks, and the example is to be set by the Executive.</li> <li>• A refresh of the individual safety commitment cards has been completed which focuses on an individual's accountability for their own safety. The cards explain how we should act at work.</li> <li>• Mark Bourne reported that following a safety incident at one of our sites, a drug and alcohol test identified that the person was under the influence of a Class A drug. The union was called in and that person is no longer employed by Watercare.</li> </ul> <p><i>The Board <b>noted</b> the report.</i></p> <p>The Chair reordered the agenda and invited Sarah Phillips to present item 10.</p>

10.	<p><b>Good Employer Policy – update</b></p> <p>Sarah Phillips took the paper as read.</p> <p>The Board noted that the Policy sets out principles that ensure we meet our legal obligations as an employer under the Local Government Act 2002.</p> <p>In response to questioning, Sarah noted that gender pay gap reviews are undertaken twice a year and this issue is being addressed separately outside of the Good Employer Policy. The gender pay gap is reported publicly on our website, and via the Mind the Gap Registry.</p> <p><i>The Board <b>approved</b> the updated Good Employer Policy.</i></p>
9.	<p><b>Chief Executive’s report</b></p> <p>The CE and executive team introduced the report, which was taken as read. The following key points were made.</p> <p><b>September 2024</b></p> <ul style="list-style-type: none"> <li>• The CE acknowledged the many Watercare presenters at the 2024 Water NZ Conference in Hamilton and congratulated Gabriela Campos Balzat and Kevan Brian for winning awards at the Conference.</li> <li>• Next year’s Water NZ Conference will be held in conjunction with the International Water Association ASPIRE Conference at Auckland’s new convention centre. This will be a great opportunity to invite international attendees to tour our sites. Auckland will host up to 2,000 delegates.</li> <li>• The results from our recent staff engagement survey continue to remain stable. Given the significant changes across the organisation, the CE noted that these results are remarkable.</li> </ul> <p><b>Key Performance Measures (KPIs)</b></p> <ul style="list-style-type: none"> <li>• For the SOI measure on economic level of leakage (ELL) (item 18 on page 58 of the pack), we are focussing on proactive leak detection programme. Our aspirational target for the measure is to reach at 98.2 litres/connection/day. The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure, and renewal of watermain. If the measure remains above the ELL, this means our efforts to reduce leakage remains a worthwhile investment. The ELL will change in future, e.g. if a new water source has been introduced.</li> <li>• The Board recommended that for next year’s SOI 2025-2028, when we report the ELL, we should use the current performance numbers rather than ‘Achieved’ or ‘Not achieved’.</li> </ul> <p><b>Our people</b></p> <p>Sarah Phillips provided the following update.</p> <ul style="list-style-type: none"> <li>• The 2024 diversity, belonging and inclusion (DIB) awards event was held in October 2024. The next report will cover an insight on this event.</li> <li>• The company has celebrated our new values and purpose. Some of our staff also performed the Watercare haka during the celebration.</li> </ul>

**Operations**

Mark Bourne provided the following update.

- The Ōrākei main sewer (OMS) failure analysis report had 13 recommendations. The only outstanding recommendation is recommendation 4 that relates to a cleaning methodology. The previously used method to clean the pipes, the plough, involves health and safety risks, so we are trialling a 'high volume flushing methodology' with the selected contractor from Sydney. Once recommendation 4 has been addressed, this OMS recommendation update will be removed from the CE's report and become "business as usual".
- Water quality: Due to a software glitch, a sample was missed at the Laingholm Distribution Zone. This resulted in a non-compliance for the residual disinfection measure. However, a high degree of confidence has been established that our water quality was not compromised. Taumata Arowai's new rules came into effect from 1 January 2023. Due to the impact of these new rules, there have been a few non-compliances each month. However, they are all technical non-compliances and no risks to public health were identified. In our reporting cycle, Taumata Arowai has recognised that any non-compliances have been technical and that our water remains safe. Our water quality reports are publicly available on our website. Given these disclosures are scientific and quite technical in nature, the Board asked that the team update the website to include introductory comments for the public to easily understand the water quality reports.
- Non-compliances with resource consent (pages 78 and 79 of the pack): For Wellsford Water Treatment Plant (WTP), process improvement is in place to address the issue. The issue at Owahanake Wastewater Treatment Plant (WWTP) was concerning. This plant serves 32 customers who are primary commercial businesses. Process improvements have been completed (i.e. reseeded the WWTP with base biology from the Māngere WWTP) and the quality has improved. We expect to be compliant this month.

**Programme Delivery**

Shayne Cunis provided the following update.

- As of today, the Central Interceptor (CI) Tunnel Boring Machine (TBM) has reached a total length of 13.4km, 700m away from Tawaraki St, Ponsonby.
- Commissioning of Māngere Pump Station (MPS) is progressing well. We have a high degree of confidence it should be ready by December, and there will be a ceremonial opening in mid-late February 2025.
- Work is getting underway in Queen Street, Central Auckland. Council wants our works to be complete at the same time as the CRL works are complete. The project is challenging as there are many competing stakeholder expectations to manage, and residents and businesses in the city have construction fatigue. Councillor Turner recommended that Watercare be forthright with elected members regarding the very tight deadlines and competing priorities that Watercare is managing.
- In late November, the Asset Management Committee will receive a draft report for the Warkworth Growth Servicing wastewater pipeline, which will then be sent to the Board for approval on 12 December 2024. This follows significant work and consultation with the One Mahurangi Business Association.
- Ōrākei Main Sewer (OMS): The reinstatement of the carpark on St Georges Bay Road has been completed and the site has been returned to the owners. Stage 2 works on the OMS are now getting underway. Our Stakeholder team is working closely with impacted neighbours and local board members.

	<p><b>Policy update</b></p> <ul style="list-style-type: none"> <li>The Board queried the impact of the Fast Track Approvals Bill. Priyan Perera noted that some of the applications are for developments that do not align with the Future Development Strategy, and some are seeking to install private water and wastewater plants. This raises risks for Watercare as it has ramifications for the environment (e.g. in Warkworth, we are working to remove our discharge from the Mahurangi Harbour, but private developers want to come and put their wastewater discharges into the Harbour). Private schemes also have ramifications for our IGCs and asset management planning. One of the issues with private schemes is that sometimes property buyers are not aware they are connecting to a private scheme. While the developers do say they will build the plants to our standards, there remains a risk that the schemes run into trouble later on and that Watercare/Auckland Council will be asked to step-in. This is what has occurred in Whitford. Charlotte Reed from the Commerce Commission noted that the Commerce Commission is aware of this issue and that all councils around New Zealand are struggling with this issue.</li> <li>One option the team discussed as national design standards that would apply to all developments. National qualifications for running a water or wastewater treatment plant could also be considered. These are all important conversations for the industry and regulators to have.</li> <li>The Board asked that this issue be noted, and that it needs to remain a continued focus for Watercare, as it involves careful management of a future risk. The Board asked Management to arrange a workshop with Taumata Arowai and Auckland Council to discuss these industry issues.</li> </ul> <p><i>The Board <b>noted</b> the report.</i></p>
11.	<p><b>Capital Finance Committee meeting update</b></p> <p>Julian Smith, the Capital Finance Committee (CFC) Chair advised that the CFC received various updates at its meeting held on 24 October 2024 and the team has completed a huge job on the first draft of the business plan, which is now with the Board for review. The next CFC meeting is tomorrow.</p>
12.	<p><b>Board planner</b></p> <p>Emma McBride noted that an additional confidential Board meeting on 29 January 2025 has been scheduled to approve the Business Plan following receipt of the final Charter from the DIA.</p> <p><i>The Board <b>noted</b> the Board planner.</i></p>
13.	<p><b>Directors' appointment terms, committee memberships and meeting attendances</b></p> <p><i>The Board <b>noted</b> the report.</i></p>
14.	<p><b>Disclosure of Directors' and Executives' interests</b></p> <p>The Chair noted that he is no longer a member of AUT Engineering Industry Advisory Committee.</p> <p><i>The Board <b>noted</b> the report.</i></p>

15.	<b>General business</b> There was no general business. The public session closed at 11:22am.
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CERTIFIED AS A TRUE AND CORRECT RECORD

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Geoff Hunt, Chair

DRAFT

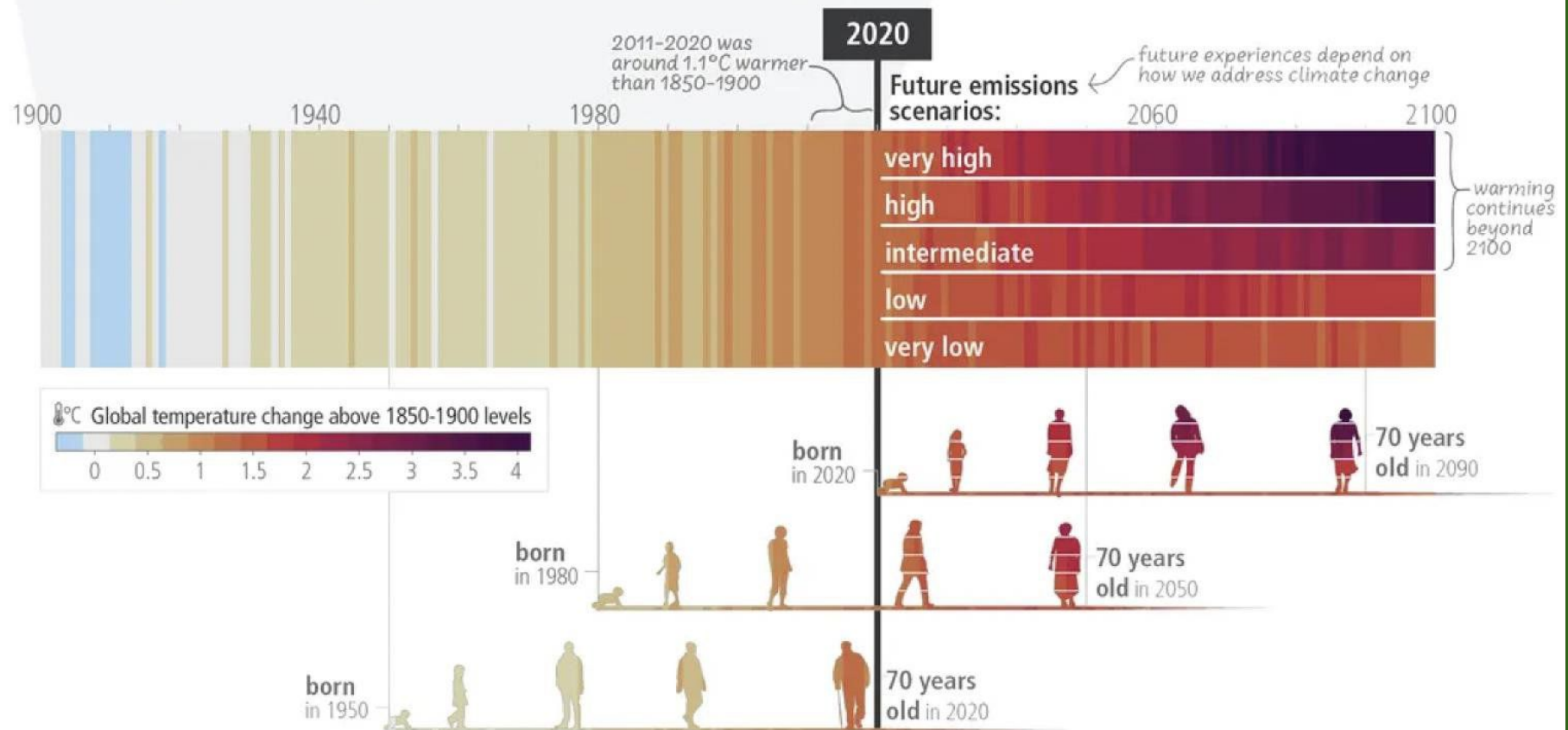
## Attachment 1

5.1

# Equal Justice Project

The University of Auckland

c) The extent to which current and future generations will experience a hotter and different world depends on choices now and in the near-term





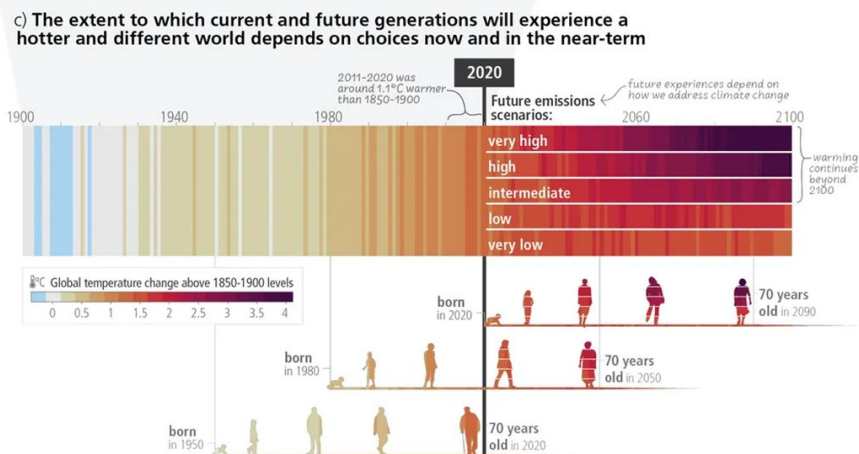


## Presentation to Watercare

5 November 2024

Tēnā koutou katoa, I'm Lina and this is Ruby. We are representing the Equal Justice Project from the University of Auckland. EJP is a non-partisan, pro-bono charity that empowers law students to use their legal knowledge and training to advocate for community change. Our team specifically promotes effective climate action.

Our presentation will focus primarily on the need for urgent action to reduce greenhouse gas emissions. To begin, we direct the committee to this diagram. Climate scientists are warning that some impacts of climate change are so severe they cannot be adapted to. Not only is there an over 50% chance that global temperature rise will reach or surpass 1.5°C between 2021 and 2040, it is likely it will happen sooner. This diagram illustrates severe temperatures and the possibility of a different world for current and future generations. As rangatahi, we emphasise that the outcome and reality of this figure, is highly dependent on the decisions made now.



With regard to this, we want to turn to Watercare's Annual Report 2024 published recently. We note at page 5 of the report 2024, Watercare has set an ambitious target to reduce operational emissions (scope 1 and 2) by 50 per cent by 2030 and to achieve net zero emissions by 2050.

We understand that process emissions are the largest contributor to Watercare's operational footprint, in particular nitrous oxide generated from Watercare's wastewater treatment processes. However, we could not see from the Report how nitrous oxide emissions were being specifically reduced.

The Annual Report broadly says that Watercare will continue to implement initiatives to reduce emissions and update its decarbonisation roadmap in the coming year alongside a finalised process emissions strategy.

We read that Watercare has progressed long-term actions in line with this roadmap, working towards the 50% reduction target for 2030. The main focus appears to be on reducing wastewater process emissions, with a specialist panel which consists of five international experts having set a strategy with key actions.

The students from the EJP look forward to reading the decarbonisation roadmap in 2025 where the key steps, investment and challenges are articulated. However, we could not find the members of this panel in any publicly available information, or their strategy. We would be grateful if we could be emailed a copy.

Further, at page 58 of the Annual Report, Watercare notes that the Statement of Intent (SOI) Target 2023/24 was 89,000 tonnes CO<sub>2</sub>e and 66,539 tonnes CO<sub>2</sub>e was achieved. However, the report also highlights that Toitu Envirocare (Toitu) was not engaged to provide any assurance of the GHG emissions inventory in FY24. Rather, an operational control approach was used. In addition to this, the target set in the Statement of Intent excluded emissions from Puketutu Island due to difficulties in obtaining accurate data at the time of setting the target. Consequently, this means that both the target and reported results exclude Puketutu Island. We have some concerns that the emissions from Puketutu Island are unknown and therefore pose a risk.

Given that GHG emissions are, by nature, seen to be subject to uncertainty, we believe that a precautionary approach should be taken. We observe that Watercare uses recognised frameworks for calculating its GHG inventory and continues to improve its reporting approach and is responding to changes in both the science and methodology to GHG reporting. In particular, for the FY24 figures, Watercare have adopted the guidance from the IPCC AR6 report as well as emissions factors released by the Ministry for Environment in June 2024.

Looking deeper into FY24, more than half of the electricity Watercare purchased was certified 100% renewable electricity leading to a significant reduction in Watercare's overall GHG emissions and this alone largely contributed to Watercare meeting the Statement of Intent target. We have some concern that this was a one-off benefit and, as most of NZ's electricity is renewable, are surprised that this has had to be certified as such. We also understand from *Auckland Council's Annual Report 2023/2024: Climate Statement* that the decrease in the volume of wastewater treated in FY24 (compared to FY23 when Auckland experienced the major storm rainfall events) led to reduced electricity consumption.<sup>[1]</sup>

To focus directly on Watercare's main Scope 1 emissions, we know that these emissions arise from the use of natural gas in its operations, treatment of wastewater and fugitive emissions from biosolids. Wastewater process emissions are dependent on biological processes and the GHG calculations rely on the best current understanding of the mechanisms by which GHG are produced and the associated levels of carbon dioxide equivalent volumes. However, again, this is surprising given that the processes that led to these Scope 1 emissions have likely not changed since accounting for emissions started many years ago.

Considering extreme weather events, we turn to focus on how wastewater volumes were significantly lower this year when compared to FY23. Given that Auckland did not have the events as in 2023, this has led to a decrease in the key parameters that drive wastewater process emissions and electricity consumption. We therefore wonder how much of the decrease in the emissions this year over last year is due to this? Further, we are also concerned that the extreme weather events of FY23 will reoccur more frequently in future and that this does not appear to have been factored into the emissions targets. We also note that Auckland's population increases will also drive emissions and ask how population projections are being factored into the emissions targets.

The Watercare Annual Report also says that a change in energy production at the Māngere WWTP also resulted in reduced natural gas consumption which influenced the emissions. Watercare is reviewing its co-generation operating philosophy and the high inflows into the wastewater treatment plants to better understand trade-offs between operating procedures, energy production, natural gas use, budget efficiency and meeting Watercare's long-term targets for GHG emissions. We look forward to hearing more about this next year.

Moreover, direct monitoring equipment for process emissions has also been purchased and will be installed in FY25 and will provide more insights into Watercare's wastewater process emissions. Again, we look forward to seeing the results of this in 2025.

We thank you for the opportunity of making this presentation today. We specifically thank Emma and Atisha for fostering this relationship and look forward to continuing this connection between EJP and Watercare. We appreciate Watercare's efforts to reduce its emissions in line with its ambitious target to reduce operational emissions (scope 1 and 2) by 50 per cent by 2030.

**Equal Justice Project**  
**Faculty of Law, University of Auckland**  
<http://equaljusticeproject.co.nz>

SUBMITTER DETAILS FULL NAME: Equal Justice Project  
ADDRESS FOR SERVICE: C/O University of Auckland Faculty of Law, Private Bag 92019, Auckland Mail Centre  
Auckland 1142

CONTACTS: Lina Jang & Ruby Wilson

EMAIL: [advocacy@equaljusticeproject.co.nz](mailto:advocacy@equaljusticeproject.co.nz)

Board meeting | 12 December 2024  
Public session



## Warkworth growth wastewater servicing – southern branch alignment

For approval

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Rob Burchell | Nolwenn Lagadec  
Programme Director | Manager Project Design

**Recommended by**

Shayne Cunis  
Chief Programme Delivery Officer

**Submitted by**

Dave Chambers  
Chief Executive Officer

7

### 1. Te tūhunga / Recommendation

We recommend that the Board accepts the Asset Management Committee (AMC)'s recommendation to proceed with a pipeline alignment through the Warkworth township, maximising trenchless construction, as part of delivering the Warkworth growth wastewater servicing project (WW0001113).

### 2. Whāinga / Purpose

The purpose of this report is to seek the Board's approval in relation to Management's proposal set out in this report. The AMC has already reviewed a draft of this report and recommends the proposal be approved by the Board. The confidential pack of today's Board meeting includes an approval for the Stage 2 business case.

### 3. Kōrero pitopito / The details

The North East Wastewater Servicing Programme includes the following projects:

- Warkworth growth wastewater servicing (subject of this request)
- North-east sub-regional wastewater scheme
  - Lucy Moore Pump Station – complete
  - Warkworth to Snells transfer pipeline – in progress
- Snells Beach wastewater treatment plant (WWTP) – in progress
  - Snells Algies ocean outfall – complete
- Snells Beach saline intrusion – in progress
- Decommissioning of existing Warkworth and Snells wastewater treatment plants (yet to commence).

This programme of works will reduce wastewater discharges to the environment, improve environmental compliance, and enable growth in the Warkworth area.

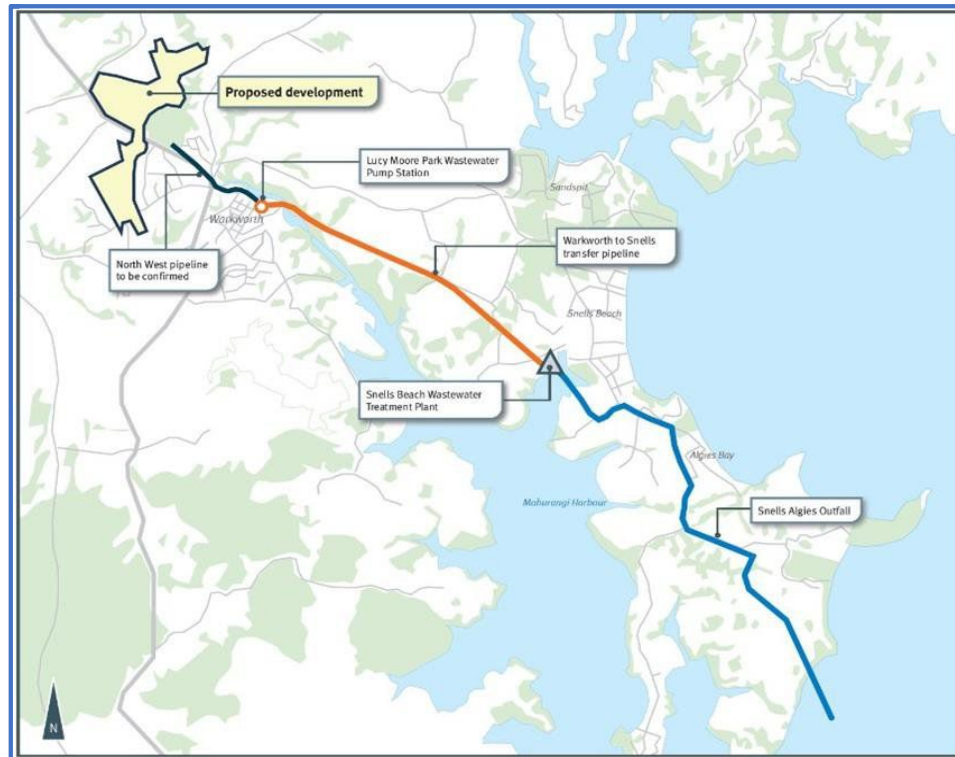


Figure 1: Schematic of overall North East wastewater servicing programme

The original business case, **stage 1 (design) business case for Warkworth growth servicing (wastewater)** was submitted to the Board on 20 December 2021, with a completion date of December 2024.

A total of 17 options and sub-options were assessed through the Multi-Criteria Analysis (MCA) process. The southern branch portion through town (see figure 2 below) was further reassessed in early 2024 to identify alternative routes. This project has been challenged by the local board and community due to the preferred option crossing the township and the expected disruption to residents and businesses.



Figure 2: Warkworth growth servicing project pipeline alignment

Key considerations influencing the pipeline alignment included:

- Long term operation of the assets: gravity solutions are preferred to pumped solutions.
- Community and business impact: areas along Elizabeth Street, Queen Street, and Baxter Street will experience significant impacts, with numerous businesses facing disruptions to on-street parking access for several months.
- Existing services: stormwater services beneath Queen Street will require relocation.
- Consenting: river flood levels and flooding impact need to be considered in the design of the river-crossing pipe bridge.

The MCA process recommended the alignment through the township (referred to as option 2 in figure 3 below), enabling gravity flows, and proposed a largely trenched methodology.

