

Board meeting | 5 July 2022

Public session



Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9.45am to 12pm

Meeting administration		Spokesperson	Action sought	Supporting material
1	Opening Karakia	Hinerangi Raumati-Tu'ua	-	-
2	Apologies	Chair	Record apologies	Verbal
3	Quorum	Chair	Five directors required	Verbal
4	Minutes of the previous meeting	Chair	Approval of minutes	Minutes: 7 June 2022 meeting
5	Public deputations	Chair	For information	Verbal
Deliver the Future				
6	Scanning the Horizon	Stephen Toplis, Head of Research at BNZ	For discussion	Verbal
Running the Business				
7	Chief Executive's report	Jon Lamonte	For discussion	Report
8	Watercare's final draft Statement of Intent 2022-25	Emma McBride	For approval	Report
9	Health, Safety and Wellbeing update	Kylie Dunn, Employment Partner at Russell McVeagh	For discussion	Verbal
Governance				
10	Board planner	Chair	For information	Report
11	Directors' meeting attendances	Chair	For information	Report
12	Disclosure of Directors' and Executives' interests	Chair	For information	Report
13	General business	Chair	For discussion	Verbal update

Date of next meeting	Tuesday 2 August 2022
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Karakia Timatanga (To start a meeting)

1. Whakataka te hau ki te uru

Whakataka te hau ki te tonga

Kia mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora!

Cease the winds from the west

Cease the winds from the south

Let the breeze blow over the land

Let the breeze blow over the ocean

Let the red-tipped dawn come with a sharpened air.

A touch of frost, a promise of a glorious day.

2. Tukua te wairua kia rere ki ngā taumata

Hai ārahi i ā tātou mahi

Me tā tātou whai i ngā tikanga a rātou mā

Kia mau kia ita

Kia kore ai e ngaro

Kia pupuri

Kia whakamaua

Kia tina! TINA! Hui e! TĀIKI E!

Allow one's spirit to exercise its potential

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

Take hold and preserve it

Ensure it is never lost

Hold fast.

Secure it.

Draw together! Affirm





Minutes

Board meeting	Public session
Date	7 June 2022
Venue	Watercare Services, Level 3 Boardroom, 73 Remuera Rd, Remuera and via Microsoft Teams
Time	9.15am

Attendance		
Board of Directors	Watercare staff	Guests
Margaret Devlin (Chair) Brendon Green Hinerangi Raumati-Tu'ua Dave Chambers Nicola Crauford Julian Smith Via Microsoft Teams Graham Darlow Frances Valintine	Jon Lamonte (CE) Jamie Sinclair (Chief Corporate Services Officer) Steve Webster (Chief Infrastructure Officer, for items 11 and 12) Bronwyn Struthers (Head of Health, Safety and Wellbeing, for items 1 to 6) Chris Thurston (Head of Sustainability, for items 10 to 12) Suzanne Naylor (Head of Water Value, for items 1 to 7) Emma McBride (Co-Head of Governance, for item 8) Jacky Simperingham (Co-Head of Governance) Pinaz Pithadia (Governance and Research Administrator) Via Microsoft Teams Richie Waiwai (Poutiaki Tikanga Māori, Principal Advisor, for items 1 to 10) Sarah Phillips (Acting GM – People & Capability, for items 1 to 6) Rebecca van Son (Head of Strategy, for item 10) Kevin Sharp (Head of Commercial, for item 10) Mark Bishop (Regulatory and Policy Manager, for item 10) Laura Saunders (Legal and Governance Advisor, for items 7 to 17)	Leigh Steckler, Principal – Zero Carbon Team, Healthy Waters, Auckland Council (for items 11 and 12) Via Microsoft Teams Councillor Linda Cooper, Auckland Council Liaison Councillor Trudi Fava, CCO Programme Lead, Auckland Council Donovan Kelso, Equal Justice Project, University of Auckland (for items 6 to 12) Cassandra Pauling-Munro, Equal Justice Project, University of Auckland (for items 11 and 12)