- Trenched 700mm 235m gravity pipeline upstream of the Mahurangi River – Elizabeth Street
- Pipe bridge with 700mm 50m pipe crossing the Mahurangi River
- Trenched 700mm 265m gravity pipeline through the township – Queen Street



- Trenched 800mm 580m gravity pipeline through Queen Street, Baxter Street, Lucy Moore Memorial Park to the Lucy Moore Pump Station.

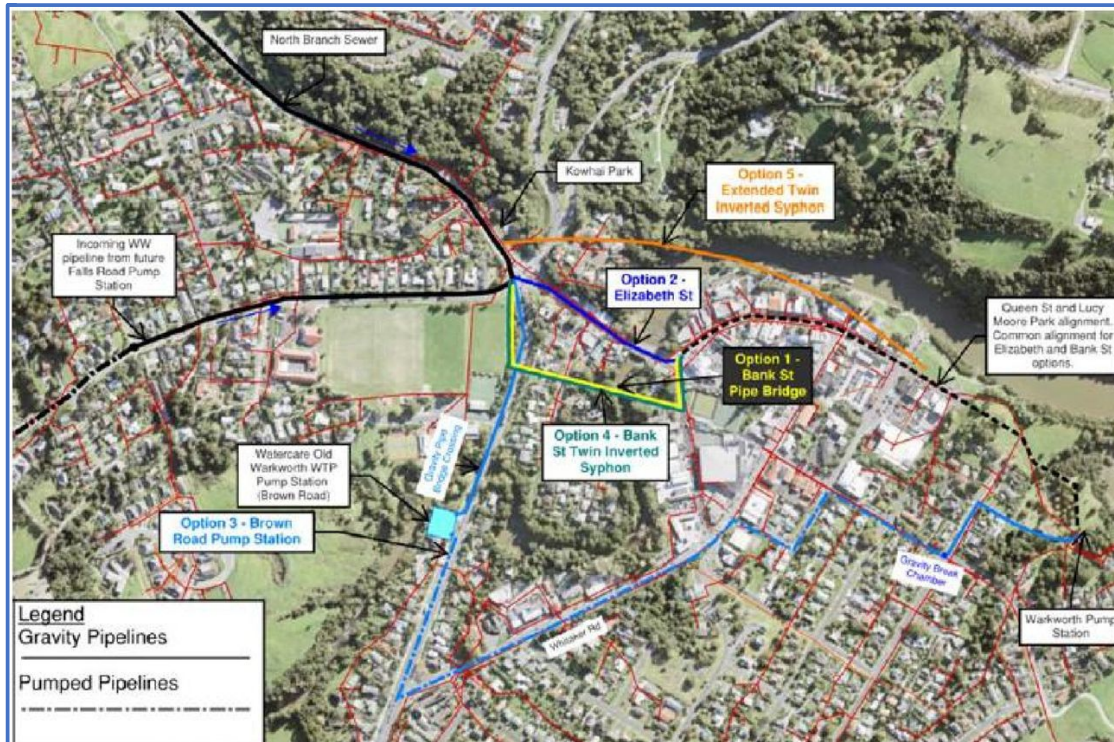


Figure 3: MCA selected option – option 2

There was significant objection to the approach. One Mahurangi Business Association presented to the Watercare Board on 10 July 2024, noting a significant level of local disapproval with Watercare’s intended approach to the Southern Branch. Following One Mahurangi Business Association presenting their concerns with the project, the Board agreed to the following:

- A facilitated workshop to share ideas and discuss the options, including any new proposals, would be organised between Watercare and One Mahurangi. This workshop went ahead and was facilitated by Roger McRae on 14 August 2024, and followed up on 25 October 2024 to confirm a final recommendation.
- That the pipeline route would be confirmed for the Hills Street intersection to Lucy Moore Pump Station (southern branch) by December 2024 at the latest and returned to the Watercare Board for review/approval (this report).

At the facilitated workshop with One Mahurangi representatives, two options were carried forward for further analysis:

- Option 3: Trenchless approach along the original alignment
  - Open Trench from Hill Street Intersection
  - Pipe bridge over Mahurangi River
  - Pipe jack along Queen Street and Baxter Street
  - Open trench to Lucy Moore Pump Station.
- Option E: Riverbank alignment option
  - Open Trench from Hill Street Intersection
  - Pipe bridge over Mahurangi River
  - Open trench along SUP and elevated timber boardwalk along
  - Pipe jack from Baxter St to Lucy Moore Pump Station
  - Open trench to Lucy Moore Pump Station.

These options were presented and discussed at the monthly meeting with Ngāti Manuhiri on 12 September and 10 October 2024. Rodney Local Board and One Mahurangi were updated on 2 October and 25 October 2024 respectively on the nonviability of Option E (Riverbank alignment option) above.

Option 3 (Trenchless) was independently assessed by Alta Consulting Ltd, and Edwards Project Services Ltd, on the viability of a tunnelling approach and a high-level cost estimate to inform management in the decision process. A revised approach to a trenchless option was further developed by Watercare. The revised approach included longer tunnelling drives and reduced the quantity and size of shafts.



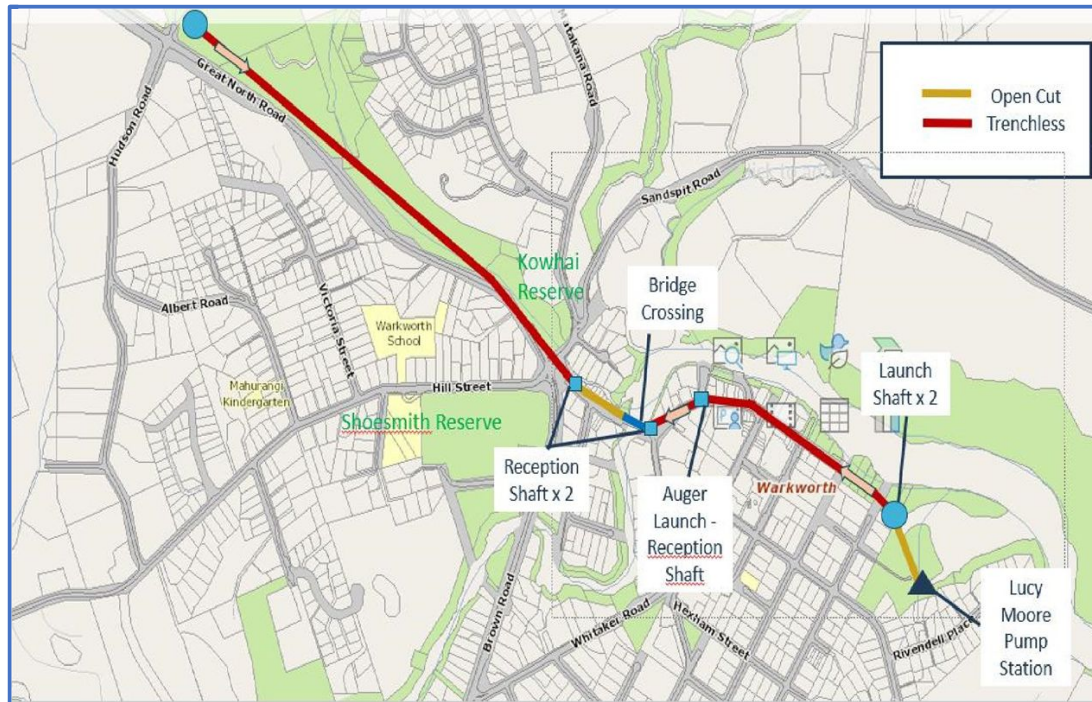


Figure 4: revised approach to trenchless

#### 4. Programme recommendation

##### Southern branch alignment

Proceed with a primarily trenchless alignment through the township, as shown in figure 4, as follows:

- Open trench from Hill Street intersection to bridge
- Pipe bridge over Mahurangi River
- Trenchless installation to Lucy Moore Pump Station along Queen Street and Baxter Street
- Open trench to Lucy Moore Pump Station.

This option has significant benefits in reducing the amount of services relocation required and reducing the disruption to businesses alongside Queen Street. It was presented to One Mahurangi on 25 October 2024, and received positive feedback. Their correspondence with us is included in the confidential pack of today's Board meeting. The deeper alignment does result in modifications required at the recently constructed Lucy Moore Pump Station. This impact is being discussed with our Planning and Operations teams – mitigations to ensure adequate long-term operation and future proofing of the Pump Station are being designed. The costs of these modifications are included in the confidential pack of today's Board meeting.

The revised approach has an estimated project completion date in 2027 – one year in advance of the current 2028 completion.

## 5. Ngā whakaaweawe ki a Watercare / Impact on Watercare

The Warkworth growth strategy is significant in size and complexity and will require careful and focussed engagement with the local community to ensure we are successful in delivering outcomes. The project team have overcome several challenges developing solutions for the southern branch and been effective in engaging with local stakeholder representatives. The proposed alignment strategy of leveraging trenchless technology enables the team to further refine the approach and methodology to better meet cost and schedule expectations.

The approval of the recommendation of southern branch alignment will enable the Project to continue. This will ensure delivery of the NE Wastewater Programme Outcomes to achieve the removal of the treated wastewater discharges to the Mahurangi River, and reduction in overflows within the Warkworth wastewater network, enable development and growth, and comply with the new long-term discharge consent.

### Changes to Watercare risk profile

- The alignment changes proposed have been established to minimise programme interface risks with a goal to reducing cost, schedule and outcomes delivery risks, balanced against Watercare's balanced risk appetite.

### Our people and our customers

- The alignment changes proposed have been endorsed by One Mahurangi, the local business association. This represents a significant positive stakeholder change from previous relationship earlier in 2024.

### Finance

- The alignment changes proposed supports our objectives as a minimum cost, efficient and financially stable service provider. The impact on cost of the alignment changes is neutral. The recommended approach in **4. Programme Recommendation** has the further benefit of cost reduction once geotechnical/design investigations are completed and incorporation with a proposed Northern Branch approach utilising the same trenchless technology.

## 6. Ā muri ake nei / Next steps

Following Board approval, the Programme Delivery team will undertake formal notification of alignment to the following stakeholders:

- Elected members – Rodney local board
- Ngāti Manuhiri
- One Mahurangi (Warkworth Business Association)
- Warkworth Oyster Farmers.



Board meeting | 12 December 2024  
Public session



## Review of 'Our commitment to health, safety and wellbeing'

For approval

### Te pou whenua tuhinga / Document ownership

**Prepared by**  
Andrew Mercer  
Head of HSW

**Recommended by**  
Jamie Sinclair  
Deputy Chief Executive Officer

**Submitted by**  
Dave Chambers  
Chief Executive Officer

### 1. Te tūhunga / Recommendation

We recommend that the Board approves the updated 'Our commitment to health, safety and wellbeing' (commitment) ([attachment 1](#)).

### 2. Whāinga / Purpose

The purpose of this report is to seek the Board's approval on the updated policy/commitment set out at attachment 1. This is a Board approved policy/commitment.

The commitment is reviewed bi-annually and was last reviewed by the Board in November 2022 (current version attached as [attachment 2](#)). The proposed update differs from the current version as follows:

- Includes a commitment to process safety integrated with occupational health and safety;
- Includes a commitment to develop a framework for health, safety and wellbeing improvement, aligning with AS/NZS ISO45001 requirements; and
- General editing of language and presentation.

### 3. Kōrero pitopito / The details

The proposed commitment articulates both the commitment from the business, and that required of kaimahi, to deliver high standard of health, safety and wellbeing.

The proposed commitment supports an engaged and empowered team and Watercare's aspiration to be employer of choice. It also protects staff so that they are healthy and safe, and their wellbeing is supported.

#### 4. Ngā whakaaweawe ki a Watercare / Impact on Watercare

The proposed commitment articulates how we will comply with our moral, legal and ethical obligations to keep our staff and ourselves safe at work.

#### 5. Ā muri ake nei / Next steps

Following the Board approval, the updated commitment will be:

- updated to include electronic signatures of the Chief Executive, Dave Chambers, and the Chair of the Board, Geoff Hunt.
- published and distributed across the business.

#### 6. Ngā whakapiringa / Attachments

Attachment number	Description
1.	Proposed updated commitment to health, safety and wellbeing
2.	Current commitment to health, safety and wellbeing – last updated 2022



## Attachment 1

# Our commitment to health, safety and wellbeing

**At Watercare, we are committed to supporting the hauora (wellbeing and health) and haumaru (safety) of everyone impacted by our work and effectively managing process safety risk with our assets and operations.**

### **Our commitment**

**To ensure a healthy and safe working environment we will:**

- Lead with purpose and genuine care for our kaimahi, contractors and community; through positive engagement, consultation and collaboration
- Develop and deliver a framework for health, safety and wellbeing (HS&W) objectives and initiatives that support our people
- Establish safe and healthy work practices with our kaimahi, and make sure they are confident, trained and well supported
- Enable and support kaimahi to participate and be represented in HS&W initiatives and decisions
- Encourage innovative and diverse thinking in an open, transparent and safe environment
- Meet all relevant legislation and regulatory requirements, and anticipate and adapt to changes
- Consult and work with kaimahi to remedy, learn and improve when things don't go right
- Care for anyone who is hurt to support timely rehabilitation and their safe return to work
- Promote a strong process safety culture by recognising process hazards, mitigating risks and embedding safety-in-design using best engineering practices
- Encourage timely reporting of hazards and events, prioritising hazard elimination and risk reduction through effective controls
- Continuously review and improve our hauora and haumaru systems and objectives.

### **My commitment**

**We are a team, and it takes each of us to create and deliver good hauora and haumaru for our team and our community, so I will:**

- Respect my own hauora and haumaru and that of others
- Stop any activity I feel is unsafe and ask for help when I need it
- Follow the procedures, instructions and rules provided and use all equipment safely
- Report safety observations, incidents, close calls and hazards in a timely manner
- Actively participate in learning teams and event investigations for continual improvement
- Make sure my actions, and my inactions, do not cause harm to me or to others.

Chief Executive

Chair of the Board

8.1

Attachment 2

# Our commitment to health, safety and wellbeing

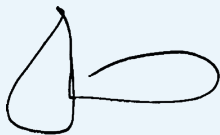
**At Watercare, we are committed to supporting the hauora (wellbeing and health) and haumaru (safety) of everyone impacted by our work.**

**To ensure a positive and safe working environment that supports te taha tinana (physical), te taha hinengaro (mental and emotional), te taha whānau (social and relationship), and te taha wairua (spiritual) wellbeing we will:**


- Lead well, communicate, consult, and listen
- Establish safe and healthy work practices with our kaimahi (staff), and make sure they are confident, trained and well supported
- Support kaimahi to be involved and provide opportunities for them and their representatives to participate
- Encourage innovative and diverse thinking in an open, transparent and safe environment
- Meet all relevant legislation and regulation requirements and keep up to date with changes
- Consult and work with kaimahi to remedy, learn and improve when things don't go right
- Care for anyone who is hurt to support timely rehabilitation and their safe return to work
- Prioritise elimination of hazards and reduction of risks and encourage effective and prompt reporting
- Continuously review and improve our hauora and haumaru systems and objectives.

**We are all part of the Watercare team, and it takes each of us to create and deliver good hauora and haumaru for our team and our community, so I will:**

- Respect my own hauora and haumaru and that of others
- Stop any activity I feel is unsafe and ask for help when I need it
- Follow the procedures, instructions and rules provided and use all equipment safely
- Report incidents, close calls and hazards in a timely manner
- Actively participate in hauora and haumaru activities, kōrero (discussions) and investigations
- Make sure my actions, and my inactions, do not cause harm to me or to others.



Chief Executive



Chair of the Board

Board meeting | 12 December 2024  
Public session



## Health, safety, and wellbeing update

For discussion

### Te pou whenua tuhinga / Document ownership

**Prepared by**

Andrew Mercer  
Head of Health, Safety, and Wellbeing

**Reviewed by**

Jamie Sinclair  
Deputy Chief Executive Officer

**Submitted by**

Dave Chambers  
Chief Executive Officer

### 1. Te tūhunga / Recommendation

We recommend that the Board notes and discusses this report.

### 2. Whāinga / Purpose

This report provides an update on health, safety, and wellbeing outcomes and performance at Watercare.

### 3. Take matua / Key points

The report includes:

- Monthly progress update against the seven HSW KPIs.
- October 2024 – details on Watercare employee and contractors' injuries.
- Total recordable injury frequency rate (TRIFR) and Lost Time injury frequency rate (LTIFR).
- Progress against the HSE Global's review recommendations.
- Continuous Improvement and Monitoring – ISO45001 audit and upcoming ACC performance measures.



## 4. Kōrero pitopito / The details

### 4.1 HSW metrics – October 2024

KPI	Description	Target	August 2024	September 2024	October 2024	Commentary
Permit audits per site	Every month, a minimum of one permit audit is conducted per project/plant.	One per site	47/36	49/36	53/36	Four out of 53 permit audits revealed there are areas of non-compliance. One of these cases is still open with corrective actions in progress.
Open iCare cases	95% of iCare cases are closed with appropriate and effective actions within 30 days of having been raised.	< 5%	589 10%	596 10%	646 11%	Of the 646 open cases that have been open for more than 30 days in October, site walks make up 35%, incident cases make up 21%, and reported feedback makes up 19%. HSW will keep working with business units to monitor closed corrective actions, action closing rate, and prioritise resources to clear the backlog to meet target.
Leadership Walks	To be determined by business unit.	By business unit	94/127 74%	95/127 75%	123/127 97%	There has been a notable increase of the number of leadership engagements in October, continuing the upward trend that has been observed over the previous three months. A quarter of the comments highlight areas for improvement, while three quarters reported on positive practices and commitments on prioritizing employees' safety in the workplace.
Reward and Recognition	All business units to have a way to reward and recognise positive health, safety and wellbeing.	By business unit	104	153	173	From January to December 2023, there were 754 nominations for kamahi who demonstrated our values at work; by October 2024, that number had doubled to 1,507 nominations between January and 31 October 2024. HSW will keep an eye on the year-on-year comparison due to adoption of the recognition app.
Training – Induction	All kaimahi complete and maintain a current online Watercare HSW Induction within two months	100% of kaimahi	100%	99%	99%	HSW will collaborate with the business to determine why the identified employees were unable to complete the HSW induction program within the 45 days after starting at Watercare.

KPI	Description	Target	August 2024	September 2024	October 2024	Commentary
	of starting with Watercare.					
Training – Safety Leadership in Action	All leaders complete training in leadership engagement interactions.	100% of leaders by July 2024	64%	73.77%	74.8%	Our people leader training has shown a positive trend in developing and maintaining a culture in which safety is a key value in all we do, as well as ensuring that safety is valued and practiced.
HSW Climate	The team targets a HSW climate rating of $\geq 8/10$ in each six-monthly Watercare climate survey.	>8	8.1			This survey is done every six months. Next full survey will be in November 2024.

## 4.2 Incidents and close call events in October 2024

### 4.2.1 Critical events involving Watercare employees

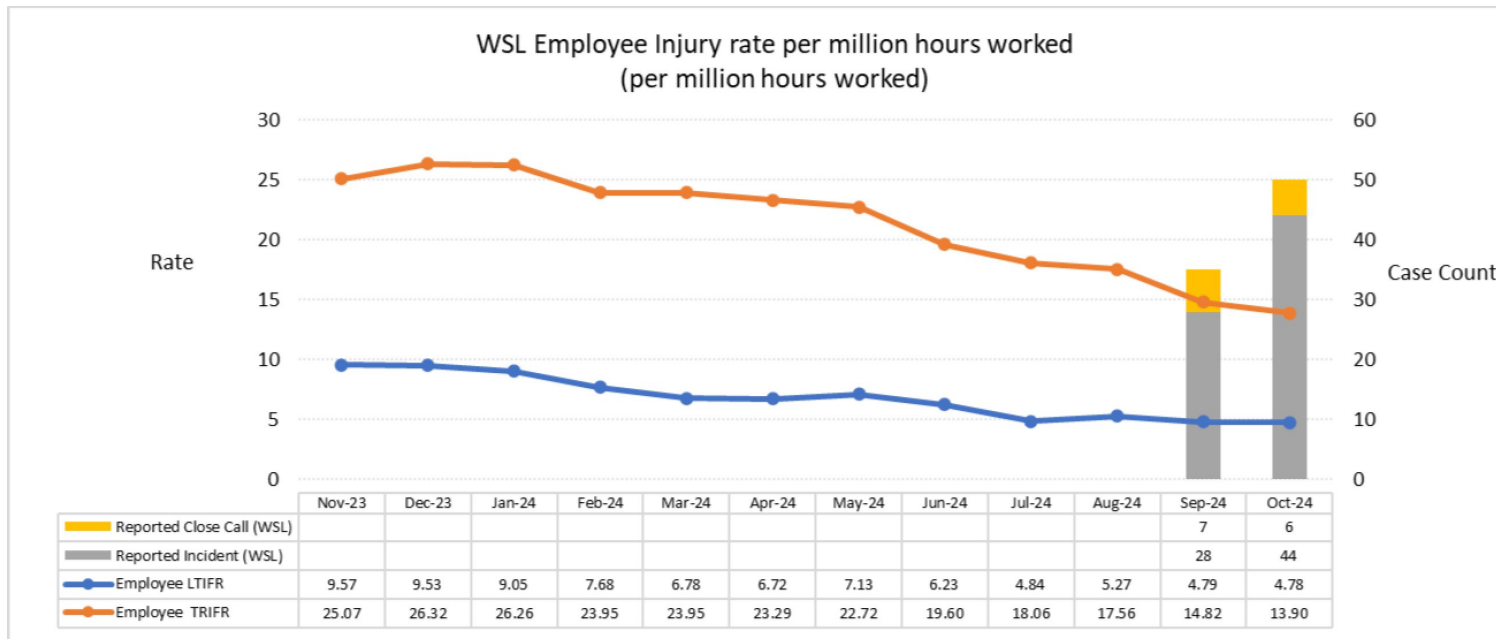
- Incident (Notifiable event): A serviceperson was carrying out a meter replacement job. The meter could not be removed due to seized fittings and constraint due to tree roots, and so he used a grinder to cut the copper service line. However, as he was cutting the pipe his hand slipped and the grinder blade struck his index finger, resulting in a laceration approximately 10mm long. The injured serviceperson was taken to hospital for medical treatment, including surgery to repair the radial nerve. WorkSafe was notified, and confirmed no further action taken.
- Incident: An emergency evacuation was triggered at Huia WTP by a chlorine gas leak from a potential faulty regulator. All personnel were safely evacuated. Fire services, including HAZMAT, responded. Chlorine levels dropped, and the area was declared safe. The chlorine gas regulators were tested for any fault and determined that debris near the regulator may have caused the malfunction.
- Incident: An operator fell into a clarifier during a routine clarifier cleaning task at Huia WTP. She was not injured but there is a risk of drowning or injury during fall. The access walkways across the clarifiers are very narrow and there is no fall protection in place to prevent people from falling into the clarifiers. An investigation is underway to consider what options might be appropriate for installing a handrail system or similar fall protection along these walkways.
- Incident: Two maintenance workers have entered a confined space without maintaining critical controls (in this case, a safety watch). They had carried out the appropriate planning and risk assessment, and confined space entry permit. However, for a brief period both the entrant and the safety watch were inside the confined space. Although no one was hurt, this is a critical risk incident and prompted learning teams review and communication improvements between teams.

#### 4.2.2 Critical events involving contractors

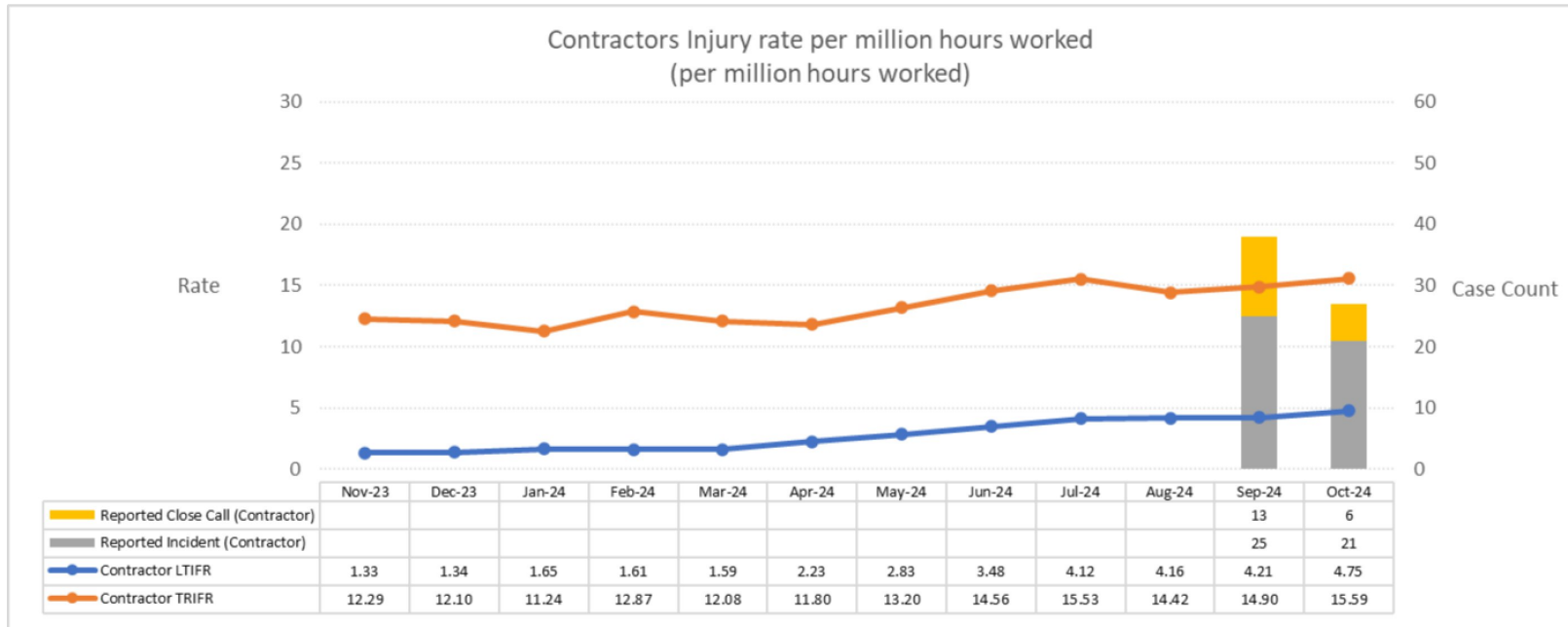
- Incident: A sludge spill occurred at Māngere Wastewater Treatment Plant due to the unplanned removal of an isolation. A blank flange on process pipework that formed part of an isolation plan was removed during the day, and then during that night the sludge spill occurred. The contractor was unaware that the blank flange was part of the isolation plan for that asset refurbishment. The incident was investigated through a learning teams exercise with the contractor and operators. Key takeaways from the investigation are that any changes to the scope of work present an opportunity to review and update current isolation procedures. Both contractors and Watercare staff need to be trained or, at a minimum, made aware of isolation procedures and equipment; and that isolation steps should be included in the site-specific induction for projects. Regular audits of active isolations should be scheduled, especially when changes occur. The HSW team is currently developing critical risk control checks, which will include a review of isolation procedures. This incident has been treated as a valuable learning opportunity.
- Incident: A contractor was digging a trench at when the digger boom struck the Chorus overhead line that feeds into a house from the Chorus pole. The investigation is underway. Work has been stopped and will resume after the investigation is complete and work can safely resume.
- Incident: A contractor carried out a confined space entry into a valve chamber on a project site. While exiting the valve chamber using the fixed ladder, the supporting staff member on top, which forms part of the confined space entry, handled the slack of the winch cable with his hand as the worker was climbing up the ladder instead of winching the cable up with the winch to keep tension on the cable. This was an incident involving incorrect handling of the equipment for the exit procedure.
- Incident: A disconnected LV Low voltage cable was struck whilst the contractor was tasked with open cut excavation to install a new storm water connection to the existing storm water public main, including a new private manhole.

### 4.3 Recordable injuries

Watercare's injury rate is showing a steady trend of improvement, reflecting an overall reduction in the frequency of recordable injuries over the last 12 months:



The Contractor injury frequency rate for injuries reported over the last 12 months shows a general increase. This trend likely reflects an increase in incident reporting and accuracy of data.



These trends will be monitored; however, injury frequency rates as lag indicators are no longer considered to provide useful measurement of safety performance in isolation. Good practice suggests focusing on positive safety performance (the presence of controls), qualitative measurements and leading indicators that provide information about current safety management conditions as well as emerging HSW risks.




Recordable injuries during October 2024 are detailed below.





Case number	Injury classification	Business unit	Mechanism of harm – severity	People type	Critical risk	What happened and action
HSW0020980	Lost Time Injury (LTI)	Operations	Manual Handling	WSL Employee	WorkSafe notified. Non - critical risk	A serviceperson sustained a small laceration on his index finger while using a grinder to cut a lateral pipe when replacing a water meter. The injured serviceperson was taken to hospital and required surgery to repair damaged nerves in his finger. WorkSafe was notified of the injury.
HSW0020680	Medical Treatment Injury (MTI)	Operations	Slip, trip and fall	WSL Employee	Non-critical	A serviceperson slipped on wet leaves and pulled a muscle in his knee. He returned to work but is undergoing physiotherapy while awaiting the results of an MRI to determine whether there are any further issues.
HSW0020769	Restricted Duties Injury (RDI)	Operations	Manual Handling	WSL Employee	Non-critical	A serviceperson injured her hip when opening the valve on a fire hydrant. She was on restricted duties for four days.
HSW0020914	Restricted Duties Injury (RDI)	Programme Delivery	Manual Handling	Contractor	Non-critical	A contractor at Snells Beach WWTP fractured a finger while physically handling a reinforcing steel stirrup on the job site. The contractor tried to bend open the stirrup, but it deflected onto his finger. He was placed on light duties while recovering from the injury.
HSW0020928	Restricted Duties Injury (RDI)	Programme Delivery	Manual Handling	Contractor	Non-critical	A contractor caught his finger when he was unloading a petrol generator from a truck. He was seen by a doctor and was assigned light duties.
HSW0021033	Lost Time Injury (LTI)	Finance	Slip, trip and fall	Contractor	Non-critical	A meter reader sprained his left ankle entering a private property to access a water meter when his foot sank into a hole in the garden. He was seen by a doctor and x-ray completed to check for any fractures – 3 days off work with safety boots.

#### 4.4 HSE Global Review – update on recommendations

Watercare's HSW Team has undergone a change process during October. The purpose of that change was to reset the focus and alignment of the HSW function to the new business operating model, and address the findings and recommendations from the HSE Global report regarding the technical capability and role of the HSW function.

This will be the last Board report with the HSE Global response in the tabular format as below. Recognising that most of this activity is business-as-usual improvement and performance, the findings and recommendations in the HSE Global review will be embedded in a refreshed Board paper format that addresses key focus areas aligned with a HSW framework.

Recommendations	Short description	Action	Due	Status	Comments
Priority 1	Agree on a strategic approach to managing health, safety and wellbeing	<ul style="list-style-type: none"> <li>• Collaborative development of new vision and principles for HSW at Watercare</li> <li>• Develop engagement plan for senior leadership and wider organisation and partners.</li> </ul>	Oct 2024		Working with senior leaders to understand business needs and develop strategic direction of HSW initiatives. Reorientating HSW support to the changing business. Update of HSW policy is underway and will go to the December 2024 board meeting for approval. A refresh of the safety commitment cards has been completed. HSW Policy has been updated, and will be underpinned by a framework for HSW service delivery and operational improvement.
Priority 2	Define a suite of health, safety and wellbeing metrics that can be used in combination to understand Watercare's performance	<ul style="list-style-type: none"> <li>• Develop new metrics and measurement, reflecting and complementing redefined HSW strategy</li> <li>• Develop dashboards and trend analysis to support learning and improvement opportunity.</li> </ul>	Jul 2024		Existing iCare system limitations will be reviewed for delivery of tactical system and dashboard enhancements in the short-term (FY24). These improvements are intended to improve data quality for reporting and to strengthen our risk categorisation, focusing on high-potential, critical, and significant risks. Long term improvement to be delivered through planned comprehensive HSW system replacement, planned for delivery in FY26.
Priority 3	Demonstrate accountability and psychological safety at all levels of the organisation	<ul style="list-style-type: none"> <li>• Develop and implement enhanced safety leadership programme</li> <li>• Embed HOP and learning teams in business</li> <li>• Develop enhanced induction for new starters</li> <li>• Develop psychosocial safety knowledge and capability within Watercare.</li> </ul>	Oct 2024		The new safety leadership training has been prepared and will be delivered from October 2024 onwards as an internal programme for people and safety leaders in the business. Ongoing re-assessment of psychological safety will occur with full staff survey cadence.

Recommendations	Short description	Action	Due	Status	Comments
Priority 4	Implement an organisational health and safety committee to increase cross-functional relationship building and organisational learning.	<ul style="list-style-type: none"> <li>Design HSW committee for Watercare (top tier committee) with clear purpose and support</li> <li>Engage with HSRs and senior leaders to ensure appropriate representation</li> <li>Ensure that representatives are trained and prepared for success in role.</li> </ul>	Jul 2024		<ul style="list-style-type: none"> <li>HSR committees were engaged in the review of policy and stop-work cards.</li> <li>HSR representatives are engaged and connected at business unit level HSW meetings.</li> <li>Business-wide HSR committee to set cadence for engagement.</li> <li>While the due date has passed, work continues on the above three actions with a new estimated completion date of December 2024.</li> </ul>
Supplemental 1	Form a contractor management working group to draw on the internal and external expertise to review current processes with an aim to remove duplication of processes, define areas of influence and share best practice	<ul style="list-style-type: none"> <li>Establish contractor working group</li> <li>Review processes and opportunity for better practice (overlapping duties).</li> </ul>	Aug 2024		<p>New approach for contractor safety engagement has been developed, with various cadence for different levels and purpose of engagement focus.</p> <ul style="list-style-type: none"> <li>Monthly critical risk toolbox for sharing learnings and improvements</li> <li>Three monthly contractor safety meetings for focused engagement</li> <li>Annual safety forum for wider participation.</li> </ul>
Supplemental 2	Add to the technical capability of the health safety and wellbeing team in high-risk areas to support senior leaders in ensuring compliance in complex areas	<ul style="list-style-type: none"> <li>Redefine role and alignment of HSW team within Watercare</li> <li>Communicate role and function to staff and contractors</li> <li>Develop HSW leadership, and technical HSW team capability.</li> </ul>	Dec 2024		<p>Reviewing capability and functional orientation of HSW team to the business. Postponed review of team until after broader organisational changes. Professional development of HSW team members has progressed.</p>
Supplemental 3	Fully implement Safety in Design (SiD) principles in all project work	<ul style="list-style-type: none"> <li>Ensure that project delivery quality management processes include SiD</li> <li>Capture and share learnings from SiD review.</li> </ul>	Aug 2024		<p>SiD is an established and verified check in the design delivery process. Ongoing quality assurance in delivery will ensure that this process is effective.</p>



## 4.5 Continuous improvement and monitoring

### 4.5.1 ISO 45001 Review Audit

The ISO 45001 review audit has been confirmed for February 2025. This process will include a comprehensive organisational review of current Integrated Management System (IMS) and HSW policies and processes, followed by site visits. Progress on internal HSW policy and process reviews, as well as annual site assessments, is underway.

Key actions required prior to the review include:

- Finalising and reissuing the updated HSW Policy, “Our Commitment to health, safety and wellness”.
- Completing IMS updates to align with recent organisational changes.
- Developing and finalising the HSW Framework and Objectives for 2025.

### 4.5.2 ACC Programme Changes

Effective 1 April 2025, significant changes to the ACC Accredited Employers Programme will be introduced.

Employers with ISO 45001 accreditation will no longer be required to complete the HSW management system audit (aligned to AS/NZS 4801) as part of their annual assessment.

The annual injury management audit will continue unchanged.

Five new performance measures for Accredited Employers will be implemented from 1 April 2025. Those performance measures are:

- Timeliness of cover decisions for non-complicated claims (less than 5 days LTI)
  - **50%** of cover decisions for non-complicated claims are made within **8 days** of a claim being received by the Accredited Employer.
- Timeliness of cover decisions for complicated claims
  - **50%** of cover decisions for non-complicated claims are made within 2 months (**62 days**) of a claim being received by the Accredited Employer.
- Timeliness of first weekly compensation payment
  - **50%** of first weekly compensation payments are assessed/made **within 10 days** of the latter of incapacity start date OR cover decision date.
- Timeliness of initial individual rehabilitation plan
  - **80%** of initial Rehabilitation Plans on claims where incapacity is finalised **within 28 days** of the latter of the date of incapacity OR cover decision date.
- Average number of days from first incapacity to full return to work
  - **56 incapacity days (or fewer)** per claim.

These measures were consulted with industry and unions over a 12-month period 2023-2024. Watercare supports the establishment of performance measures that encourage timely and effective resolution of injury claims. The recent changes within the HSW team include the creation of a HSW Advisor – Injury Management role to provide focus on the injury case management activity that supports and enables this function.





# Chief Executive's report

*Presented by: Dave Chambers*



10



## 1. October 2024

Watercare is pressing ahead at full steam to ensure we are financially independent and able to raise our own funds by 1 July 2025. We are continuing to collaborate with Auckland Council on our financial separation; at the end of November, the Council's governing body approved the terms under which we will repay Council our existing debt over a five-year period. They also noted our intention for Council to provide us with treasury services on an arms-length basis that complies with legislation. Members of our Capital Finance Committee are working with the rating agencies and the major banks on the capital raise process. While the schedule is extremely tight and the programme is packed, it is on track.

In October 2024, we agreed, after negotiations with Waikato District Council (WDC), to extend our water, wastewater and stormwater services contract by another two years, with the revised end date being 30 June 2028.

This extension of time gives WDC a bit of breathing room while it firms up what the district's future water services look like under the Government's Local Water Done Well policy. Given our valued relationship, we are happy to support WDC through this process, as it works towards its desired outcome under water reform.

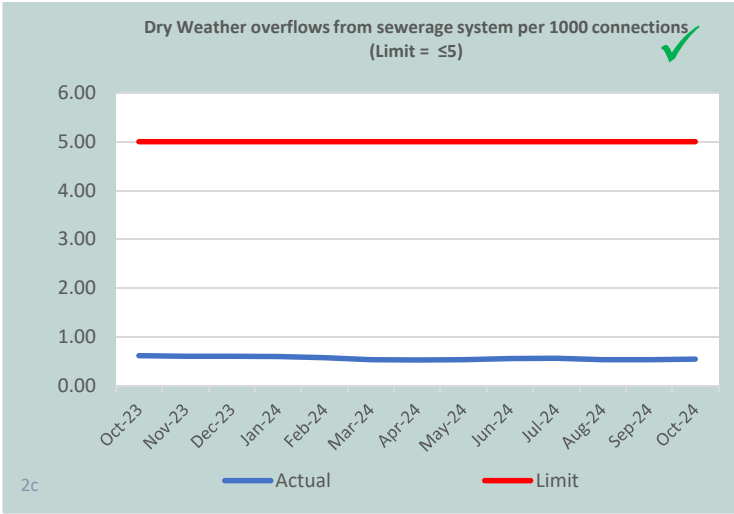
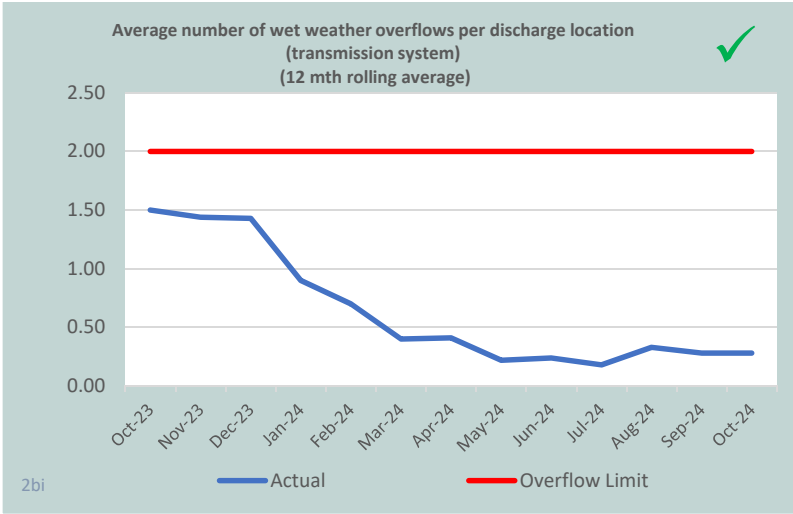
We launched our new values at the end of October 2024. These are key building blocks for our business and was led by our People team, with everyone at Watercare able to participate in workshops to define our new values. These values will serve as guiding principles for how we should work together, safely and effectively, and deliver for Auckland, particularly under the new financial model.

We won the Social Impact Award at the New Zealand Procurement Excellence Awards for our innovative Ngā Kakau Paraha Māori supplier network. The network of 16 Māori-owned businesses was set up to help deliver the first stage of our \$3.5 billion asset upgrade and renewal programme and the award highlights our dedication to engaging Māori businesses and promoting economic prosperity.

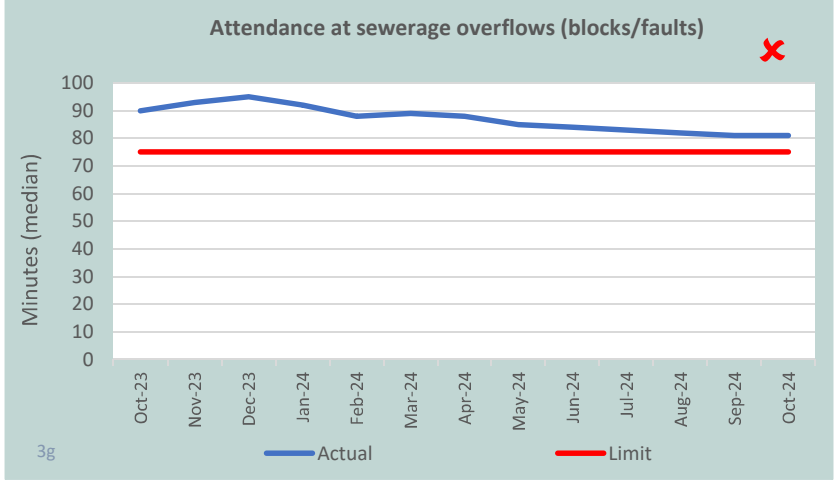
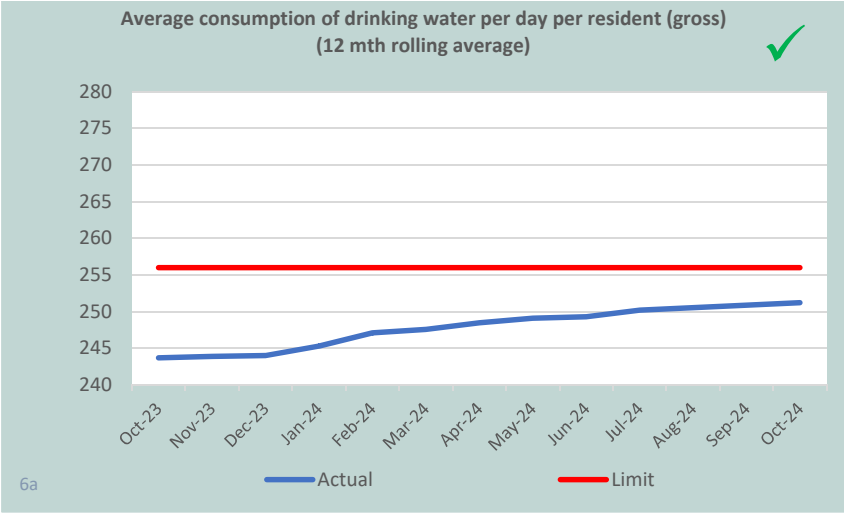
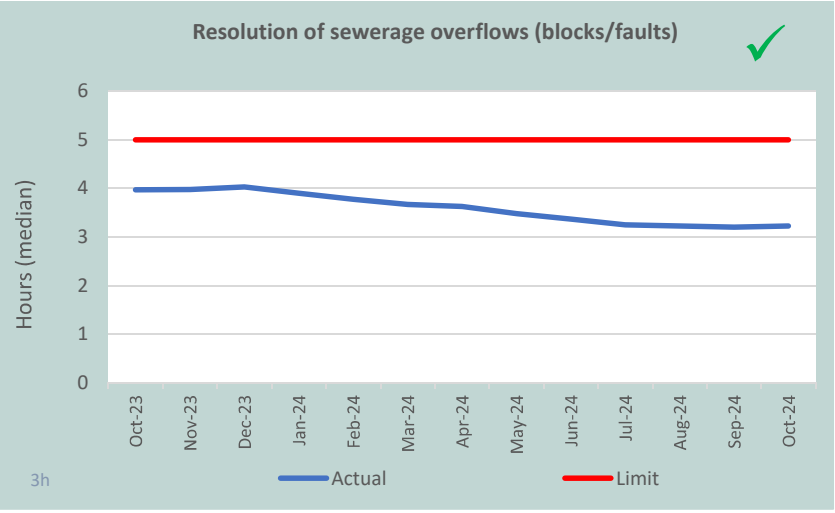
## 2. Key performance measures

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

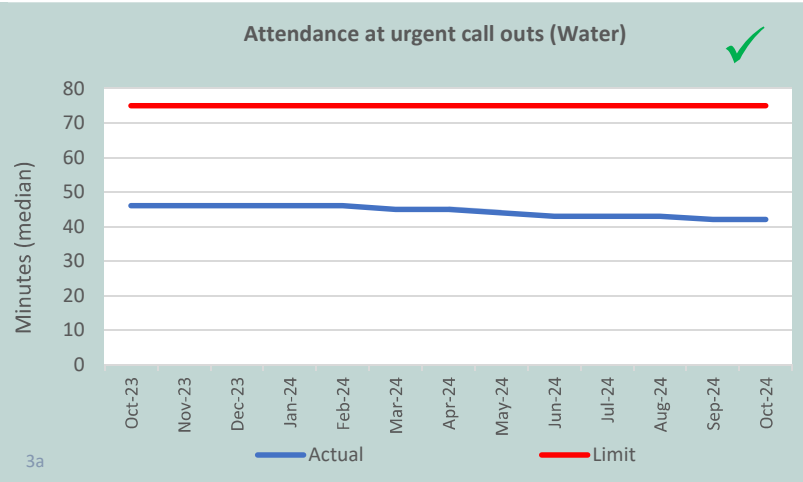
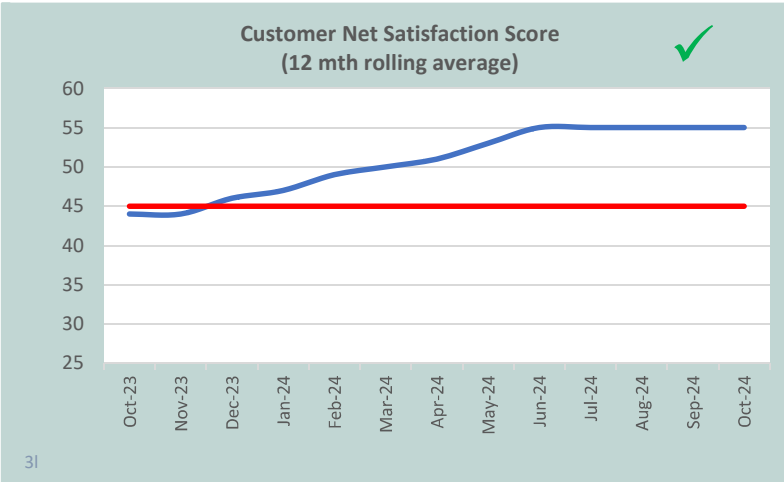
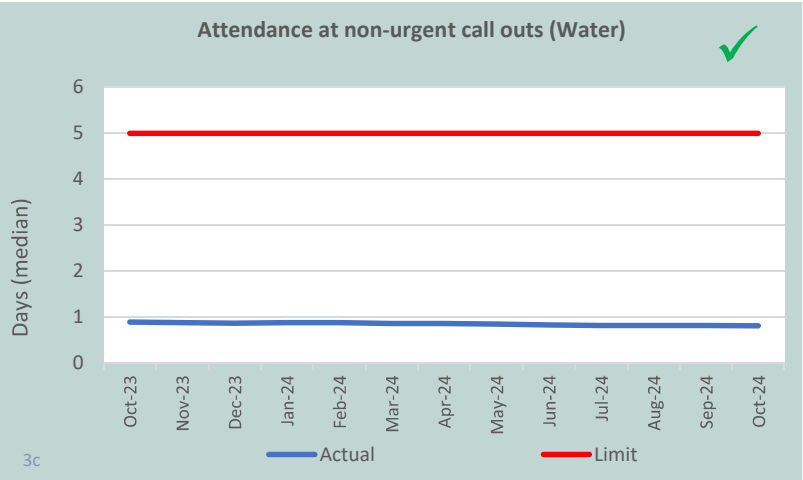
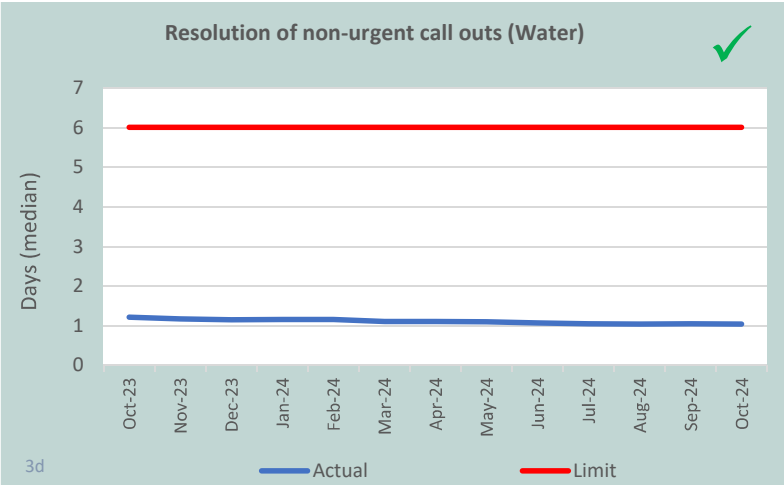
SOI measures — Natural Environment