<p>1.</p>	<p>Opening karakia</p> <p>Brendon Green opened the meeting with a karakia. The Governance Team will allocate the opening karakia to a different Director each month.</p> <p>The Chair congratulated the awards winners of the WaterNZ Excellence Awards. A list of award winners will be included in the CE’s report for the 5 July Board meeting.</p>
<p>2.</p>	<p>Apologies</p> <p>Apologies were received from Wi Pere Mita (Board intern), due to inclement weather conditions impacting on travel arrangements.</p>
<p>3.</p>	<p>Quorum</p> <p>All Directors were present at the meeting and therefore a quorum was established.</p>
<p>4.</p>	<p>Minutes of the previous meeting</p> <p><i>The Board resolved that the minutes of the public session of the Board meeting held on 5 April 2022 be confirmed as true and correct.</i></p>
<p>5.</p>	<p>Public deputations</p> <p>No members of the public wish to provide deputations.</p> <p>The Chair welcomed Donovan Kelso and Cassandra Pauling-Munro, students from Auckland University’s Equal Justice Project, who joined the meeting online to observe.</p>
<p>6.</p>	<p>Chief Executive’s report</p> <p>The CE highlighted the following topics from the report:</p> <p><i>Current significant issues</i></p> <ul style="list-style-type: none"> • There appears to be a second wave of Covid-19. However, more staff are returning to the office and, with borders open, are taking decent overseas holidays. This is both good for wellbeing and reducing annual leave balances. • Reshaping of the Asset Management Plan will resolve the issues over the next three to four years. However, resolving the impacts over the second half of the decade will take longer to manage.

- Central Interceptor (CI): 1,331m of tunnelling has been completed by the main Tunnel Boring Machine (TBM). The Micro Tunnel Boring Machine (mTBM) has tunnelled 513m. The shaft drilling works at Keith Hay Park have reached 18.3m. The Board and the CE discussed the improvement in culture and atmosphere on the project.
- The Hūnua 4 project will be completed this month. In response to a pātai from the Board, the CE explained that the specific reason for the grout incident at Hūnua 4 is unknown. However, there are some good learnings for future projects. The incident was covered by the contractor's insurance and the pay-out covered most of the expenses. The Board acknowledged the hard work done by Watercare and the contractors to resolve the issues. The Board asked that those involved in physically removing the grout are specifically appreciated.

Key performance measures

- April was relatively dry. Auckland's dam levels were 75.6% full, which was below the historical average.
- Customer trust scores continued to improve which shows there was value in the way we approached the announcement of the price increase in July 2022.

Water resources update

- There has been an increase in water consumption compared to the same time last year. This is largely driven by some big users, including Auckland Council. The CE confirmed that this issue is being discussed directly with Auckland Council.
- E. coli was detected at the Cornwall Road Water Treatment Plant supplying Waiuku distribution zone. Watercare responded according to the required protocols. A subsequent investigation confirmed that this was an isolated incident with no risk to public health. All other water quality parameters have been met for the month for all distribution zones.

Community and stakeholder relationships

- The Board noted a planning workshop attended by Watercare's Te Rua Whetū team, Healthy Waters, and the Three Waters Reform team to discuss Iwi Māori engagement with the National Transition Unit (NTU).

Risk and compliance update

- Suzanne Naylor noted that the non-compliances for the month were mainly technical non-compliances. There are some conditions at water and wastewater treatment assets that require major infrastructure solutions; these are allowed for in the AMP (eg Snells/Warkworth and Waiuku).
- In response to a pātai from Councillor Cooper, the CE explained that the new drinking water standards for water suppliers will come into effect on 1 July 2022. The revised wastewater standards will come into effect next year.

People

- Sarah Phillips noted that the sick leave balance remained steady since the end of last year.

- In response to a pātai, Jamie Sinclair advised that we have three contractors working at Tauranga City Council. Watercare provides IT support for the Infor system.

Healthy, safety and wellbeing (HSW)

Bronwyn Struthers took the paper as read and highlighted the following points:

- Fatigue: Bronwyn noted the burnout findings presented to the Audit and Risk Committee at the 31 May 2022 meeting. The Board requested that presentation made to the Committee be shared with the full Board.
- The annual external ACC audit is being conducted in June.
- The Board and Management discussed the systems gap which is an ongoing issue as consistent and accessible systems across all sites are not available. Sites maintain their own records. However, it is difficult to have overall visibility due to an absence of a centralised system. Bronwyn advised that Management has gone to market for a new centralised system that will address this issue. The Board requested that Management provide updates on this issue in future reports.
- In response to a question, the CE confirmed that now Covid-19 restrictions have relaxed, HSW leadership walks are continuing.
- Councillor Cooper acknowledged the issue of fatigue. Bronwyn noted that work around culture and leadership is key.
- In response from a question from the Board, Bronwyn noted that the Contractor CEO Forum was successful. The Board noted that feedback had been positive about the Forum, and Bronwyn's leadership.
- The Chair acknowledged the effort to reduce the number of open iCare cases and noted the average time between event and reporting has improved.
- The Board and Management discussed the work being undertaken to rationalise the number of critical risks. Bronwyn explained that Management is considering consolidating critical risks, having business wide critical risks, and critical risks for specific business units.
- The Board and Management discussed the deep dive in to working over water. In response to a query, Bronwyn noted that to ensure training is up to date, each site conducts a self-audit twice a year.