SOI measures — Community and Stakeholder Relationships



SOI measures — Community and Stakeholder Relationships



**Watercare performance measures (unaudited)**

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
1.	Compliance with Taumata Arowai Quality Assurance Rules T3 – <b>Bacterial water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	
2.	Compliance with Taumata Arowai Quality Assurance Rules T3 – <b>Protozoal water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	
3.	Compliance with Taumata Arowai Quality Assurance Rules D3 – <b>Microbiological water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	
4.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:				<i>Note the assumption is that abatement notices received relates to new notices issued in the financial year.</i>
	a) abatement notices	≤2	0	0	
	b) infringement notices	≤2	0	0	
	c) enforcement orders	≤2	0	0	
	d) convictions	0	0	0	
	received by the territorial authority in relation to those resource consents.				
5.	The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average).	253 litres	251.2	250.90	
6.	Median response time for attendance for urgent water callouts: from the time that the local authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average)	≤ 75 mins	42	42	

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
7.	Median response time for resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)(water, 12-month rolling average).	≤ 5 hours	3.53	3.60	
8.	Median response time for attendance for non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days) (12-month rolling average).	≤ 5 days	0.81	0.82	
9.	Median response time for resolution of non-urgent water call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (days) (12-month rolling average).	≤ 6 days	1.04	1.05	
10.	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system (12-month rolling average).	≤ 10	7.74	7.75	
11.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that the territorial authority receives notification to the time that service personnel reach the site (minutes) (12-month rolling average).	≤ 75 mins	81	81	Overflows are triaged as either a P1 or P2 response. P1 is for overflows going into a waterway or effecting multiple properties. A P1 response is on site within 60 minutes. A P2 response is for all other overflows. A P2 response is on site with



No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
					240 minutes (4 hrs). At 81 minutes this means we are meeting all P2 and probably most P1s. The more important measure is resolution of blockages and faults (see row below), and this target is being met.
12.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (hours) 12-month rolling average.	≤ 5 hours	3.23	3.2	
13.	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) Watercare's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average).	≤ 50	18.70	18.83	
14.	The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average).	≤13%	12.97%	12.97%	Watercare calculates its leakage based upon the IWA (International Water Association) water loss calculation. The calculation involves estimates for both volumes produced and utilised.  *Water loss result is with 95% confidence limits of +/- 10%.
15.	The number of dry-weather overflows from the territorial authority's sewerage system, expressed per 1000	≤ 5	0.55	0.54	

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
	sewerage connections to that sewerage system (12-month rolling average).				
16.	Adherence to all of DIA's non-financial service performance measures (items 1 to 15 above).	100%	93.33%	93.33%	Out of 15 DIA measures, 14 measures were met, and one measure (items 11) was not met.
17.	Average number of wet weather overflows per engineered overflow point per discharge location (12-month rolling average).	≤ 2 overflows per year	0.28	0.28	
18.	Leakage performance – litres/connection/day (l/c/d)	98.2 l/c/d	124.16	123.65	<p>Watercare has set an aspirational target for economic level of leakage (ELL) at 98.2 l/c/d.</p> <p>The ELL is the point at which the cost of producing water is equivalent to the cost of the efforts to keep leakage at those levels through a combination of leakage repairs, managing water pressure and renewal of watermains.</p> <p>The aim is to achieve an ELL at or close to the target. We did not meet this target, with ELL higher than the target.</p> <p>The level of leakage is calculated by deducting the volume of water sold and unbilled water usage (or non-revenue water) from the total volume of water produced. The programme to reduce non-revenue water continues.</p> <p>To bring the result back towards the target, we are continuing our leak reduction efforts, within our existing opex budget.</p>

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
19.	Compliance with Taumata Arowai Quality Assurance Rules T3 – <b>Chemical water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	
20.	Compliance with Taumata Arowai Quality Assurance Rules T3 – <b>Cyanotoxins water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules T3.	100%	100%	100%	
21.	Compliance with Taumata Arowai Quality Assurance Rules D3 – <b>Residual disinfection (chlorine) water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	97.5%	
22.	Compliance with Taumata Arowai Quality Assurance Rules D3 – <b>Disinfection by-products water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	
23.	Compliance with Taumata Arowai Quality Assurance Rules D3 – <b>Plumbosolvent metals water quality</b> . The extent to which the local authority's drinking water supply complies with Drinking Water Quality Assurance Rules D3.	100%	100%	100%	
24.	Deliver capital programme in line with the asset management plan baseline approved by the Board.	80% of projects are delivered within the approved budget and 80% of projects are in service	6 projects, 86%, have been completed July-Oct on time and within budget. 1 project* was not delivered on time nor forecasting to complete on budget.	4 projects are baselined to be completed in September 2024. These will be reported on in Q2	*Glen Innes WW PS (DPS071) Pump Replacement has not been delivered on time due to a revised design which will enhance network performance. A list of the 19 capital works projects we are scheduled to deliver in FY25 will be provided at the February 2025 Board meeting.

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
		within the approved time.			
25.	Planned network pipe renewal  Measure – Actual Kilometres delivered /planned kilometres.	26km (+/- 5%) of network planned for year ending 30 June 2025	3.3km	3.3km	Yearly target.
26.	Measure: Planned and renewal spend (water and wastewater): reactive maintenance spend <i>Depicted as both a percentage split, and a ratio.</i>	75% (Planned): 25% (Reactive) >3	-	-	Reported 6-monthly (yearly target).
27.	Percentage of household expenditure on water supply services relative to average household income.	< 1.5%	0.85%	0.84%	
28.	Debt to revenue ratio.	≤4.00	3.74	3.91	
29.	Controllable Cost target (including 4% efficiency target per year, for 10 years, from FY23-FY32).	\$441m	\$34m	\$33m	YTD Direct expenditure as at 31 October 2024 is \$136m against a target of \$150m, a favourable variance of \$14m. Variance largely due to timing. Still expecting to meet the target for the year.
30.	Customer Net Satisfaction Score (Previously Net promoter score).	≥45	55	55	
31.	Community trust score.	≥55	57	58	
32.	Percentage of customer complaints resolved within ten days of notification.	≥95%	99.3%	99.3%	
33.	Ratio of procurement sourced through Māori owned businesses.	5%	3.21%	2.72%	Direct 1.06% and Indirect 2.15%. Total Māori business spend for FY25 is

No.	Measure	FY25 Target	Actual		Commentary
			October 2024	September 2024	
					\$12.70m. (\$4.18m Direct, \$8.51m Indirect). \$2.03m of the direct spend has been through our Ngā Kakau Paraha (Māori supplier business network). We have 127 active Māori suppliers out of a total of 2140 active suppliers (5.93% of active suppliers). Our current Māori spend at 3.21% is the highest we have achieved since we started measuring in Jul 2019 and the first time we have exceeded 3%.
34.	Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average).	90%	88.83%	89.89%	Increase in input requests over the last three months (average 243) compared to April – June (average 206). We have hired new staff to replace engineers that have recently left. The new staff have been going through training and getting up to speed.
35.	Health & Safety: Every month, a minimum of one permit audit is conducted per site (i.e. all 15 major operational sites, and 21 major construction project sites).	One per site (36)	53	49	
36.	We will implement Mitigation measures in line with our emissions reduction targets scope 1 and 2) (Quarterly measure). <i>Note: these targets now include emissions from Puketutu island and also align with our current Asset Management Plan. Previously set target for FY25, excluding Puketutu is &lt;89,200 tonnes CO<sub>2</sub>e.</i>	<139,170 tonnes CO <sub>2</sub> e	-	30,714 tonnes CO <sub>2</sub> e	Quarterly measure

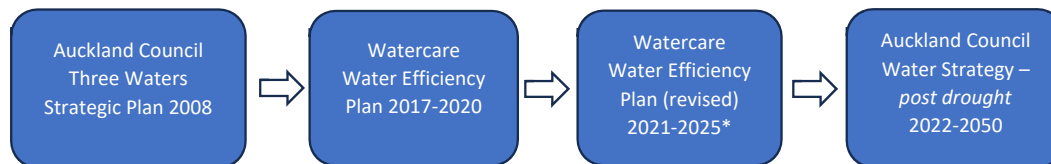
### 3. Our customers

#### 3.1 Water Efficiency Plan – status update

In 2008, Watercare collaborated with the former local councils of Auckland on the Three Waters Strategic Plan. This set a target to reduce Auckland's average rate of consumption by 15 per cent by 2025, compared with 2004. This target is measured using Gross Per Capita Consumption (PCC), which calculates the total water supplied—including residential, non-residential, leakage, and bulk supply—divided by the number of people served by the water network. The plan is reviewed and updated every five years, with the most recent update occurring in 2021 and the next update due in 2025.

The target for 2025 is to achieve a Gross PCC of 253 litres of water consumption per person per day. Progress towards this target is monitored regularly, and the plan is regularly reviewed and monitored to ensure we are on track to achieve our targets. As stated in our annual report FY24 we were at 252 l/p/d and this will only be reported annually. Additionally, the Auckland Water Strategy has been established with a long-term goal of achieving a Gross PCC of 225 litres per person per day (l/p/d) by 2050.

Evolution of the various water efficiency plans and strategies:



*\*Water Efficiency Plan due for review 2025*

#### Consumption (water demand)

Year	Water security target
2025	≤253 litres consumption per person per day (gross PCC, network)
2030	≤247 litres consumption per person per day (gross PCC, network)
2050	≤225 litres consumption per person per day (gross PCC, network)

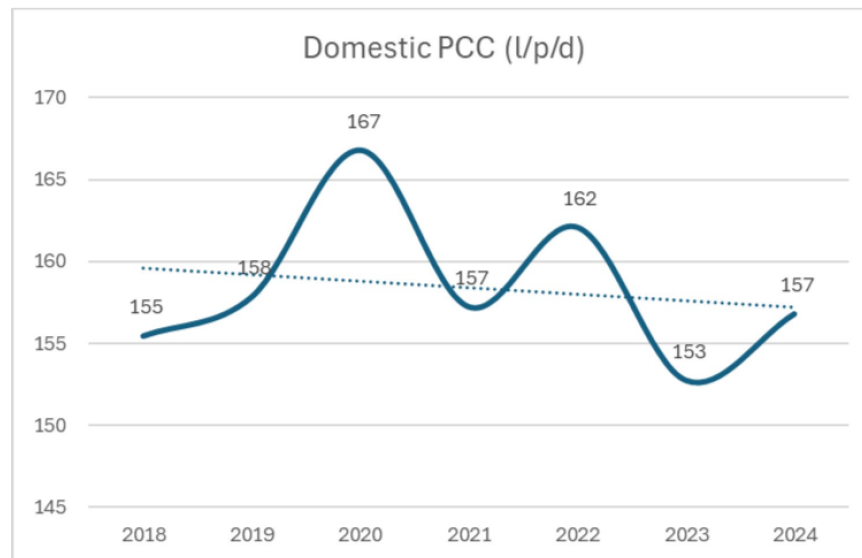
Our Water Efficiency Plan was updated in 2021 to ensure the focus remained on the value of water. This shift aimed to not only defer capital investment in new sources but also accommodate Auckland's growth and address the impacts of climate change. Watercare committed to focus on four key areas to drive these water savings:

- Reduce loss on our network with more district meters, leak detection and innovation. Also, by minimising water loss in our network and responding to leaks in a timely manner.
- Improving oversight from source to tap by implementing a smart network.
- Optimising pressure in our network (reduces volume of leaks).
- Improving residential, community and commercial water efficiency by increasing water literacy.

In addition to Gross PCC, we also committed to measuring our performance across residential and commercial customers based on the initiatives underway.

Gross PCC 252 /p/d	
Residential PCC 157 l/p/d	Commercial work with industry sectors

Domestic PCC is shown below.



In 2022, Auckland faced a severe drought, leading to a peak in domestic water consumption. To manage this, restrictions were implemented, artificially reducing water usage in 2021.

Then, in 2023, Auckland experienced exceptionally high rainfall, especially in the first six months, which included record-breaking rainfalls and flooding. This led to a significant decrease in water consumption.

As a result, by the end of 2023, water usage had returned to pre-drought levels, demonstrating the substantial impact of weather patterns on water consumption in the region.

### **Commercial sector initiatives**

For the commercial sector we committed to work with the highest water consuming segments, investigate reuse, and invest in water audits. The targets set for commercial customers were:

- Reduce Auckland Council consumption by 30 per cent by 2040.
- Conduct water audits with food and beverage manufacturers and develop industry networks for sharing knowledge and capability.
- Deploy smart meters in schools to increase awareness of leaks and a faster response to high water consumption.

We are continuing to support Auckland Council, our largest commercial customer, in their efforts to reduce consumption.

- Currently we have approximately 1,000 loggers (25% of our fleet) deployed to Auckland Council facilities.
- Auckland Council has sought to increase this number. However, we are currently constrained by budget and uncertainty on the direction for a larger rollout.
- Data from the loggers is shared with Auckland Council including weekly consumption reports and near real time leak alerts.
- Additionally, we are working with our digital team to implement a dashboard which can be used to track and analyse consumption. Better access to trends, analysis and insights will not only help Auckland Council manage their water use but will also help us analyse overall consumption for IGC assessments while accounting for their regular transfer of properties within their portfolio.

**Food and beverage (F&B) manufacturing** – We have found that 95 per cent of large F&B manufactures are open to reducing their water consumption.

- Of the most recent 20 companies who have engaged in discussions with us about reduction measures, 17 (85 per cent) have demonstrated a meaningful drop in water demand.
- In some instances, the reduction is significant. One customer has managed to reduce their annual demand by over 10 million litres.



**Smart meters rolled out to the majority of schools**

- Currently 700 loggers have been deployed across 400 schools.
- The failure rate of loggers continues to be a challenge.
- Schools with working loggers receive a weekly consumption report including information on leakage, if any.
- We regularly work with schools to support the identification and repair of leaks.

**Detailed Progress to date on all four key focus areas**

Initiatives	Progress FY21 – FY24	Plan FY25																								
Reduce Loss	<p>Proactive leak detection</p> <table><tr><td></td><td>FY21</td><td>FY22</td><td>FY23</td><td>FY24</td><td>Total</td></tr><tr><td>KMs</td><td>6000</td><td>6000</td><td>5702</td><td>6000</td><td>23,702</td></tr><tr><td>Leaks</td><td>4182</td><td>3154</td><td>3999</td><td>3789</td><td>15,124</td></tr><tr><td>Savings</td><td>9.13</td><td>5.90</td><td>5.07</td><td>7.19</td><td>27.28</td></tr></table> <p>A renewals prioritisation model is under development to target where money is best spent renewing watermain. Watercare has renewed old and leaky watermain at a rate of 20km per year over this period. This will accelerate with the AUR programme over the next 10 years helping to reduce Opex.</p>		FY21	FY22	FY23	FY24	Total	KMs	6000	6000	5702	6000	23,702	Leaks	4182	3154	3999	3789	15,124	Savings	9.13	5.90	5.07	7.19	27.28	<p>Proactive leak detection is a business-as-usual function for Watercare.</p> <p>Prior to FY 25 Watercare surveyed every meter box in its 6,000km network. Whilst this revealed a lot of leaks, many were of low volume.</p> <p>Different survey methods will be used across the supply zones such as surveys of major fittings and lift and shift noise loggers. This will help increase the length of pipes surveyed and volume of water saved.</p>
	FY21	FY22	FY23	FY24	Total																					
KMs	6000	6000	5702	6000	23,702																					
Leaks	4182	3154	3999	3789	15,124																					
Savings	9.13	5.90	5.07	7.19	27.28																					
Initiatives	Progress FY21 – FY24	Plan FY25																								
Improving oversight from source to tap	<p><b>Watercare has been maintaining and upgrading its Bulk Supply Point (BSP) and district metering areas (DMA).</b> The BSPs are a key component of Watercare’s leakage calculations as this is the point where water is measured before it enters the part of the network where Watercare’s customers are connected. There is a focus on data accuracy and making sure broken meters are fixed promptly. In FY 24 Watercare developed its leakage management system which processes the data collected from its bulk supply points (BSPs) and district meter areas (DMAs) and allow daily review of where leakage outbreaks are occurring across the company to assist in targeting areas for further leakage detection.</p> <p>The <b>smart metering program</b> rolled out 60,000 meters across Auckland. This is the largest rollout in Australasia by percentage of customers with a smart meter and the second largest by number of smart meters installed.</p>	<p>Additional funding has been allocated to replace the mechanical meters that make up under a third of the BSP fleet. These will be replaced with electromagnetic meters. Watercare continues to split its network into smaller areas for leakage control known as DMAs to enable better targeting of leakage detection and repairs. The leakage management system will be used in FY25 as an essential part of the leakage detection effort to enable prioritisation of leakage detection resources.</p> <p>Smart meter roll out continues for new connections and reactive replacement meters. For the planned large-scale replacement, a revised plan is being developed for further consideration by the board.</p>																								

Initiatives	Progress FY21 – FY24	Plan FY25
	<p>Commercial smart meters are being captured by installing loggers on the meters.</p> <p><b>Watercare app adoption – 93k</b> customers now have the Watercare app. The majority are mechanical meter customers using the app to pay and monitor consumption.</p>	<p>App digital enhancements and smart meter reporting which can help achieve further efficiencies remain in the digital work backlog.</p>
<b>Optimising pressure in our network</b>	<p>Watercare has been installing <b>intelligent pressure controllers (PRVs)</b> on its network since FY23. It now has over 60 PRVs with intelligent controllers installed and critical point loggers within the network to assess their performance.</p> <p>In FY 24, 7 MLD of sustainable <b>leakage savings</b> have been achieved across the network from this programme. This has reduced the number of leaks occurring in these areas.</p>	<p>For FY25 further areas will be optimised and work is underway to install the PRVs and controllers. Areas being targeted include Remuera, Mangere, Glendowie and Papatoetoe areas known for high volume of leaks.</p>
<b>Residential, community and commercial</b>	<p><u><b>Residential</b></u></p> <p>Customers with high use can receive a free in-home water audit through <b>EcoMatters</b> who have tripled their audit numbers to 334 through targeted contacts. Customers on average achieved 25 per cent reduction in their water use, with average savings per household of \$319 per annum.</p> <p>We have also developed a <b>water footprint online calculator</b> - <a href="https://www.smartwatermark.org/watercalculator/NZ/">https://www.smartwatermark.org/watercalculator/NZ/</a> to help residential customers calculate how much water their home consumes based on household size, fixtures and fittings they have and their behaviours.</p> <p>We provide tips on <b>planting drought resistant plants in Auckland via the Botanic Gardens <a href="#">website</a></b>.</p> <p><b>High bill journey</b> directs customers to check for leaks and water saving tips, and an online water calculator is available on our website to help customers gauge how their consumption compares to our Gross PCC target of 253.</p> <p>Customers who have the Watercare <b>app and a smart meter receive leak and high consumption notifications</b> to alert them to action and address leaks promptly.</p>	<p>BAU – We will continue in FY25, targeting high water users.</p> <p>BAU - will continue in FY25, targeting high water users with limited funding</p> <p>Enhancements to app and reporting is in the digital work backlog<sup>i</sup> - funding currently unavailable.</p>

Initiatives	Progress FY21 – FY24	Plan FY25
	<p><a href="#"><u>Education program</u></a> we have doubled our resource to two teachers who conducted 446 lessons across 87 schools in FY24. They also actively run community events and holiday programs driving water literacy. In total they reached 13,650 children over the last year. In school holidays, our teachers deliver the programme in libraries around Auckland.</p> <p>Each month, we take a group of high school pupils on a tour of a dam. In summer, we run a dedicated 'make every drop count' campaign that is promoted in our customer newsletter 'Tapped In' and runs on social media.</p> <p>We conducted a <b>Citizens' Assembly</b> to genuinely engage Aucklanders on the future water source for Auckland beyond 2040. The Citizens Assembly reached a consensus and <b>recommended purified recycled water as the next source</b>. They recognised that engaging with and educating the public on the safety and quality of this source was necessary to facilitate acceptance.</p> <p><b>A small-scale purified recycled water pilot plant has been constructed at Watercare's Mangere WWTP.</b></p> <p>We are still committed to investigating the full portfolio of future water source options. This includes opportunities for non-potable recycled water use. The Mangere non-potable recycled water plant supplied about 9 million litres of construction grade water to the Central Interceptor project, offsetting potable water use. A project is currently underway to enable future use of the water at the Mangere WWTP.</p> <p>We have initiated conversations with Taumata Arowai to discuss potential regulatory pathways for recycled water use.</p> <p><b><u>Commercial Customers</u></b>  <b>Top 100 Commercial</b> customers are managed through dedicated relationship managers. They also come together for our annual He Taonga Te Wai water efficiency expo. Here we bring together industry experts and share case studies</p>	<p>BAU will continue with two teachers.</p> <p>At the start of summer, we usually put out a stakeholder update and media release outlining our water situation as we head into the warmer months.</p> <p>We collect water quality data to confirm that the advanced treatment technology meets or exceeds current drinking water standards and to assess environmental risks from discharges. This data will aid in future regulatory discussions.</p> <p>Data gathered during piloting will help us evaluate purified recycled water as a future water source option. The plant will also provide a venue for conducting public tours, to improve community understanding of the technologies used to produce purified recycled water, and its safety. Piloting will commence once the plant has been handed over from the project team and funding is confirmed. We also intend to deliver other pilot projects to help build community acceptance and trust in recycled water. Delivery of these projects will be subject to feasibility.</p> <p>Budget constraints prevented the yearly water efficiency conference proceeding this year. Key and strategic customers continue to be managed directly as part of BAU processes.</p>

Initiatives	Progress FY21 – FY24	Plan FY25
	<p>to enable our largest customers to be informed of water efficient technologies and innovations. The event also involves Global Café conversations.</p> <p><b>Auckland Council</b>, strategic customers (schools, hospitals, universities, Defence, etc), and publicly listed property managers also have a dedicated account manager.</p> <p><b>Partnerships with Industry bodies</b> Watercare supported the foundation of the Exterior Cleaning Industry Association (ECIA), and subsequently the creation of their accredited practitioner training program, encourage efficient water use.</p> <p>We have engaged with FENZ to support and promote water recycling for training</p> <p>Eden Park – partnered with Eden Park to support the implementation of an onsite bore to reduce potable water consumption.</p> <p>We have a series of case studies and success stories which are used to promote and encourage other industry partners and companies to become more water efficient.</p> <p><b><u>Community</u></b> Co-design and Global Café session to drive water literacy. Monthly treatment plant tours. Engagement with local boards on water literacy. Community events on large projects to showcase the investment and delivery of services.</p>	<p>Addition of Aged Care as a directly managed portfolio. Aged care is a significant growth area and also a sensitive water user.</p> <p>Partnerships with industry bodies continue. Additionally, we are reaching out to commercial property brokers and hydraulic consultants to understand areas of commercial growth and educate and inform on the impacts of this growth. I.e. Cost of growth (IGC), and measures to mitigate (water efficiency). Business as usual activity – budget permitting. Monthly tracker measures and monitors water literacy levels.</p>

#### Next steps

- The Water Efficiency Plan will be updated to align with the commitments made in Auckland Water Strategy and initiatives to achieve targets to 2050 by July 2025.
- A key dependency of delivering the strategy is finalising the smart network strategy which includes a roadmap on smart metering and funding envelope to drive water efficiency initiatives.

- The initiatives required to deliver to our targets to 2050 are aligned with the work program currently underway. The main one is the use of purified recycled water in the future for both non-potable and potable sources. These require investment into education and engagement which will be performed as part of the Servicing strategy engagement planned in Q4 FY25.
- The revised plan to 2050 will be shared with board for endorsement prior to June 2025.

### **3.2 An update on how we are progressing with our commitments to Citizens' Assembly**

In 2022 Watercare brought together 37 diverse people from across Auckland for a Citizens' Assembly. This was a collaborative initiative to shape decisions about Auckland's future water management. It involved randomly selecting Aucklanders to deliberate on key water issues, guided by expert input and evidence. The goal was to ensure diverse perspectives inform Watercare's strategies, fostering transparency and inclusivity. Watercare committed to respect the assembly's recommendations and provide updates to the Board. This ensures that the community's voice can influence board decisions, promoting trust and accountability.

The Māngere non-potable recycled water plant finished supplying recycled water to the Central Interceptor project earlier this year. In total, the plant supplied about 9 million litres of construction-grade water to offset potable water use. With the Central Interceptor project no longer needing this water, a new project will repurpose it for use, connecting it to the Māngere Wastewater Treatment Plant, further offsetting potable water use.

Construction of the purified recycled water pilot plant is complete, with minor works pending. The plant is expected to be handed over by late 2024. Once we begin piloting, we will start collecting data to understand operational and maintenance requirements, water quality, and environmental effects. After we have begun piloting, we will have a better understanding of the additional laboratory testing capabilities required.

Watercare has initiated regulatory discussions with Taumata Arowai, and all the information we are collecting during piloting will support these discussions, as well as those with other key stakeholders, including the Ministry of Health and Auckland Council.

Community engagement efforts have included tours of the pilot plant for key stakeholders and information on alternative sources through a dedicated webpage. In fulfilment of our commitment to the citizens' assembly, we will publish a detailed programme of work on this webpage by Christmas. Early engagement with mana whenua on future water sources has begun as part of the metropolitan servicing strategy engagement programme.

Monitoring of public acceptance began in August 2023, showing 65 per cent acceptance for non-drinking use and 42 per cent for consumption. Several non-potable recycled water projects have been explored, but none have progressed due to complexity and cost. The Rosedale Park Irrigation Pilot, in partnership with Healthy Waters, was planned for this summer but has been delayed.

### 3.3 'Easy does it' campaign for summer

Over summer, we are running a water efficiency campaign that says when it comes to using water 'easy does it'.

Our [total dam storage level](#) is where we expect it to be after winter – slightly lower than the historical average but above the [drought trigger levels](#).

As the temperature goes up though, so too does Auckland's water consumption – sometimes it can spike by up to 100 million litres on a hot, dry day compared to average usage. This puts pressure on our treatment plants and networks.

We would like to avoid a repeat of February 2020, when the rolling seven-day-average topped 549 million litres per day. To put that in perspective, the average consumption in summer is 452 million litres per day.

On 2 December 2024, we launched the campaign with the help of TVNZ's Breakfast show which broadcast live from our Lower Nihotupu Dam in the Waitākere Ranges. Over the next three months, we will be:

- Issuing regular water supply updates to media, [including this graphic](#)
- Sending our billing customers our [Tapped In newsletter](#)
- Running [tips on our website](#), [social media channels](#) and in Auckland libraries
- Encouraging people to [track dam levels on our website](#)
- Holding [free public tours](#) of Mangatāwhiri Dam
- Holding a [free public open day](#) at Pukekohe Water Treatment Plant
- Running a waterwise colouring competition.

Examples of imagery that will run on social media to support the campaign:



## 4. Our people

In October 2024, we commenced a committee led Diversity, Inclusion and Belonging awards programme and this month our winners were announced.

Our committee members stationed themselves across our key sites so that all of our Watercare Whānau could be involved in the festivities. The ceremony featured a performance of the Watercare haka, 'Ki te Ora te Wai', at our Māngere site, and a screening of our 'Proud to Be' video which embodies the focus of the awards – to promote people and teams who have had an impact in this important work and have gone beyond their day job to continue to enhance the inclusive culture we enjoy today.

The judges for the event included representatives from our DIB committee and Diversity Works New Zealand. Our winners came from across the business and included Joe Gendall, senior hydrologist for bringing Diversity into the conversation at a recent Trans-Tasman conference where they were the moderator on the topic, our retail operations team for demonstrating the power of teamwork to foster a supportive culture for our new starters, and Naomi Houston, emerging talent programme manager for elevating our reputation externally as an inclusive workplace. Congratulations to our winners, this demonstrates our company-wide commitment to Diversity, Inclusion and Belonging.

Hosting our inaugural Youth Summit was a mutually rewarding experience this month. Today's teenagers are tomorrow's stakeholders, employees and decision-makers and so working in conjunction with Sustainable Schools programme we hosted over 40 students from years 10 to 13 to provide these inquisitive young people with the opportunity to learn more about our water and wastewater operations. It was also an opportunity for us to find out how they view the challenges we will face in years to come. The goal of the summit was to educate these eager learners about what Watercare does and see how they can input into helping shape the future.

Over two events these students helped to inform our metropolitan servicing strategy, looking at our key challenges in continuing to provide our services to our customers and protecting the environment. Each group of students spent two days with us – one day focusing on water and the other on wastewater. The first groups moved around our Huia Water Treatment Plant and our dams, the Arataki Visitor Centre and the Māngere Wastewater Treatment Plant. Our Senior Managers had the privilege of hearing from the students on the final day regarding their insight in relation to real-world challenges in terms of population growth, community behaviour and climate change in the water and wastewater space. This event was popular and with a waiting list already for next year we are looking forward to the next cohort joining us.

A deep dive on the current position of Watercare's union relationships was presented to the Audit and Risk Committee meeting in November.

Our People dashboards for the month are included. Turnover continued to track downwards at 9.32 %. Sick leave decreased this month to 3.19% when compared to September 2024.



## Employment Status Headcount & Demographics

*\*Contractors and Directors are excluded. Long term leave and parental leave employees are included.  
\*\* Waikato employees are included in the overall snapshot (Operations).*

1,304.9 FTE

1,327 Headcount

1,479 Total Positions

6.0% Māori ↑

38.5% Female ↑

6.5 years Avg. Tenure  
(3.3 yrs Median)

42.2 years Avg. Age  
(40 yrs Median)



### Headcount

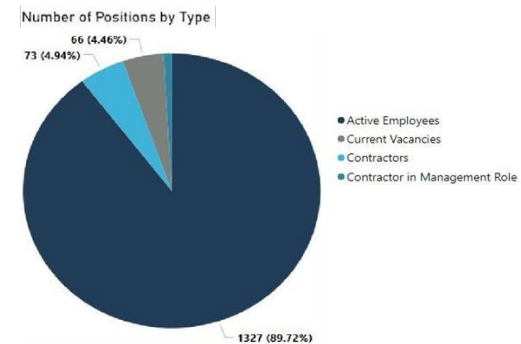
- As of the end of October 2024, the workforce comprised 1,327 employees, up from 1,299 at the end of September.
- Headcount continues to show steady growth compared to previous years (1,327 in 2024, 1,284 in 2023, and 1,238 in 2022). There are currently 1,479 total positions, a decrease of 6 from the 1,485 recorded in September.

### Diversity

- While largely stable in recent months, tracking over the last 12 months shows the proportion of Māori employees on a gradual upward trend.
- In October, the proportion of women in the workforce increased to 38.5% from 38.03% in September (surpassing the 38.3% reported in August). Otherwise, the workforce's age and tenure of service are steady.

### Gender Category

		
<b>Board</b>	0%	100%
<b>Executive</b>	25%	75%
<b>Overall</b>	38.5%	61.5%



Watercare 

## Starters, Leavers & Turnover

39 Starters, 8 Leavers

9.3% Turnover Rate ↓

99.4% Retention Rate ↑

40.2 Avg. Workdays to Hire ↑

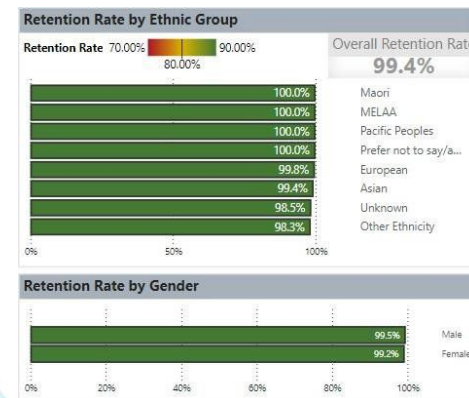
There were 39 starters and 8 leavers employees in October.

### Attrition

- There has been a reduction in the voluntary turnover of permanent employees, with the rate tracking at 9.3% as of October, down from 12.6% in the previous 13 ~ 24 months (12.3%).
- Female retention remains strong and has slightly increased, while overall staff retention remains robust at 99.4% as of October, up from 99.31% last month.

### Hiring

- The average number of workdays to hire has increased in October to 40.19 from 36.53 average workdays previous month.
- While the average hiring time improved from April (66.6 days) to August (27.3 days), we now have an upward trend.
- 7.41% of new hires in the past 12 months have been Māori (up from 6.37% in September).
- Women accounted for 37.29% of voluntary departing workers and 45.53% of new recruits over the previous 12 months.



## Leave Liability

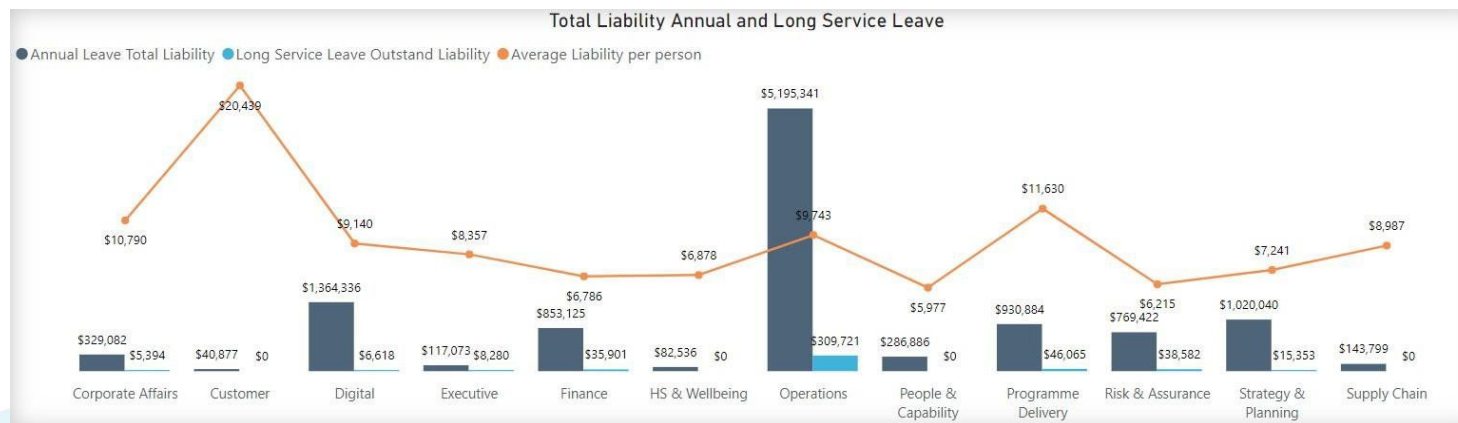
\$11.13m Annual  
Leave Liability



\$465k Long Service  
Leave Liability



- **Annual leave liability** was \$11.13 million in October, down from \$11.29 million, with an average liability of \$8.3k per employee.
- **Long service leave liability** reported at \$465k in October, down marginally from \$482k in September.

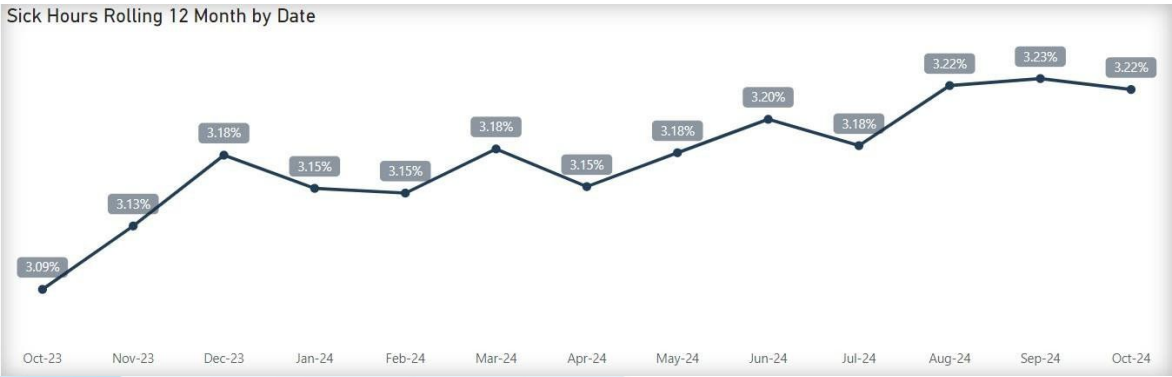
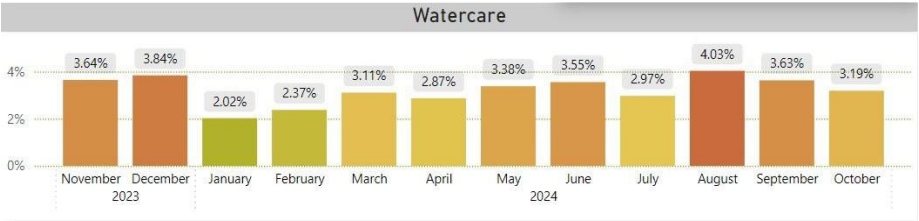


Sick Leave by month & Rolling Total

3.19% Sick Leave Taken   
(as % of total hours worked)

3.22% Average  
(Rolling 12 Months)

- Sick leave fluctuated in recent months, dropping again in October to 3.19% in October (from 3.63% in September and 4.03% in August).
- The rolling 12-month rate remains stable at 3.22%, up from 3.08% in Sept/Oct of the previous year.



## 5. Our operations

### 5.1 Arsenic exceedance at the Waikato water treatment plant

In mid-late November 2024, four drinking water suppliers who treat water from the Waikato River reported slightly elevated levels of arsenic in treated water to Taumata Arowai. There was no immediate risk to public health.

The 'maximum acceptable value' for arsenic in New Zealand drinking water is 0.01 milligrams per litre.

- Watercare reported a result to Taumata Arowai of 0.011 milligrams per litre in a sample taken on 25 November 2024.
- Hamilton City Council's testing on 19 and 20 November 2024 recorded results of 0.0113 and 0.0115 milligrams per litre.
- Waipā District Council's testing on 27 November 2024 recorded results of 0.0138 and 0.0145 milligrams per litre.
- Waikato District Council's testing in the week starting from 25 November 2024 recorded results of 0.012 milligrams per litre.

We treat the water at our Waikato Water Treatment Plant (WTP) in Tūākau and distribute it throughout the metropolitan network. In most parts of Auckland, treated water from the Waikato River is blended with treated water from our dams. However, Pukekohe, Buckland, Clarks Beach/Waiiau Pā, Patumahoe, Glenbrook Beach, and Drury south receive water solely sourced from the Waikato River. Since detecting the elevated result, we reduced production at Waikato WTP and increased production at major Ardmore plant, which treats water from four dams in the Hūnua Ranges. This extended the processing time at the plant and improves our ability to reduce the level of arsenic in the treated drinking water. We commenced daily sampling at the treatment plant and within the distribution network, which included sampling our blended water at the Redoubt Road reservoir to monitor change.

At the time of writing this report, all results post 25 November met drinking water standards for New Zealand. We continue to be cautiously optimistic and are continuing our daily sampling programme for the time being.

On 4 December 2024, we collected water samples from the Waikato River and at each stage of the water treatment process. These samples will be sent to a specialist laboratory in Melbourne for analysis to confirm the species of arsenic present. This type of testing is not available in New Zealand. The results, which we expect to receive within seven to 10 days, will help us to determine the most effective treatment processes for removing it. They will help us to make informed decisions in terms of tailoring existing processes and introducing new processes. We will share our results with Taumata Arowai, Waikato Regional Council and the other water service providers so they can benefit from the information too.

## 5.2 Māngere wastewater treatment plant consent

In the November 2024 Board pack, we reported that Auckland Council wrote to us on 23 October 2024 to determine whether a Māngere WWTP consent review was warranted (pursuant to Section 128 of the Resource Management Act 1991). They required a response by 25 October 2024. We met this urgent deadline and have now received an update from Council's Licensing and Compliance team. They have determined that a consent review is not warranted.















Council's Licensing and Compliance team will:





- advise the Chair of the Manukau Harbour Restoration Society (MHRS) of their decision and advise that Watercare is committed to engaging with MHRS.
- advise their decision to Cr Hills as the Chair of Policy and Planning Committee and Cr Bartley as Chair of the Regulatory and Safety Committee.
- send an update to the rest of the elected members.

## 5.3 Ōrākei main sewer (OMS) project

The last of the recommendations have now been closed.

WSP recommendations in the OMS failure Analysis report		Watercare response to recommendations	Status current	Status prior
1	It is recommended Watercare continue to inspect transmission sewers every 5 years using CCTV and Laser and Sonar profiling with inspections being undertaken on tighter frequencies on pipelines where there are concerns about the condition.	Data collection is complete, and processing is underway with some deliverables coming through. Engagement with consultants is being worked through to process the data to provide a risk profile. We will maintain the recommended frequency of inspections going forward and these are programmed into EAM.		
2	In addition, it is recommended to undertake condition inspections after events that could trigger rapid decline in condition e.g. after large storm events.	Agreed. This will be implemented as required.		
3	Improve the quality and resolution of the CCTV inspections to provide a clearer view of the pipe wall and aid the identification of faults.	The enhanced CCTV camera is now being used in the CCTV inspections.		
4	Reinstate cleaning the OMS using the plough or alternative cleaning systems that meets with current health and safety requirements.	Trial has been completed using newly imported high pressure jetting heads that are commonly used on similar sewers in Australia. The post survey results confirmed it to be an effective and safer work method. The trial will now be extended to confirm		

WSP recommendations in the OMS failure Analysis report		Watercare response to recommendations	Status current	Status prior
		these results in other areas. Unless a problem is identified, this will be used going forward.		
5	Produce detailed CCTV log sheets to record impactions and assign condition grades using a system suitable for brick pipelines.	This work has been included in the scope of future inspections.		
6	Change standard practise so that laser and sonar profiles are analysed for all inspections	This work has been included in the scope of future inspections.		
7	Compare laser profiling against previous inspections to determine the extent and severity of corrosion that could trigger a renewal.	The surveys have been completed on the OMS. We are currently comparing the new CCTV and analysis to earlier surveys. This will be standard practice at the completion of all surveys going forward.		
8	It is recommended that Watercare continue with a risk-based approach to the management of assets however it is recommended that Watercare develop guidance documents to detail these process and procedure and ensure decision making is recorded.	A guidance document has been completed.		
9	Watercare should update process for determining the criticality of asset to include all factors that could impact the consequence of failure ie is the pipe under a building.	The Transmission sewer renewals strategy has developed.		
10	Develop a condition assessment strategy that specifies the techniques that should be used for condition inspections, the timing of inspections and how the data should be recorded, analysed and stored.	The Transmission sewer renewals strategy has developed.		
11	Document a renewals intervention strategy that specifies the repairs and renewals to be undertaken and the urgency for undertaking the works based on the condition and the consequence of failure.	The Transmission sewer renewals strategy has developed.		

WSP recommendations in the OMS failure Analysis report		Watercare response to recommendations	Status current	Status prior
12	Consider undertaking structural analysis of block and brick-built sewers using finite analysis to improve the assessment of likelihood of failure and to set trigger levels for intervention.	This activity will be planned to follow the review of data from the condition assessment investigations.		
13	Develop a prioritised list of Transmission Sewer renewals and the triggers set out in the renewal intervention strategy.	This list has been developed and will be updated as new condition information is collected.		



Completed



Underway/Not due yet



Not on target

#### 5.4 Water quality

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

The residual disinfection compliance has been achieved for the month of October for all 40 DZs.

**Low Residual Chlorine (FAC) and elevated Disinfection By-products (Trihalomethanes (THMs)) Investigation:** Water age modelling to assess water age contributions to THMs formation and low FACs is progressing well. This will determine next steps, with operational improvements and capital investment likely required. A balance of security of supply (reservoir storage) vs water age will have to be considered. The final zones selected for the first group have been modelled, with reports being finalised. A workshop will be held with Water Operations to present model findings and determine next steps. The next three zones to be completed have been confirmed. A summer strategy is being developed for the 2024-2025 summer period to best mitigate this risk, as done last year.

**Drinking Water Safety Plan (DWSPs):** Drinking Water Safety Plan audits are required by the New Zealand Drinking Water Safety Framework. The Internal Audit Team has programmed these audits into its audit plan. To date the Ardmore WTP audit has been completed. The next audit will be at the Huia WTP and Waikato WTP. Over the next 12 months, a further 5 audits will be completed.

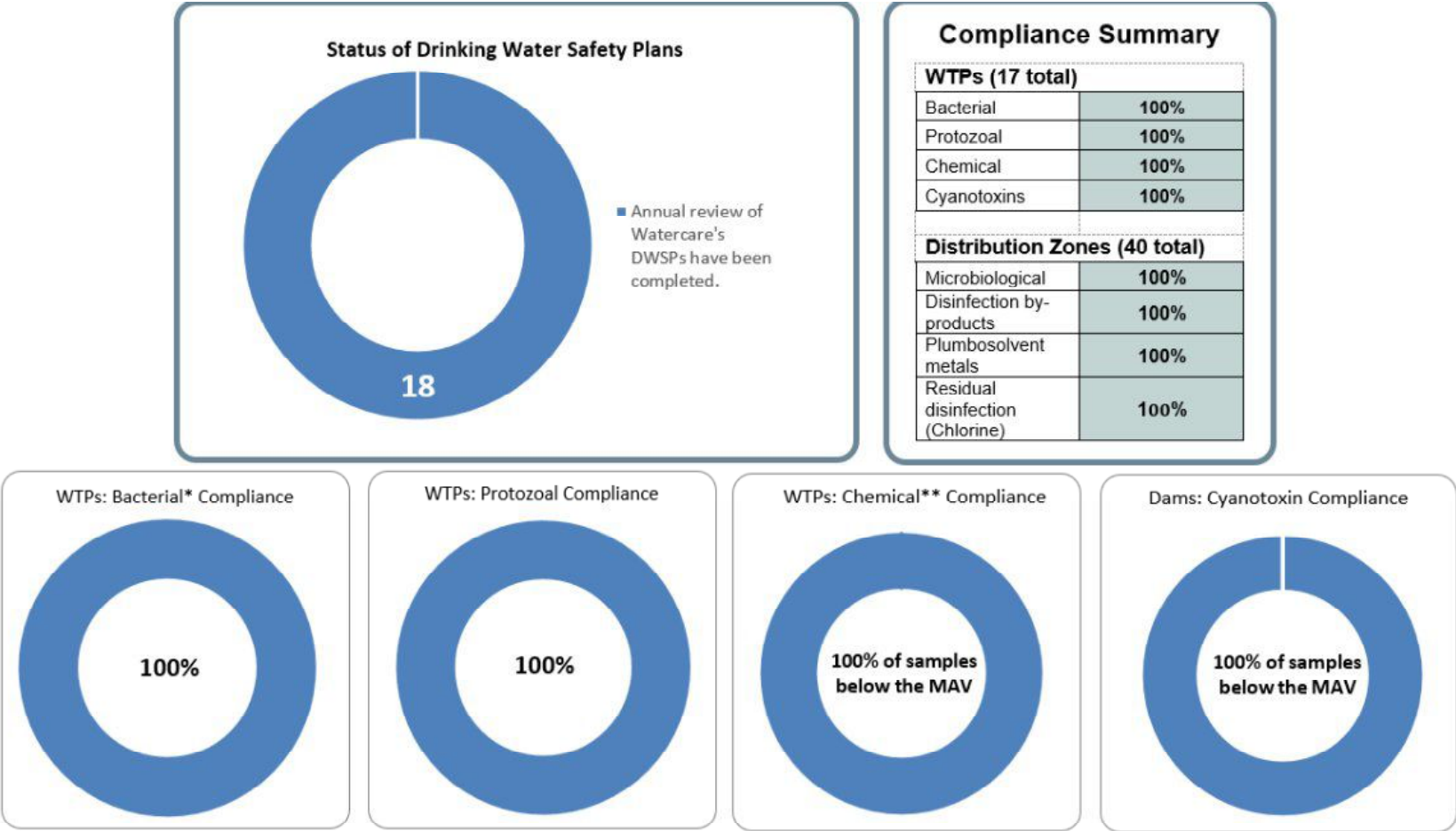
**Investigations into Emerging Contaminants:** The Water Quality Science team is looking into global trends and learnings that Watercare should be aware of.