Matters for noting

- The CE shared some of the key learnings from the conferences he recently attended. These highlighted the importance for Watercare to connect with international entities to help solve our problems. He noted that climate change was a key theme at the conferences which he attended in May 2022, namely Singapore International Water Week (SIWW) and OzWater.
- In response to a query, the CE noted Watercare's key priorities over the next 12 months are:
 - preparing for water reform in collaboration with Auckland Council
 - supplying safe drinking water
 - collecting and treating wastewater
 - delivering in a safe and efficient way.

	<ul style="list-style-type: none"> The CE also noted that a priority over the next year would be to devise one Asset Management Plan (AMP) for Entity A before June 2023. The draft will need to be completed by January 2023 as it will require iwi engagement and consultation with relevant councils. <p><i>The Board noted the report.</i></p>
<p>7.</p>	<p>Review of the Corporate Governance Charter</p> <p>Jacky Simperingham spoke to the report and noted the marked-up version of the Corporate Governance Charter ('the Charter') reflects the changes requested by the Board at the 5 April 2022 Board meeting and other minor amendments.</p> <p><i>The Board approved the revisions made to the Charter subject to the following:</i></p> <ul style="list-style-type: none"> <i>Clause 2 – Role of the Board section to be amended to replace 'Holding to account through effective and independent oversight of management' with 'Holding management to account through effective and independent oversight'.</i> <i>Clause 3 – Iwi and Mana Whenua Partners section to be amended to replace:</i> <ul style="list-style-type: none"> <i>'Ensure Iwi and Mana Whenua are active partners, decisions makers and participants' with 'Provide mechanisms to ensure Iwi and Mana Whenua are active partners, decisions makers and participants'.</i> <i>'Ensure that Watercare communicates effectively with the Iwi and Mana Whenua, the Independent Māori Statutory Board and Local Boards' with 'Ensure that Watercare communicates effectively with the Iwi, Mana Whenua, and the Independent Māori Statutory Board'.</i> <i>Clause 5 – Legal and statutory duties section to be amended to replace 'Ensure Watercare gives effect to Te Tiriti o Waitangi, its principles, and its broader legal obligations including being more responsible and effective to Māori' with 'Ensure Watercare gives effect to Te Tiriti o Waitangi, its principles, and its broader legal obligations including being more responsive and effective to Māori'.</i>
<p>8.</p>	<p>Consideration of Shareholder's feedback on Watercare's draft Statement of Intent 2022-2025</p> <p>Emma McBride spoke to the report and highlighted the following:</p> <ul style="list-style-type: none"> The report outlines how we plan to amend the draft Statement of Intent (SOI) to address the feedback received from Council. At the confidential session today, the Board will review and approve Watercare's Emissions Reductions Roadmap, including a draft emissions performance measure to include in the SOI 2022-2025. An updated SOI will be tabled for the Board's approval at the public session of the 5 July 2022 Board meeting. Members of the public will be invited to provide any further comments on the draft SOI 2022-2025, including in relation to the emissions performance measure. <p><i>The Board noted the shareholder's feedback on Watercare's draft SOI 2022-2025.</i></p>