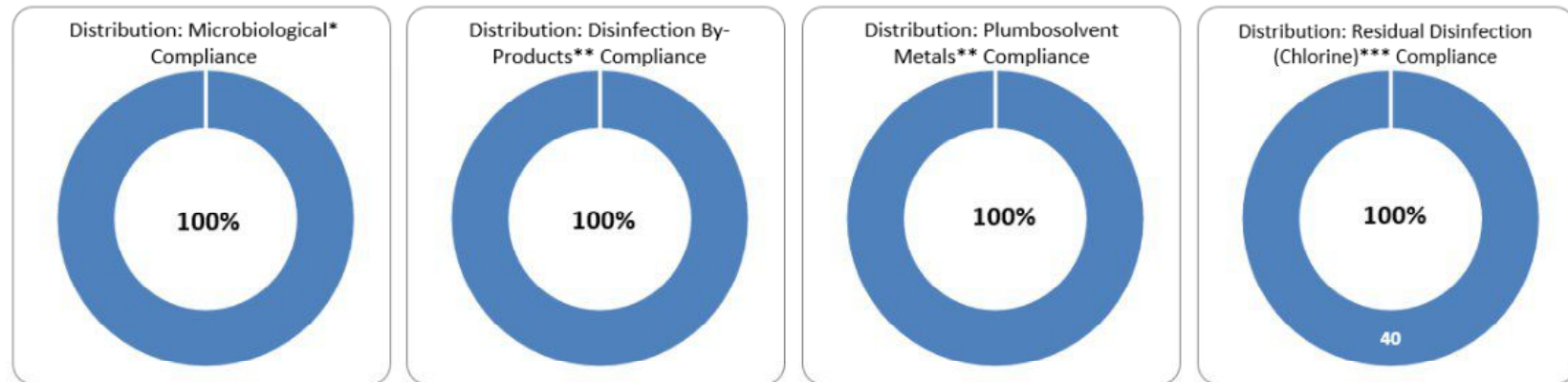
**Backflow prevention:** Backflow testing has been completed as per targets set for the end October 2024. Backflow surveys will be further progressing in 2024.

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



Scorecard



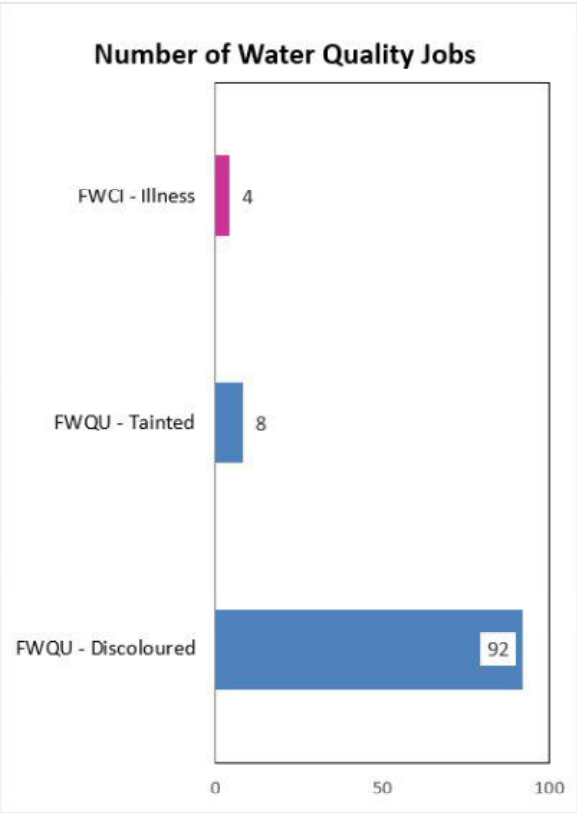
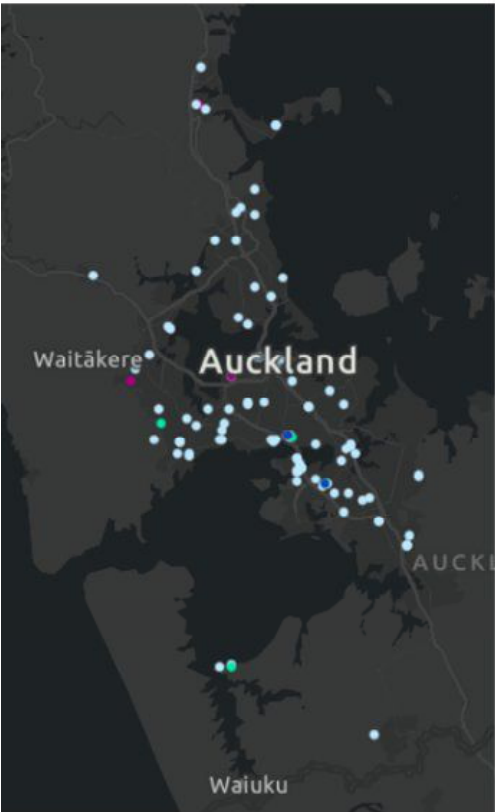


\*At the WTPs bacterial compliance is assessed on continuous monitoring results. In the distribution network microbiological compliance is based on *E. coli* monitoring to indicate the probable presence of bacterial contamination of water supply.

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

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

Customer complaints



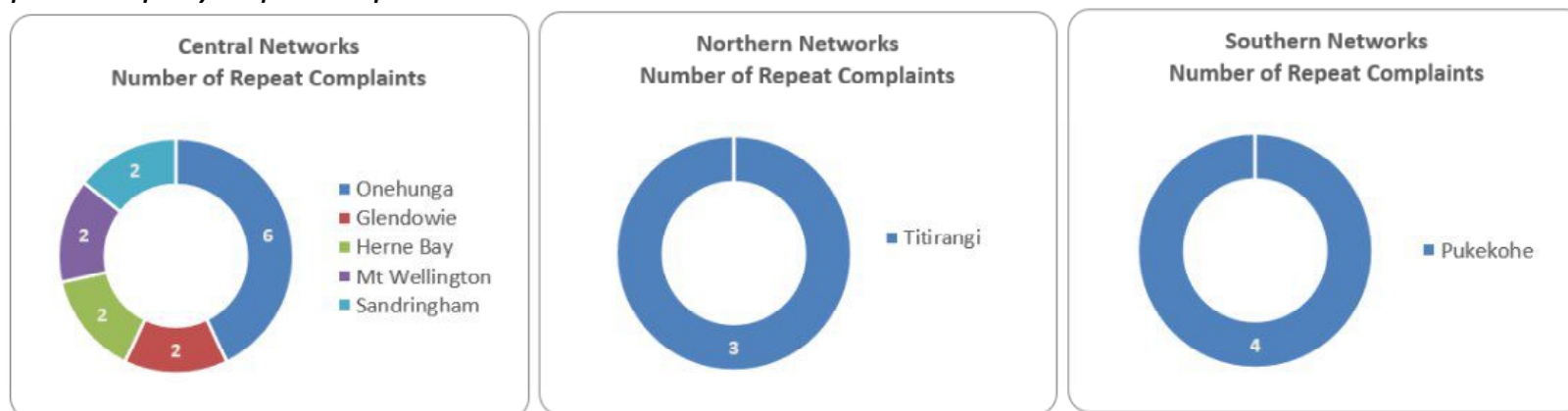
**Actions Taken**

**Illness Complaints\*:** Provision of WQ compliance data to customer, water testing and hydrant flushing if appropriate  
Main cause: Unrelated health issues

**Tainted Water:** Network flush with field FAC and turbidity testing  
Main causes: Off taste and/or odour, black particles

**Discoloured Water:** Network flush at nearest fire hydrant or water meter as appropriate  
Main causes: Mineral and sediment build-up coming off pipes

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

**Repeat water quality complaints – April 2024 to October 2024****Actions taken for repeat complaints\*****Central**

Forbes St, Onehunga – Discoloured water: MSN will continue to carry out flushing according to the current process to address discoloured water within the Onehunga Low WSZ. Other options for customer being considered.

Crossfield Rd, Glendowie – Discoloured water: Valve on a temporary reinstatement for a newly installed hydrant was found closed. Flushing from nearest hydrant and at customer's meter was done until clear.

Jervois Rd, Herne Bay – Discoloured water: Flushing was done from customer meter until clear; meter box replaced.

Hillside Rd, Mt Wellington – Discoloured water: Flushing was done from customer's meter until clear; construction works on the opposite side of road noted.

Haverstock Rd, Sandringham – Discoloured water: Flushing was done from nearest hydrant until clear.

**North**

Konini Rd, Titirangi – Discoloured water: Flushing was done from nearest hydrant until clear.

**South**

Rural View Tce, Pukekohe – Taste and odour issue: Flushing was done from nearest hydrant.

*\*Repeat complaints – Complaints from one customer for the same WQ issue within the last six months.*

## 5.5 Leak management programme

Our proactive acoustic leak detection programme remains a critical component in optimising the performance of our water network. Now, with the implementation of our leakage management software, we have refined a more targeted, volume-based approach to prioritise and address areas with significant water loss. By leveraging comprehensive data on reported leaks, pipe breaks, and the performance of our 9,000-kilometre network of water pipes, we can direct our resources more efficiently and effectively.

This integrated strategy allows us to proactively identify and resolve leaks before they escalate, reducing water wastage and improving network reliability. With the combined power of our software and field detection efforts, we are taking a more data-driven and precise approach to leakage management, helping us maintain a sustainable and resilient water supply.

In parallel to this Watercare is optimising its network to control excessive pressures and make leaks quicker to find. In FY24 this yielded 7 MLD of leakage savings and the programme is targeting 5 MLD of savings in FY25. Areas being implemented this year to date are St Heliers, Balmoral, Glen Innes and Walmsley Road.

## 6. Risk and compliance

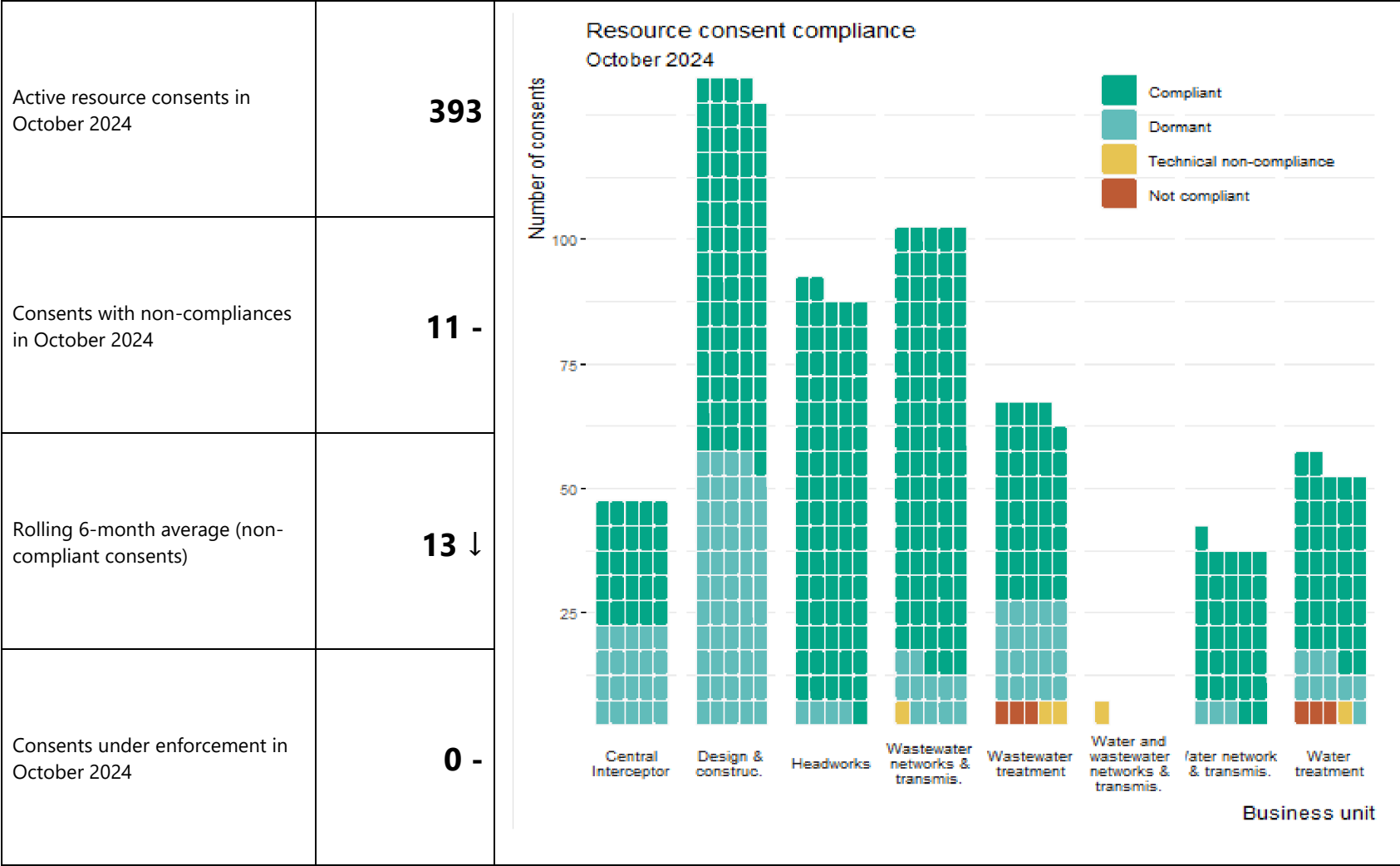
### 6.1 Non-compliance with resource consents

Overall consent non-compliance for operations were 11 in October, the same as for September. Five were technical non-compliances, while six facilities were affected by non-technical issues. A summary of the technical non-compliances is provided below, with detailed information on the six facilities available in the consent table within this section:

- Snells-Algies WTP: Water quality samples were not taken from the bores in October. New pumps are currently being installed, and sampling is expected to resume by the end of the year
- Kingseat WWTP: The 12-month rolling average remains non-compliant for total suspended solids and *Escherichia coli*, but with no exceedances during the reporting period
- Wellsford WWTP: The 12-month rolling 95 percentile non-compliant for and faecal coliform, but with no exceedances during the reporting period.
- Wastewater network: Network Discharge Consent (NDC) requires prompt Council notification after a wastewater spill. In this case, notification was delayed by three days because only an electrician responded to the power outage that caused the overflow, leading to a lapse in procedure. Normally a Civil team member is present or informed, and the standard procedures followed.
- Auckland Tree Consent: Training materials are complete and ready for distribution to the various teams. Currently collaborating with Citycare and MSN to implement the training. Reporting methodology is 80% complete. This technical non-compliance will be resolved by the end of this year.

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

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



**Non-compliances for October 2024 (excludes technical non-compliances)**

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions and commentary	Resolution	Category
Huia WTP	DIS80297101/ DIS80299761	Condition 3	Total aluminium exceedances were recorded for three out of the five weeks.	Sampling and historical consenting issue. Total aluminium is not a direct measure of ecotoxicity. Dissolved concentrations (potentially toxic) remain low.	The issue of aluminium exceedances remains ongoing and intermittent and is unlikely to be fully resolved until the construction of the new Huia WTP and the issuance of a new discharge consent. A periphyton assessment will be conducted at both test and control sites during November/early December to verify the low potential for environmental effects and determine the need for any further action.	Category 2
Huia Village WTP	DIS80299761	Condition 9	On 3rd October, the discharge rate of process waters into the Lower Huia Reservoir exceeded the maximum allowable limit, with 50.2 m <sup>3</sup> /day recorded against the consented limit of 50.0 m <sup>3</sup> /day.	No action taken	Marginal exceedance unlikely to result in adverse effects	Category 1
Wellsford WTP	DIS60396929	Condition 34	The monthly sample recorded a turbidity level of 240 NTU, exceeding the consented limit of 10 NTU.	The current sampling techniques may be inadequate, making it likely that the recorded readings are inaccurate.	Exploring more suitable sampling techniques. Reporting this as a non-compliance for October until confirmation is received about the sampling technique.	Category 2
Waiuku WWTP	DIS60334129	Condition 14	Non-compliant for total inorganic nitrogen during this reporting	It is expected that bacterial activity in the ponds, and therefore	No addition action required.	Category 2



Facility/Asset	Consent	Condition(s)	Issue(s)	Actions and commentary	Resolution	Category
			period, with exceedances recorded on 2 and 16 October (measured at 22 gN/m <sup>3</sup> and 24 gN/m <sup>3</sup> , respectively, against a 92nd percentile consent limit of 20 gN/m <sup>3</sup> ). Additionally, the 12-month rolling 92nd percentile for the same parameter is also non-compliant with the standard.	nitrogen removal, will improve as temperatures rise.		
Army Bay WWTP	DIS60331146 & DIS60331113	Condition 6	UV dose rate below 25 mJ/cm <sup>2</sup> 99 % of time for September, with the effective dose applied for 86.9% of the time.	During wet weather, high flows become problematic for the UV system. UV dose sensitivity for the Army Bay is based on a T1 indicator organism, while our consent relates to MS2, which has a sensitivity approximately 1.4 times greater than T1.	Wastewater treatment planning is preparing a comparative analysis, including cost options for future plant upgrades (such as membrane solutions) to reduce ongoing non-compliance.	Category 2
Beachlands WWTP	DIS60263339	Condition 0	Effluent discharge volumes exceeded 2,800 m <sup>3</sup> /day on one occasion in October,	New consent is due late 2025 and associated upgrades included in AMP.	Ongoing	Category 2

Facility/Asset	Consent	Condition(s)	Issue(s)	Actions and commentary	Resolution	Category
			reaching 3,110 m <sup>3</sup> on October 3rd.	Consent has been lodged		

## 6.2 Enterprise risk management

Cyber-security (and resilience) exercises continued in October with the first actual separation of an operational site, Waikato WTP, from the corporate environment. The onsite team responded well to the exercise and demonstrated Watercare's capability if operational technology is threatened by a breach in our corporate environment.

The quarterly review of Watercare's Enterprise Risks was completed with an increased focus on strategic risks relevant to the Board and Executive level, resulting in a reduced number of risks to be reported. Further workshops to develop the monitoring and reporting of Watercare's Enterprise Risks are scheduled to begin in December 2024.

An initial review of Auckland Council's Region-wide Landslip Susceptibility has been completed and feedback supplied.

## 6.3 Privacy Act 2020

There have been no matters disclosed to the Privacy Commissioner since the last Board update.

## 6.4 Whistleblowing update

There were no disclosures to the whistle-blower service since the last Board update.

## 6.5 LGOIMA requests

In October 2024, we received 13 requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). We responded to all requests in accordance with the Act (within 20 working days).

## 6.6 Non-RMA related legal actions

- There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain. The matter is being handled by our insurers. A technical meeting was held with the plaintiff's experts and Watercare's experts in late February 2024. We have reviewed the plaintiff's engineering report into possible causes of damage to the residential property. The next step is to file an updated defence and either enter into mediation, or a Judicial Settlement Conference. If a settlement is not reached, a trial has been set down for April 2026.

- In February 2023, Watercare was served with a copy of proceedings lodged in the Māori Land Court by Te Runanga o Ngāti Whatua, Ngāti Manuhiri Settlement Trust concerning the legal status of the Hōteo Awa bed and customary ownership. Watercare owns property in Wellsford that adjoins the awa and draws water from it. Watercare filed a notice of intention to appear in late March 2023. Watercare must now file evidence in the proceedings, setting out the history of the Wellsford WTP and the intake structure in the awa, and information about our consents and take from the awa via the intake structure. This evidence is due in December 2024.
- Watercare is involved in a legal dispute concerning a housing development in Red Hills.

## **7. Programme delivery**

### **7.1 Central Interceptor**

- In the main tunnel, the TBM advanced 544m in October 2024, with a total length of 13,803 m of lining installed. At month-end the TBM was approximately 860m away from Tawariki St.
- Final handover inspections for the Southern main tunnel are scheduled for week commencing 18 November 2024.
- At Māngere Pump Station (MPS), work continues to progress well with the MEICA activities and air treatment facility nearing completion. The concrete was poured for the Emergency Pressure Relief and Inlet Shaft roofs, completing all MPS civil works.
- The Confluence Chamber was successfully lived in with treated effluent pumped from MPS to the WWTP.
- Link Sewer C, Miranda and Dundale works are complete, and there are only minor outstanding works remaining at PS23, Haycock Ave and PS25.
- At Keith Hay Park, the CC9 works are substantially complete including kindergarten carpark reinstatement and school playing fields seeding.
- Most deep excavations across the project are substantially complete, with only the Pt Erin shaft and Rawalpindi control chamber remaining.
- At Tawariki St the crown of the Orakei Main Sewer and the wall of the associated grit chamber have been successfully removed. These are high risk works and are progressing well.
- Commissioning of the Māngere Pump Station (MPS) has progressed very well with most critical project commissioning activities now complete. The MPS generator system start test was successful, with MPS achieving short-duration maximum flow operation on generators.

### **Herne Bay wastewater upgrade**

- Target to award construction contract in July 2026.
- Procurement plan submitted for design and enabling works.
- Detailed procurement strategy completed for wider project scope, to be used to develop the project procurement plan and Board approval paper.
- High level construction programme developed.

**Queen Street wastewater upgrade**

- Construction commenced on site
- Design progressing on the liner for the Orakei Main Sewer
- Design commenced on Mayoral Drive and Marmion St works
- Hoarding complete at Victoria St shaft
- Blessing and cultural induction completed.



## 7.2 Southern wastewater scheme

- There were no LTIs in October 2024.
- All land and consent approvals have been granted for both projects.
- We reached our first significant milestone, commissioning a new ultra-filtration unit. This has enabled the gravel beds to be decommissioned, and gives access to site allowing the MABR team to proceed with the upgrade.
- The enabling works contract for the Outfall pipework was signed with this section of work due to start on site in November.
- The golf course irrigation pipework has been diverted ahead of the outfall team starting on site in November.

## 7.3 Northeast wastewater scheme

In conjunction with NE Programme update presented to Rodney Local Board (2 October 2024) a site visit was held in early November for Local Board members and Councillors.

### Snells Beach WWTP

- There were no LTIs in October. There was one incident resulting in a fractured finger and the worker placed on restricted duties. Reporting and associated learnings/actions was completed.
- The Wastewater Treatment Plant remains on track towards commissioning in 2025 with pre-commissioning activities and inspections commenced on various elements of the new plant.
- Significant milestones were achieved in October 2024, with the motor control centre livened, permanently connecting the plant to the local power network. The Control building network fitout started, and the building will be completed in November. The ASR walkways are progressing well and will be completed in November.