<p>9.</p>	<p>Final Draft of Lutra’s Revised Statement of Intent 2022–2025</p> <p>Jamie highlighted the following key points for the Board:</p> <ul style="list-style-type: none"> • The draft SOI has been updated following the feedback received from the Board at the 5 April Board meeting. • Lutra Limited held a statutory Board meeting on 25 May 2022 where members of the public were invited to provide feedback on the draft SOI. There were no public depositions in the meeting. • The Board of Lutra Limited approved the draft SOI. <p><i>The Board approved Lutra’s revised draft statement of Intent 2022-2025 (SOI) for submission to Council by 31 July 2022 subject to amending the SOI to:</i></p> <ul style="list-style-type: none"> • <i>separate out ‘Pasifika’ from ‘Māori and Pasifika talent’ on page 6</i> • <i>update the Board of Directors on page 13.</i>
<p>10.</p>	<p>Scanning the Horizon</p> <p>The CE took the report as read and highlighted the following key topics.</p> <p><i>Worksafe hydrogen sulphide limits</i></p> <ul style="list-style-type: none"> • Fatal accidents happened due to hydrogen sulphide (H₂S) exposure. WorkSafe is proposing a reduction in H₂S limits which could result in the need to upgrade work environments to include greater ventilation or upgrading our processing systems to produce less H₂S. Water entities in Australia have performed a significant amount of work and Watercare will leverage this. Any change in limits will have major implications for our Asset Management Plan. <p><i>A New Zealand policy update on bills, policies and plan changes that could impact Watercare</i></p> <p>The Board discussed Watercare’s capability in relation to the upcoming bills, policies and plan changes that impact how Watercare operates and stressed the importance of prioritisation.</p> <p><i>The Board noted the report.</i></p>
<p>11.</p>	<p>Strategic focus: We are fully sustainable</p> <p>Brendon Green introduced the agenda item, which was prepared together with Steve Webster and Chris Thurston.</p> <p>Brendon noted that today’s discussion will focus on Watercare’s resource recovery strategy, carbon monitoring and carbon baseline.</p>

Chris welcomed Donovan Kelso, a student from Equal Justice Project of University of Auckland, who had joined to observe via Microsoft Teams.

From a global perspective, the CE noted that climate change is the number one priority, and most countries have a clear plan with targets. He noted that overseas, the targets are net zero by 2030 rather than 2050.

Chris spoke to the attached presentation ([attachment 1](#)). He noted Watercare's commitments in its organisational plan, and Watercare's progress to date. In particular:

- The climate mitigation target for infrastructure is progressing well.
- There is an uncertainty around carbon associated with the new Asset Management Plan. The baseline for climate mitigation targets is therefore from the 2018 AMP.
- Our emission reduction roadmap to 2030 is being progressed. However, we have a challenge to achieve those targets.
- Some of our network discharge consents are technically non-compliant and actions are in place as a remedy.
- Construction waste requires quantification and planning.
- There has been a delay with our programme on solar rollout due to site selection (eg preferred Māngere site being used by Central Interceptor for next two years), staff change and confirmation of external funding approach (off balance sheet assessment and assessment of alternative internal funding options).

Chris noted what Watercare is doing well in the following areas:

- Carbon reduction
- EMERGE® branded fertiliser, a slow-release fertiliser that we produce from phosphorus and nitrogen that crystallises during the wastewater treatment process.
- EV trucks for the Central Interceptor project
- Monitoring and collecting GHG data.

Chris played a video of Watercare staff sharing their experience of driving electric vehicles. Chris noted that from the recent light fleet vehicles purchased, 22 are electric. The Board and Management discussed rationalisation of the fleet at Watercare.

The Chair thanked Chris, Steve, and Brendon for their korero.

Councillor Cooper also thanked the team for their mahi.

<p>12.</p>	<p>Climate change strategy refresh</p> <p>Leigh Steckler introduced herself to the meeting. Leigh advised that is the Principle of Healthy Waters’ Zero Carbon Team and has been working with Chris on a joint Watercare/Healthy Waters Climate Action Plan.</p> <p>Chris welcomed Cassandra Pauling-Munro, a student from Equal Justice Project of University of Auckland, who joined the meeting online. Chris advised that both Donovan and Cassandra wish to present to the Board at a future Board meeting.</p> <p>Chris spoke to the report and highlighted the following key points:</p> <ul style="list-style-type: none"> • The joint action plan is the first part of the refresh of Watercare’s Climate Change Strategy which was completed in December 2018 and implemented in 2019. • The intended audience is Watercare and Healthy Waters and other Council whanau staff and interested stakeholders. • The main body of the plan comprises of 14 portfolios. • The next steps are: <ul style="list-style-type: none"> ○ Complete the action plan by end of July 2022. ○ Send a memo to Environment and Climate Change Committee at Auckland Council. ○ Update Local Board Chairs. ○ Arrange a climate change workshop with the Infrastructure and Environmental Services Mana Whenua Kaitiaki Forum ○ Launch the final action plan by August 2022. <p><i>The Chair departed the meeting at 11.12am. Dave Chambers chaired the meeting for the following discussion.</i></p> <p>The Board discussed the of electricity generation targets on page 25 of the action plan.</p> <p><i>The Chair returned to the meeting at 11.20am.</i></p> <p>The Board had a robust discussion around Watercare’s internal capacity, and the level of investment required to deliver the action plan.</p> <p><i>The Board noted the updated Climate Action Plan. The Board supported the delivery of the areas relevant to Watercare.</i></p>
<p>13.</p>	<p>Audit and Risk Committee Update</p> <p>Hinerangi Raumati-Tu’ua, the Chair of the Audit and Risk Committee (ARC), reported that the last Committee meeting was held on 31 May 2022. She noted that the ARC:</p> <ul style="list-style-type: none"> • Reviewed the insurance renewal programme 2022-23 and recommends that the Board approve it. This will be addressed in the confidential meeting.