### Warkworth – Snells transmission pipeline

- There were no incidents in the month. Tunnelling of the last section (1500 metres of 5100 metres) has been completed. Installation of a 900mm diameter HDPE inside this steel casing is underway.
- Installation of the twin 500mm diameter HDPE rising mains and the fibre optic duct inside the first completed tunnel section (1450 metres) has been completed.
- Installation of the 1000mm diameter HDPE gravity liner inside the second completed tunnel section (1938 metres) will be completed in mid-November.

**Warkworth growth servicing wastewater pipeline**

- This project is the installation of a wastewater pipeline between the Warkworth Showgrounds and the new wastewater pump station at Lucy Moore Memorial Park. The total length of the pipeline is approximately 2km, but has generated significant local concerns due to the potential disruption associated with the construction works.
- The project objectives are to provide the necessary capacity upgrade for the Warkworth growth area and to mitigate the wastewater overflows in the Mahurangi River from the EOP (Engineering Overflow Point) at Elizabeth Street.
- The Northern Branch Sewer is the section running from the Showgrounds to Hill Street Intersection. The preliminary design for this section is complete and will proceed to consenting.
- The Full Road Closure Temporary Traffic Management (TTM) Plan was presented to Rodney Local Board to accelerate the construction of the Northern Branch Sewer, which can reduce 50% of the construction time compared to the TTM of keeping one lane open to public traffic
- The Southern Branch Sewer is the section running from Hill Street Intersection to Lucy Moore Memorial Park. This section is currently in the feasibility stage.
- Watercare has engaged with stakeholders to confirm the pipe route for the Southern Branch Sewer. The preferred option has been submitted to the Watercare Board for approval. Route selection and alignment has been responded to favourably by Stakeholders.

**7.4 Ōrākei Main Sewer (OMS)**

Stage1: Remediation of the sink hole in Parnell and re-lining of the first stage of the sewer.

- The contractor has fully disestablished from the sinkhole as the project scope of reinstatement has been completed and the site handed back to the property owner, Masfen Group
- Upper St Georges Bay Road and the footpath to Alberton Reserve has been fully reinstated and reopened to the public.

Stage 2: Relining the second stage of the Ōrākei Main Sewer

- Temporary works for the MH14 shaft has commenced.

**7.5 Judges Bay wastewater upgrade**

- The purpose of the project is to replace the Branch 3B Judges Bay wastewater main which collapsed during the January 2023 rain event
- The scope includes the installation of a new prefabricated pump station in the road reserve and a new rising main, consisting of both open trenching and horizontal directional drilling sections
- The temporary works for the new pump station shaft (secant piles) has been completed, one week ahead of schedule.

## 7.6 Huia 1 and Nihotupu 1

- This project is upsizing the existing watermain for both the Huia 1 and Nihotupu 1 watermain.
- Two additional connections were completed in October in Heaphy St, Blockhouse Bay. These connections were completed ahead of programme.
- 66% of the Huia 1 pipe has now been livened, 98% of the Huia 1 pipe has been installed. This includes the pipe laying works on White Swan Rd and the traffic disruption has now reduced to a small area around the new line valve chamber site.
- The slip lining section from St Andrews Road to Gillies Ave in Epsom is progressing well, and on programme.
- Three high voltage power cables have been found directly on top of the existing Huia 1 pipe, we are working with Vector to ensure they can be safely separated in a timely manner.



## 7.7 Glenbrook Estuary Crossing

- The project is the supply and installation of three PE pipeline installed under the Glenbrook Estuary, consisting of two watermains and one wastewater rising main. The new watermain pipes will provide a more resilient water supply to the Glenbrook community. The wastewater rising main is a backup for the existing estuary crossing.
- All three pipelines commissioned in October.
- Both watermains were connected into the existing network and are fully operational.



### 7.8 Glendowie Branch sewer upgrade

- This project is to build resilience in the wastewater network and supporting planned growth
- Demolition of the old pumpstation has been delayed awaiting Vector to disconnect the power supply
- Over the past six months the project has been steadily decommissioning the old branch sewer system in Glen Innes and Point England
- This included using an Airbus helicopter to remove the last 60 metres of old gravity sewer spanning Omaru Creek in Point England Reserve.

## 8. Strategy and planning update

### 8.1 Climate change delivery and sustainability update

Working towards the greenhouse gas reduction targets continues to be a priority and a challenge. We have met the current statement of intent target, our emissions for FY24 are 55,367 tCO<sub>2</sub>e vs 89,200 tCO<sub>2</sub>e. The savings contributing to meeting the target is majorly led by our reductions in electricity emissions, down 67% due to the offset through purchasing renewable electricity from Ecotricity and reduced consumption. There is also a positive performance in natural gas, fuel consumption and process related emissions. However, the target to reduce emissions by 50% off the 2017/18 baseline is getting fast approaching. The Decarbonisation Roadmap will require a refresh in 2025 as feasibility studies have shown some projects are not possible and other water/wastewater projects that support emission reductions may also be delayed.

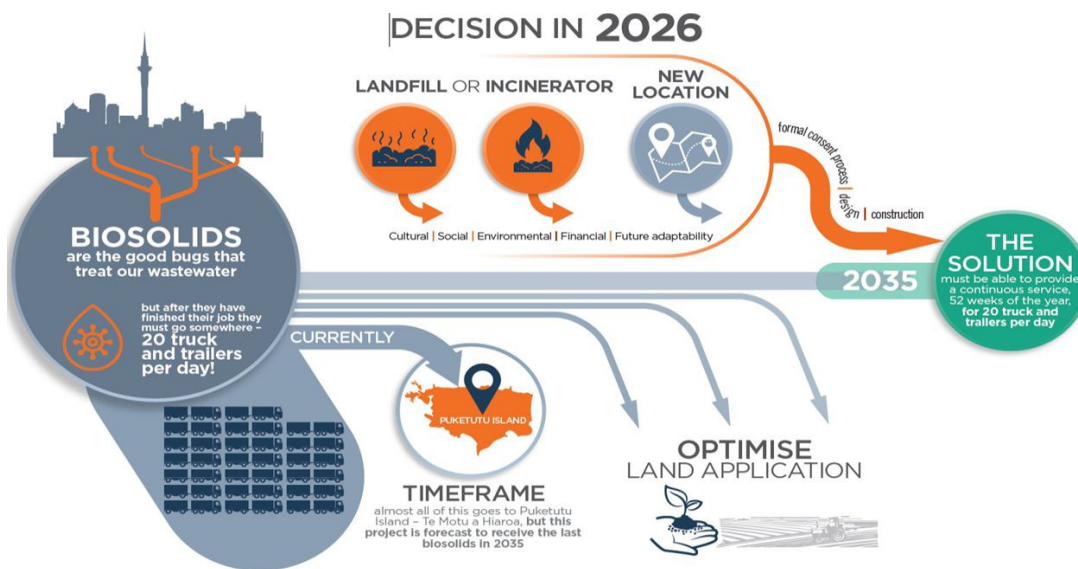
The Watercare team continues to work through the requirements of the Climate Related Disclosure with the Council group and is progressing with the detailed risk assessment step. Workshops on drought and sea level rise have been completed. The remaining qualitative assessments will be completed by November and will be shared with the board and used to support next steps of financial quantification and then establishment of mitigation steps.

### 8.2 Biosolids beyond 2035

The management of biosolids (the solids produced through our wastewater treatment processes) is becoming more and more challenging given shifting regulatory and community expectations. Watercare have been developing Biosolids Management Strategy which will encompass all wastewater treatment plants. The biggest biosolids management challenge we face is at the Māngere WWTP which produces 500 tonnes (or 20 truck and trailers) of biosolids per day, every day. We currently have the benefit of being able to deposit Māngere's biosolids at Puketutu Island which we estimate to have the capacity to meet our needs until the end of 2035. The purpose of the Biosolids Beyond 2035 project is to deliver a biosolids servicing solution by 2035. There are a small number of options for the servicing of biosolids including landfill, incineration or land application. Each of these options requires detailed investigation, engagement, technical analysis and regulatory changes before a preferred strategy can be confirmed. Consenting and construction of any solution will require significant lead in time. The project programme is as follows:

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Phase 1 Decide location and servicing method		Phase 2 Consenting			Phase 3 Design		Phase 4 Construction and Commissioning			
Develop and Grow Market for land application of biosolids as a fertiliser										
Optimise Puketutu to extend its capacity to service										

Phase 1 has commenced with preliminary information gathering to further detail the options (e.g. size and form of a landfill or incinerator), to understand the opportunities and potential effects, and to scope the regulatory environment. Early consultation with Mana Whenua has commenced. Over the next three months detailed assessments of the landfill and incineration options will be developed and engagement with stakeholders and the community will be advanced. We will also develop the decision pathway in order to ensure the option(s) are confirmed by 30 June 2026.



## **9. Matters for noting**

### **9.1 Watercare's Kawenata (relationship agreement) with Waikato-Tainui**

Given the public interest in the relationship agreement, Watercare's Board recently engaged KPMG to conduct an independent review to assess the manner in which the relationship agreement between Watercare and Waikato Tainui was approved by the Watercare Board. The KPMG review notes that the process to approve the relationship agreement was a routine Board decision and consistent with the Watercare Board's Corporate Governance Charter. [Attachment 1](#) sets out their report.

### **9.2 Final terms and conditions for cost recovery from Watercare for Crown monitor activity**

[Attachment 2](#) sets out a letter from the Office of Hon Simeon Brown to Watercare Chair. The letter sets out the final terms and conditions for cost recovery from Watercare for Crown monitor activity.

### **9.3 Watercare's response to public deputation received at the 5 November 2024 Board meeting**

At the 5 November 2024 Board meeting, Lina Jang and Ruby Wilson, students from the Equal Justice Project (Faculty of Law, University of Auckland), provided a presentation to the Board. The presentation was primarily focussed on greenhouse gas emissions. Their presentation and a written submission to the Board are attached with the draft minutes of the 5 November 2024 Board meeting ([see agenda item 5 of this meeting pack](#)). [Attachment 3](#) sets out Watercare's response to their presentation and written submission.

### **9.4 Significant meetings attended by the CE**

- Hobson Leavy Interviews
- Group CE regular meetings
- Group Shared Services Governance Board
- Auckland Council – Local Water Done Well
- Auckland Council – Charter
- Department of Internal Affairs
- Rating agencies.

## 10. Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive (and Acting Chief Executive) by the Board for the month of October 2024:

- there were four documents required to be signed by the Chief Executive in relation to deeds, instruments and other documents.
- there were no documents signed by the two members of the Watercare Board.
- there were three capex approvals signed below a threshold of \$50m.
- there were eight contracts approved over \$100,000. It was as follows:

Contract description	Successful supplier
Proofpoint Software and Awareness Tooling 3 Years	Proofpoint Inc.
Southwestern rehabilitation	March Cato Limited
IGA implementation and SaaS – Project HRIS	Sailpoint Technologies Inc.
SoW – SaaS services for Licence	Sailpoint Technologies Inc.
SoW – IdentityNow Phase 1	Sailpoint Technologies Inc.
SoW – Non-Employee Risk Management Implementation Services	Sailpoint Technologies Inc.
DTMAN – Digester Feed Tank Replacement	Reliant Solutions Limited
ESRI – ELA 2024 Chargebacks	Auckland Council



Dave Chambers  
Chief Executive Officer

## Attachment 1



KPMG Centre  
18 Viaduct Harbour Ave  
PO Box 1584  
Auckland 1140  
New Zealand  
T: +64 9 367 5800

Andrew Clark  
Board of Directors  
Watercare Services Limited  
Private Bag 92521  
Victoria Street West  
Auckland 1142

11 November 2024

Dear Andrew

### Kawenata review

Thank you for the opportunity to assist the Board of Directors of Watercare Services Limited (**WSL**) in assessing the manner in which the 2023 Kawenata (the **Agreement**) between WSL and Waikato Tainui was approved by WSL.

This letter sets out our findings.

### 1 Background

As we understand it, in December 2023, WSL signed the Agreement with Waikato Tainui's governing council, Te Whakakitenga o Waikato Incorporated (**Te Whakakitenga**). The Agreement committed WSL to pay \$1m per year to Waikato Tainui, for 20 years. The funds were to be used for water related research and environmental projects on the Waikato River. This Agreement was in addition to an existing similar agreement, that has been in place since 2022.

Given the public interest in the Agreement, WSL engaged KPMG to conduct an independent review, looking into the process that led to the Agreement being approved by WSL.

### 2 Development of the Agreement

Te Whakakitenga and WSL have a longstanding relationship, reflected in the Memorandum of Understanding (1998), Deed of Memorandum of Relationship dated 27 November 2009 and re-signed on 27 October 2011, the Agreement in Principle signed in 2016, and the Kawenata Whakawhanaugna signed in November 2020.

It is apparent that to achieve its strategic aims, WSL must continue to work closely with Te Whakakitenga. Of particular importance to WSL are the various consents to extract and discharge water from, and into the Waikato River.

Waikato Tainui has a special relationship with the Waikato River (as recognised in statute) and therefore could influence any future resource consent applications. Setting aside any social responsibilities that WSL may have, maintaining a constructive partnership with Waikato Tainui is a sensible business decision.

The Agreement specifically mentions Consent 960089, which expires in 2032 and the Hunua Consent, which expires in 2035. It appears to us that the proposed Agreement was at least in part, an active step by WSL to future proof its ability to meet its strategic goals.



In addition to protecting the supply of water to Auckland, WSL has a desire to promote certain social, cultural and environmental objectives. The Agreement proposed to achieve the following aims:

- positively build on the partnership with Waikato Tainui
- bring the relationship agreements up to date with the current consenting environment, as well as the current social, cultural and economic environment.
- positively support and give effect to the principles of te Tiriti o Waitangi/the Treaty of Waitangi and Te Mana o te Wai
- provide a mechanism for Watercare to directly fund and partner with Waikato Tainui on projects that restore and protect the awa.

In conjunction with the draft Agreement, WSL's Head of Legal and Governance prepared a paper (**Paper**) to be submitted to the Board.

The Paper summarises the draft Agreement, highlighting the strategic relationship with Te Whakakitenga and the benefits to both organisations.

In our view, it would have been helpful if the Paper contained a more fulsome risk analysis, setting out the risks to WSL if it did not adopt the Agreement. Presumably, those risks might have included:

- uncertainty over the ongoing supply of water to Auckland
- potential costs in renewing resource consents, if Waikato Tainui chose to oppose those applications.
- Criticism of WSL if it did not actively promote the environmental protection of the Waikato River
- Criticism of WSL if it did not maintain a positive relationship with mana whenua.

A Paper that more fully set out the risks and benefits of the proposal may have enabled the Board to have a more fulsome discussion on its merits.

On 8 August 2023 the Paper and draft Agreement were presented to the Board.

### **3 Approval process**

WSL's Board operates under a Corporate Governance Charter (**Charter**). Key aspects of the Charter are as follows:

- The Board establishes Watercare's purpose, defines desirable outcomes and approves major strategies for achieving those outcomes.
- Watercare must manage its operations efficiently with a view to keeping the overall costs of water supply and wastewater services to its customers (collectively) at the minimum levels consistent with the effective conduct of its undertakings and the maintenance of the long-term integrity of its assets.
- The primary role of the Board is to exercise leadership, enterprise, integrity and judgement in delivering Watercare's Obligations, having regard to the interests of our shareholder and stakeholders and achieving sustainability.

**10.1**



**Watercare Services Limited**  
*Kawenata Review*  
 11 November 2024

- A key activity of the Board is to provide mechanisms to ensure Iwi and Mana Whenua are active partners, decision makers and participants, and to ensure Watercare's Iwi and Mana Whenua engagement approach is centred on the relationship and connectedness of Māori to wai (water) and whenua (land), and to ensure that Watercare communicates effectively with the Iwi, Mana Whenua, and Houkura (Independent Māori Statutory Board)
- A further key activity of the Board is to foster positive and productive relationships between Watercare and Māori, develop the ability of Watercare and its people to contribute to Māori social, cultural, environmental and economic wellbeing outcomes by fostering strong Māori communities.

On 8 August 2023 the Board discussed the proposal to approve the Agreement. Board minutes record that the Chief Corporate Services Officer, spoke to the Paper. The following key points were recorded:

- The Agreement has been under negotiation since the Board of Inquiry (**BOI**) decision and the draft is a forward-looking document.
- The mahi being done pursuant to the Agreement will help demonstrate obligations under the BOI.
- The Agreement recognises the significant impact that Watercare has on the Waikato Awa.
- The Agreement is mutually beneficial as the research it funds mitigates the risks around our consents for water takes from the awa and will demonstrate how Watercare's water take impacts the awa and the communities around the river.
- The Agreement will be signed at a formal ceremony. Before then, the Chair will brief the Mayor's Office, and then the mayor on this agreement (i.e. a stepped briefing). We will also engage with the NTU and Wai Tāmaki ki Te Hiku.
- The Board commended the clear drafting contained in the Agreement and requested that this feedback be passed back to the team and our lawyers

The Board minutes state that the Board reviewed the draft Agreement but there is no record of any wider discussion. We presume that the proposal was voted on and approved without any notable discussion points being raised.

In our view, the proposal to approve the Agreement was consistent with the Charter. As noted above, a key activity of the Board is to provide mechanisms to ensure Iwi and Mana Whenua are active partners, decision makers and participants, and to ensure Watercare's Iwi and Mana Whenua engagement approach is centred on the relationship and connectedness of Māori to wai and whenua. The proposal fits within this key Board requirement.

**10.1**



**Watercare Services Limited**  
*Kawenata Review*  
11 November 2024

In our view, there will always be a degree of tension between the Board's requirement to keep overall costs at a minimum level, while also achieving wider aims around sustainability and maintaining stakeholder relationships. While we see the Board decision as being consistent with the Charter, it might have strengthened the Board's position if the Board minutes recorded a discussion on how the costs associated with the Agreement assisted in the maintenance of the long-term integrity of its assets.

In terms of ongoing governance over the implementation of the Agreement, it will be for WSL management and the Board to ensure that any funds paid to Te Whakakitenga are used in a way that is consistent with the Agreement.

#### **4 Conclusion**

The purpose of this engagement was to assess the process that led to the Agreement being approved by WSL. In our view, the process appears to have been a routine Board decision. A Paper that set out the proposal was prepared; the Board discussed that Paper and then made a decision that is consistent with the Board's Charter.

With the benefit of hindsight, we have made suggestions on how the Paper and subsequent Board discussion could have been strengthened, but these suggestions should not be seen as detracting from our overall view that the Agreement was properly authorised by WSL.

Please do not hesitate to contact us if you wish to discuss any aspect of our report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bineeta Nand', written in a cursive style.

Bineeta Nand  
Partner

10.1





**Watercare Services Limited**  
*Kawenata Review*  
 11 November 2024

## Disclaimer

### Inherent Limitations

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10.1

Attachment 2

**Hon Simeon Brown**

Minister for Energy  
Minister of Local Government  
Minister of Transport  
Minister for Auckland  
Deputy Leader of the House



19 November 2024

Geoff Hunt

By email: [Geoff.hunt@huntconsult.co.nz](mailto:Geoff.hunt@huntconsult.co.nz)

cc: Dave Chambers, Chief Executive, Watercare

cc: Phil Wilson, Chief Executive, Auckland Council

cc: Paul James, Secretary for Local Government

Attachments: Cost recovery Terms and Conditions

Dear Geoff,

**Final terms and conditions for cost recovery from Watercare for Crown monitor activity**

As you will be aware, the Local Water Done Well solution agreed between Auckland Council and the Government included provision for interim regulation prior to full economic regulation coming into force. The interim regime under the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) allows for the Crown to recover costs from Watercare for expenses incurred by the Crown monitor for monitoring Watercare, and by the Secretary of Local Government for preparing or amending the Watercare Charter (the Charter).

The role of the Crown monitor, as defined in the Act, is to monitor and report on Watercare's performance against the Charter, including the performance of any service or network that Watercare manages through a contract with a third-party provider; and to take action to address any failure by Watercare to comply with the charter or its obligations to provide information. If the Crown monitor assesses that Watercare has contravened, or attempted to contravene, the charter, or has failed to disclose necessary information, it may apply to the High Court to make one or more orders to address the issue.

I am writing to advise that I have approved the Terms and Conditions setting out what expenses can be recovered from Watercare by the Crown for Crown monitor activity under the Act. Please note that the costs outlined in these terms and conditions only apply to the Crown monitor's activities. They do not include any costs related to the Commission acting under part 4 of the Commerce Act 1986. I attach the final Terms and Conditions to this letter.

## Hon Simeon Brown

Minister for Energy  
Minister of Local Government  
Minister of Transport  
Minister for Auckland  
Deputy Leader of the House



Additionally, I wish to thank you for your joint submission with Auckland Council on the draft Terms and Conditions. My officials have considered your feedback which has helped to inform the final Terms and Conditions.

In line with the attached Terms and Conditions, the Department of Internal Affairs will be sending the first invoice for expenses incurred from 3 September 2024 in January 2025 and quarterly thereafter.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown'.

Hon Simeon Brown.

10.2

## Cost recovery from Watercare Services Limited terms and conditions

### **Background**

The Local Water Done Well solution agreed between Auckland Council and the Government included provision for interim regulation prior to full economic regulation coming into force. This approach is intended to benefit consumers of water services provided by Watercare Services Limited (Watercare) and ensure that Watercare manages its operations efficiently and maintains the long-term integrity of its assets.

Section 89 of the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) allows the Crown to recover costs from Watercare. These costs relate to the Secretary of Local Government preparing the Watercare charter (the Charter) and the Crown monitor monitoring Watercare. Costs are recovered based on terms and conditions set by the Minister for Local Government (the Minister).

### **Limits on cost recovery for Crown monitor expenses**

The Crown monitor has estimated the expenses that it will incur in monitoring Watercare. These indicative costs are summarised in the table below:

Crown monitor costs excluding GST		
	2024/25	2025/26 and outyears
Staff	\$616,487	\$1,060,606
External	\$250,000	\$210,000
Overhead	\$93,965	\$164,414
Total	<b>\$960,452</b>	<b>\$1,435,020</b>

Work that would be more efficiently and effectively delivered by external contractors or firms (for example expert or specialist technical advice, development of legal determinations, independent quality assurance and selected technical monitoring activities) have been marked as external costs.

Overhead costs reflect the additional expenditure required when employing staff so that they have the tools, licenses and environment necessary to perform their roles.

These costs do not include litigation costs which would normally be met through the Commerce Commission's (the Commission) Major Litigation fund and, therefore, would not need to be recovered from Watercare.

Under these terms and conditions, the Crown is permitted to recover Crown monitor expenses totalling no more than \$960,452 (GST exclusive) for the 2024/25 year, and \$1,435,020 (GST exclusive) for the 2025/26 year and out years, from Watercare, noting that the Department will only on charge costs incurred.

***Transitional period between interim and permanent regulatory regimes***

The Crown monitor will need to continue to operate for a time after the charter ceases. This would include working on any final monitoring or enforcement activities relating to the charter period that had just ended.

There will likely be an overlap where the Crown monitor (acting under part 4 of the Act) and the Commission (acting under part 4 of the Commerce Act 1986) are both seeking costs from Watercare, via cost recovery and a levy respectively. However, these costs will relate to different activities and to different regulatory periods.

The costs outlined in these terms and conditions only apply to the Crown monitor's activities. They do not include any costs related to the Commission acting under part 4 of the Commerce Act 1986.

***Limits on cost recovery for the Secretary of Local Government***

The Secretary of Local Government (the Secretary) has estimated the expenses that they will incur in developing the Charter. These indicative costs are summarised in the table below:

Department costs excluding GST		
	2024/25	2025/26 and outyears
Staff	\$248,706	-
External	\$168,800	-
Overhead	-	-
Total	<b>\$417,506</b>	-

Staff costs relate to secondees from the Commerce Commission that have been brought in to support the development of the Charter. The Departments staff costs, as well as the overheads associated with the secondees, are being funded through the existing Local Water Done Well Government appropriation and are not being on charged.

Work that would be more efficiently and effectively delivered by external contractors or firms have been marked as external costs.

Under these terms and conditions, the Crown is permitted to recover expenses incurred by the Secretary totalling no more than \$417,506 (GST exclusive) for the 2024/25 year from Watercare, noting that the Department will only on charge costs incurred.

***Invoicing process***

The Department of Internal Affairs will be responsible for invoicing Watercare for both the Crown Monitor and Secretary expenses and will then disburse the funds received appropriately.

The first invoice will cover expenses incurred from 3 September 2024 to 31 December 2024. After that invoices will be issued quarterly.

All invoices will be GST invoices, will reflect actual expenditure in the relevant period, and in total these will not exceed the amounts noted above for each agency. Invoices will detail what costs have been incurred during the period under the following categories: staff, external and overheads.

Payment will be due on the 20<sup>th</sup> of the month following the issuing of the invoice.

## Attachment 3



Watercare Services Limited

73 Remuera Road, Remuera,  
Auckland 1050, New ZealandPrivate Bag 92521, Victoria Street West,  
Auckland 1142, New Zealand

Telephone +64 9 442 2222

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

21 November 2024

Lina Jang and Ruby Wilson  
Equal Justice Project  
Faculty of Law, University of Auckland

*Via email*

Dear Lina and Ruby

**Response to your deputation to the Board on 5 November 2024**

Thank you for your time and presentation to our Board of Directors on Tuesday, 5 November 2024.

We appreciate the time you have spent in reviewing Watercare's Annual Report and Statement of Intent (SOI) to understand our company and our challenges.

You raised several key points in your presentation, primarily focused on greenhouse gas emissions, which I address below.

***How nitrous oxide emissions are being reduced/monitored by Watercare***

Watercare has both climate change adaptation and mitigation challenges. We have challenging targets in relation to reducing our operational emissions. We have emissions reduction targets: achieve 50% scope 1 and 2 emissions by 2030 and net zero emissions by 2050. To achieve our emissions targets, process emissions from our wastewater treatment plants must be reduced. As a first step, and as set out in our Statement of Intent for 2024-2027, we are refreshing the Decarbonisation Roadmap to reflect projects, feasibility and emissions profile. We aim to complete this work during FY25. We look forward to sharing it with you when it is finalised.

Wastewater treatment plants generate nitrous oxide (N<sub>2</sub>O) which is our largest greenhouse gas emission. To achieve our emissions targets, we will need to reduce/mitigate N<sub>2</sub>O. We have the following mitigation actions planned:

- Low carbon resource planning
- Integrate N<sub>2</sub>O mitigations into site facility plans for Māngere, Rosedale, Pukekohe, and Army Bay Wastewater Treatment Plants (WWTPs)
- Continue to undertake specific supporting work on N<sub>2</sub>O formation and mitigation in collaboration with leading academics and practitioners
- Install measurement equipment as soon as possible
- Establish site wide N<sub>2</sub>O emissions factors (i.e. a multiplier that applies to each specific plant, rather than a "guess"), based on the measures taken
- Set up framework to start reporting actual emissions to track progress.

As you may be aware, considering nitrous oxide in wastewater treatment processes is a relatively new concept in the industry. There are only few early adopters and therefore an understanding of the science and knowledge regarding how to measure this greenhouse gas, what equipment to use, and where to use the equipment, is still being developed. We are installing the measuring equipment so we can obtain baseline data and observations. We have set up a specialist panel to help us interpret the data and to assist with experimental design. In the panel, we have the following five international experts:



Dr Nerea Uri Carreno – VCS Denmark



Professor Liu Ye University of Queensland



Professor Kartik Chandran – Columbia University New York



Dr Wim Audenaert – AM Team Belgium



Amanda Lake Jacobs – Scotland

10.3

At the 14 August 2024 Board meeting, our Board was provided with a presentation on our wastewater process emissions strategy. This presentation is available at this [link](#) (see from page 124).

***SOI measure on annual greenhouse gas emissions (GHG) reported on page 58 of our Annual Report 2024***

Our annual report 2024 states our results for this measure as 66,539 tonnes CO<sub>2</sub>e, a reduced number compared to FY23. This is due to reduced wastewater overflows in FY24 as we had no major storms (process emissions are quite weather dependent).

At the time of setting up the target for this measure, we had difficulties in obtaining accurate data for emissions from Puketutu Island. Therefore, the target and the reported result exclude the emissions from Puketutu Island.

As a part of the Auditor-General requirements, in August 2023, Toitu Envirocare (Toitu) provided the reasonable assurance on scope 1 and 2 and limited assurance on scope 3 (emissions from Puketutu Island). Therefore, Toitu was not engaged to undertake this work for FY24. Our external auditors Deloitte undertook the audit of this measure for FY24.

The major change to our reported emission profile is associated with the disposal of biosolids at Puketutu Island in Auckland. Biosolids are the solid component of treated wastewater. To better understand the GHG impact of operations at Puketutu Island, we engaged Tonkin & Taylor to assess the methane emissions from our unique biosolids rehabilitation site. At the end of 2022, we updated our reporting from 2,682 tCO<sub>2</sub>e to 22,807 tCO<sub>2</sub>e for FY20 based on this work and have back-cast previous reporting. The outcome of which is a further increase in reported emissions of approximately 23,800 tCO<sub>2</sub>e (Scope 1) per annum. We will continue to review and apply best practice reporting for this complex emission source.

More than half of our consumed electricity was purchased from a 100% renewable electricity provider, while the rest of the electricity was purchased from our standard electricity providers (standard grid electricity). Switching providers and purchasing 100% renewable electricity was a conscious decision we made to support our decarbonisation targets. However, we do recognise as the grid becomes increasingly more renewable, the benefit of this will decrease over time.



Current reporting guidelines for process emissions use a factor for calculating nitrous oxide (currently level 2 – country specific) that is based on a percentage of the mass of nitrogen treated in and discharged from our wastewater plants. Therefore, as the population of Auckland grows so would our reported nitrous oxide emissions. Note also that the factors provided by the IPCC for wastewater treatment were revised in 2023 and our current reporting uses these new factors. Our aim is to self-report our emissions (i.e level three under IPCC guidelines) and these direct measurements may confirm the current quantum of emissions or increase or reduce what we report. If this occurs it is unlikely that there has been any material change in the emissions from year to year, rather we will be reporting actual rather than assumed emissions.

Our primary goal of level three reporting is to not rely on published factors but estimate emissions directly from measurements and modelling. This will also enable us to quantify mitigation and reductions as we move toward our 2030 and 2050 goals.

Thank you again for your interest in Watercare and for challenging us to be “better tomorrow than we are today”. As mentioned during the Board meeting, I extend you an invitation to visit one of our treatment plants to see first-hand the work we do and challenges we face.

If you have any further questions or feedback for the Board, please do not hesitate to get in touch.

Yours sincerely

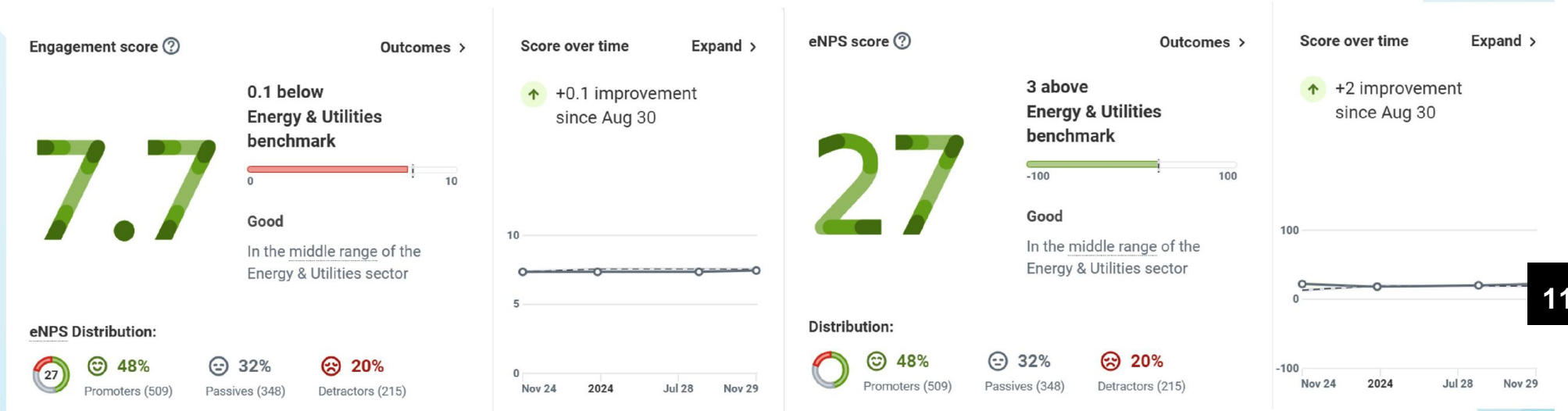


Geoff Hunt  
**Chair**  
Watercare Services Limited

# Kaimahi engagement survey results

12 December 2024 Board meeting  
Sarah Phillips, Chief People Officer

## Employee Engagement Survey – November 2024



Participation rate **79%** (↓5%)

## Employee Engagement Survey – change since last survey

Segment	Participation Rate	Engagement Score	Change in score since last survey
Watercare	79%	7.7	+0.1
Operations	68%	7.4	-0.1
Strategy & Planning	90%	7.4	-0.1
Finance	95%	8.4	-0.1
Digital	72%	7.4	+0.1
Programme Delivery	82%	7.4	+0.5
People & Capability	82%	8.1	+0.1
Corporate Affairs	91%	6.7	-0.4
Executive	100%	8.8	+0.2

# Purpose and values update

11

## Our purpose

Ki te ora te wai  
Ka ora te whenua  
Ka ora te tangata

*When the water is healthy, the land and the people are healthy.*

## Our values



### Manaakitanga We care

We care for each other,  
our community and the environment,  
now and for future generations



### Kouna We adapt and learn

We learn from our mistakes.  
We find ways to improve and  
adapt to challenges



### Pono We do what we say

We hold ourselves accountable to do our work  
and meet our commitments



### Kotahitanga We work together

We work together to deliver our purpose  
and are stronger together

**Thank you**

# Board - Public Session - Board planner

		Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Nov-25	Dec-25	
Meetings	Board	12-Dec		5-Feb 26-Feb	24-Mar	29-Apr	27-May	25-Jun 18-Jun (Board Strategy Session)	29-Jul	26-Aug	30-Sep	28-Oct	25-Nov 18-Nov (Board Strategy Session)	12-Dec
	Audit and Risk Committee			13-Feb			21-May			18-Aug 28-Aug			24-Nov	
	Asset Management Committee			27-Feb		30-Apr			2-Jul	27-Aug		29-Oct		30-Dec
	Capital Finance Committee	11-Dec	22-Jan	20-Feb	3-Mar 28-Mar	2-Apr 26-Apr	7-May 21-May	3-Jun 17-Jun	3-Jul 28-Jul 30-Jul	2-Aug 18-Aug 27-Aug	10-Sep 24-Sep	8-Oct 29-Oct	5-Nov 28-Nov	3-Dec 17-Dec
Running the Business	Financial	Auckland Council Draft Annual Plan approve Watercare input		Approve half-year accounts Approve long-term forecasts for Auckland Council modelling	23 Forecast information	Approve Strategic for Draft SO including proposed 2026 price increase		Board approval of insurance proposal Board approval of 2025/26 Budget and updated SO Financials	Auckland Council and Watercare agree 30 June Treasury Interest rates	Approve Auckland Council Reporting Pack (in an act of cycle resolution)	Approve 2024/25 accounts Delegate Trust sign off of Annual Report 2025		Auckland Council Draft Annual Plan - approve Watercare input	
	Statement of Intent	2025/26 Letter of Expectations to be received		20 Performance Report - due to Council by 28 February 2025	Draft 2025-2026 SO for Board approval - to be sent to Council on or before 4 April 2025	20 Performance Report - due to Council by 28 April 2025		Present Shareholder SO for Board approval - to be received	Final submission of 2025-2026 SO to Council on or before 31 July 2025	Final 2025-2026 SO adopted by Auckland Council		20/21 Performance Report due to Council by date TBC	2024/2025 SO Results to be presented to Board at Public Meeting. Public delegations to be received	2024/27 Letter of Expectations to be received
	Community and Stakeholder Relationships	Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly		Nil	Shareholder	Progress update from Infrastructure, Operations and Customer teams on the recommendations of the Citizens' Assembly	Shareholder	Nil	Shareholder	Nil, including To Te Tahi, To Whaea o Te Awa, and our purpose	Shareholder	Nil	Shareholder	Nil
	Governance	Board delegations to the CE Policy Review of our commitment to health, safety and wellbeing		Enterprise Risk Report 2025 Statutory compliance Policy update Update on Auckland Road recovery	Enterprise Risk Report Policy update Update on Auckland Road recovery	20 Statutory compliance Policy update Update on Auckland Road recovery	20 Statutory compliance Policy update Update on Auckland Road recovery	Update on Auckland Road recovery Policy update Review of the Audit and Risk Committee Charter	Review of the Corporate Governance Charter Review of the Terms of Reference for the Capital Finance Committee	Enterprise Risk Report 2025 Statutory compliance Update on Auckland Road recovery	Policy update	Update on Auckland Road recovery	Enterprise Risk Report 2025 Statutory compliance Policy update	Update on Auckland Road recovery Board delegations to the CE Policy
Confidential	Varia	Geoff Hunt Residential growth assessment servicing The removal of the Southwestern residential Whakau water supply system upgrade Update on Private Plan Change 62 - Newmarket South Development Watercare's Business Plan Update on Watercare's Milnet Initiatives Smart metering update		Andrew Clark CE's 100 Business Plan	Pradeep Ganga on operating model for next meeting at Watercare	Andrew Clarke CE's 100 Approve CE's 100	Julian Smith CE's 100	Geoff Hunt CE's 100	Andrew Clark CE's 100 Update on progress update for CE's 100	Pradeep Ganga CE's 100 Update on progress update for CE's 100	Andrew Clarke CE's 100	Julian Smith CE's 100	Geoff Hunt CE's 100	Andrew Clark CE's 100
	Audit & Risk Committee	Enterprise Risk update to the Auckland Council Audit and Risk Committee		Presentation of Watercare's draft half year accounts Internal Audit Report Director's expenses for the quarter ended 31 December 2024		Present plan for Year end to AGM AGM Approve Insurance Proposal Approval of 2025/26 Budget and updated SO Financials Review tax ahead of year end Internal Audit Report Director's expenses for the quarter ended 31 March 2025 Review of the Audit and Risk Committee Charter			Auckland Council reporting pack Approval of 2025 financial statements External audit update Internal audit update Enterprise Risk Deep Dive on failure to meet developer services commitments Director's expenses for the quarter ended 30 June 2025 Annual Summary of the Performance of Watercare for 2024	Annual update to the Auckland Council Audit and Risk Committee		Board delegations to the CE Policy Planning report for half-year accounts Internal audit report and plan Enterprise Risk Deep Dive on Auckland's resilience risk at Watercare Director's expenses for the quarter ended 30 September 2024	Enterprise Risk update to the Auckland Council Audit and Risk Committee	
Asset Management Committee				Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets Capital Infrastructure delivery for the Waikato District Council Contract		Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets Queens Street project Deep Dive on Hula Water Treatment Plant			Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets Infrastructure Investment Scheme	Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets		Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets		Project dashboards AMF Financials, delivery report and traffic light reporting Quarterly update on capitalisation of Assets
Capital Finance Committee		Risk Financing Strategy Market Savings Update Business Plan Spend analysis Programme Success Criteria Other matters						Review of the Terms of Reference for the Capital Finance Committee						



Board meeting | 12 December 2024  
Public session



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

For information

### **Te pou whenua tuhinga / Document ownership**

#### **Prepared and recommended by**

Emma McBride  
Head of Legal and Governance

#### **Submitted by**

Dave Chambers  
Chief Executive Officer

### **1. Te tūtohunga / Recommendation**

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

### **2. Take matua / Key points**

The key points are:

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

### **3. Kōrero pitopito / The details**

We currently have five directors appointed by Auckland Council.

### 3.1 The tenure of the current directors

Director	Original appointment date	End of term
Geoff Hunt (Board Chair)	12 October 2024*	1 <sup>st</sup> term ends on 31 October 2027
Graham Darlow	3 February 2021	2 <sup>nd</sup> term ends on 31 October 2027
Julian Smith	1 January 2022	2 <sup>nd</sup> term ends on 31 October 2027
Andrew Clark	1 June 2024	1 <sup>st</sup> term ends on 31 October 2027
Frederik Cornu	1 June 2024	1 <sup>st</sup> term ends on 31 October 2027

\*Geoff was originally appointed to be the Board Chair by Auckland Council with effect from 1 July 2024 (appointment announced on 4 July 2024). Following a judicial review, the appointment was found to be unlawful and Geoff ceased to be the Chair and a director of Watercare Board with effect from 11 September 2024. Auckland Council ran the appointment process again, and on 11 October 2024, it appointed Geoff Hunt to be the Board with effect from 12 October 2024.

### 3.2 Details of the committees

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

The current committee memberships are as follows which will be reviewed once the new Board members have been appointed by Auckland Council in late 2024/early 2025.

Director	Audit and Risk Committee <sup>&amp;</sup>	Asset Management Committee <sup>+</sup>	Capital Finance Committee <sup>#</sup>
Geoff Hunt (Board Chair)		✓	✓
Graham Darlow		Committee Chair	
Andrew Clark	Committee Chair		✓
Julian Smith	✓		Committee Chair
Frederik Cornu	✓	✓	

<sup>#</sup> The Capital Finance Committee was established at the 10 July 2024 Board meeting. Geoff Hunt was on the Committee from 10 July 2024 to 11 September and resumed his committee membership again from 15 October 2024.

<sup>+</sup> Julian Smith was on the Asset Management Committee from 1 October 2024 to 15 October 2024. Geoff Hunt was on the Committee from 3 September 2024 to 11 September 2024 and was appointed again from 15 October 2024.

<sup>&</sup> Frederik Cornu joined the Audit and Risk Committee from 3 September 2024.

## 3.3 Directors' attendance at Board meetings

Attended ✓ Did not attend ✕ Not on the Board ■	Attendance at Board meetings															
	25 January 2024	8 February 2024	5 March 2024	9 April 2024	23 April 2024	2 May 2024	7 May 2024	12 June 2024	25 June 2024	3 July 2024	10 July 2024	14 August 2024	3 September 2024	15 October 2024	5 November 2024	12 December 2024
Geoff Hunt (Board Chair)										✕	✓	✓	✓	✓	✓	
Graham Darlow	✓	✓	✓	✓	✕	✓	✓	✓	✓	✓	✓	✕	✓	✓	✕	
Julian Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Andrew Clark								✓	✓	✓	✓	✓	✓	✓	✓	
Frederik Cornu								✓	✓	✓	✓	✓	✓	✓	✓	
Margaret Devlin (term ended on 18 September 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			
Nicki Crauford (term ended on 18 September 2024)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✕	✓			

## 3.4 Directors' attendance at committee meetings

Attended ✓ Did not attend ✕ Not on the committee ■	Capital Finance Committee meetings										Audit and Risk Committee meetings					Asset Management Committee meetings							
	10 July 2024	29 July 2024	16 August 2024	30 August 2024	11 September 2024	25 September 2024	9 October 2024	24 October 2024	6 November 2024	21 November 2024	11 December 2024	7 February 2024	23 April 2024	21 May 2024	16 August 2024	30 August 2024	19 November 2024	19 February 2024	23 April 2024	2 July 2024	5 August 2024	11 September 2024	21 November 2024
Geoff Hunt (Board Chair)	✓	✓	✓	✓	✓			✓	✓	✓						✓	✓				✓	✓	✓
Graham Darlow	✓											✕	✓	✓				✓	✓	✓	✓	✓	✓
Julian Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✕		✓				
Andrew Clark	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓						
Frederik Cornu	✓		✓					✓									✓			✓	✓	✓	✓
Margaret Devlin	✓											✓	✓	✕	✓	✓		✓	✓	✓	✓	✕	
Nicki Crauford	✓											✓	✓	✓	✓	✓		✓	✓	✓	✓	✕	



Board meeting | 12 December 2024  
Public session



## Disclosure of Directors' and Executives' interests

For information

### Te pou whenua tuhinga / Document ownership

#### Prepared and recommended by

Emma McBride  
Head of Legal and Governance

#### Submitted by

Dave Chambers  
Chief Executive Officer

### 1. Te tūtohunga / Recommendation

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

### 2. Take matua / Key points

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

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

### 3. Kōrero pitopito / The details

#### 3.1 Watercare Services Limited's Directors' Interests Register

Director	Interest
Geoff Hunt	<ul style="list-style-type: none"> <li>• Principal, Geoff Hunt Consulting Ltd</li> <li>• Director, Preston 2 Trust Ltd</li> <li>• Director, J Scott and Company Ltd</li> <li>• Director, PSP Ltd</li> <li>• Member, Institution of Engineering and Technology</li> <li>• Member, Institute of Directors</li> </ul>

Director	Interest
	<ul style="list-style-type: none"> <li>• Trustee, Hunt Family Trust</li> <li>• Board member, New Zealand Infrastructure Commission</li> <li>• Advisor to the Board, Geostabilization New Zealand Ltd (GSI).</li> </ul>
<b>Graham Darlow</b>	<ul style="list-style-type: none"> <li>• Director, Holmes GP ANZ Ltd</li> <li>• Director, Hick Group Ltd</li> <li>• Business Executive, Acciona Infrastructure NZ Limited</li> <li>• Director and Shareholder, Brockway Consulting Limited</li> <li>• Chair, Frequency NZ Limited</li> <li>• Director, Hick Bros. Civil Construction Limited</li> <li>• Director, Hick Bros. Heavy Haulage Limited</li> <li>• Director, Hick Bros. Holdings Limited</li> <li>• Director, Holmes Group Limited</li> <li>• Chair, The LEAD Alliance Board</li> <li>• Project Governance Group, Sludge Minimisation Project, Wellington City Council</li> </ul>
<b>Julian Smith</b>	<ul style="list-style-type: none"> <li>• Advisory Board Member Vadacom Limited</li> <li>• Board Trustee, Look Good Feel Better Trust</li> <li>• Director and Shareholder of JTB Enterprises Limited</li> <li>• Committee member of Institute of Directors, Auckland Committee</li> <li>• Chair, Institute of Directors Te Tai Tokerau, Northland Sub-Committee</li> <li>• Committee member of Body Corporate Chairs Group NZ, Auckland Committee</li> <li>• Body Corporate Committee member, The Connaught Residential Apartments, Auckland</li> <li>• MyCareerBrand</li> <li>• Group Manager – Northland Corporate Group</li> <li>• Member, Waikato Tainui Kawenata Joint Governance Oversight Group</li> </ul>
<b>Andrew Clark</b>	<ul style="list-style-type: none"> <li>• Chief Financial Officer, Port of Auckland Limited</li> <li>• Director, Auckland City Water Limited (Watercare's subsidiary company)</li> <li>• Member, Waikato Tainui Kawenata Joint Governance Oversight Group</li> </ul>

Director	Interest
<b>Frederik Cornu</b>	<ul style="list-style-type: none"> <li>• New Zealand Sustainable Solutions Lead, Schneider Electric</li> <li>• Vice-President and Board Member, French New Zealand Chamber of Commerce (FNZCCI)</li> <li>• Executive Committee Member, New Zealand China Trade Association</li> <li>• Shareholder and New Zealand Planet Leader, Team for the Planet</li> </ul>

### 3.2 Watercare's Executives' Interests Register

Executives	Interest
Dave Chambers	• Director, GB & DD's Outfit Limited
Jamie Sinclair	• Director and Shareholder, Sinclair Consulting Group Ltd
Shayne Cunis	Nil
Priyan Perera	<ul style="list-style-type: none"> <li>• Board member, Water New Zealand</li> <li>• Director and Shareholder, Popellow Limited</li> </ul>
Mark Bourne	• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Sarah Phillips	• Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Richard Waiwai	<ul style="list-style-type: none"> <li>• Director and owner, Te Hautapu Consultants Limited</li> <li>• Trustee of Te Rana Te Araroa Waiwai Whanau Trust</li> <li>• Relatives work for Waikato Tainui</li> <li>• Director, Moeā Limited</li> </ul>
Angela Neeson	• Director, Tranquillo Properties Limited
Nigel Toms	<ul style="list-style-type: none"> <li>• Director, TRN Risk &amp; Resilience Consulting</li> <li>• Member, Audit and Risk Committee, Institute of Risk Management</li> <li>• Director, Toi Ora Live Arts Trusts</li> </ul>
Brent Evans	Nil