	<ul style="list-style-type: none"> • Reviewed the updated Fraud and Corruption Policy. The final policy will be brought to the Board for approval once the Board Chair and ARC Chair approve the updated policy. • Received an update on planning for the FY22 year-end financial statements. • Received an update on the Global Reporting Initiative (GRI) reporting framework and Climate Disclosure Work Programme. • Noted Deloitte’s planning report for the FY22 year-end. • Received an internal audit report, included a detailed Waikato 50 internal audit report. The ARC will be kept informed of the progress being made to address the findings. • Noted the Directors’ expenses for the quarter ended 31 March 2022. • Noted the results from the burnout survey undertaken. The action in this area is to provide support to those who showed signs of burnout. • Received an update on preparing for Economic Regulation. The Board requested that an update provided to the Committee be shared with the full Board.
14.	<p>Board planner</p> <p>The Chair requested that Management provide a condensed CE’s report with financials for the months without a Board meeting.</p> <p><i>The Board noted the Board planner.</i></p>
15.	<p>Directors’ appointment terms and committee memberships and meeting attendances</p> <p>The Chair asked Trudi Fava to follow up the new appointment letters for the Directors whose terms were extended to 30 June 2024.</p> <p><i>The Board noted the report.</i></p>
16.	<p>Disclosure of Directors’ and Executives’ interests</p> <ul style="list-style-type: none"> • The Chair advised that she has stepped down as Deputy Chair at Wintec. • Hinerangi Raumati-Tu’ua advised that she will be retiring from Nga Kai Tautoko Limited and Te Kiwai Maui o Ngaruahine Limited at the end of June 2022. • Brendon Green noted a typographical error in his section of the report. <p><i>The Board noted the report.</i></p>
17.	<p>General business</p>

	<p>Between this public meeting and the confidential meeting that starts at 1.30 today, the Board is hosting a hui with the Independent Māori Statutory Board.</p> <p>There was no other general business.</p> <p>The meeting closed at 11:46am.</p>
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CERTIFIED AS A TRUE AND CORRECT RECORD

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Margaret Devlin, Chair

DRAFT

Attachment 1

Board deep dive We are Fully Sustainable

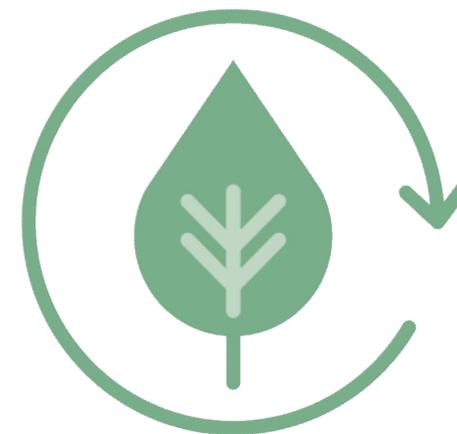
June 7th 2022

Agenda

- Steady progress on fully sustainable strategic objective
- We are leading in key areas
- Big challenges
- Deep dive on carbon and waste
- Looking forward
 - Projects for Board to be aware of

We are fully sustainable

- We understand the impacts of **climate change**, taking bold actions to **reduce our emissions and prepare our business for future climate challenges**.
- We protect and enhance a **thriving natural environment**.
- We reimagine **waste as a valuable resource**.
- We are **sustainability leaders** in and beyond our industry and embed sustainability in everything we do.
- We believe that **water is a treasured resource/taonga** and this is part of our cultural DNA.
- We optimise **our investment decisions, are efficient, effective and financially responsible**.



We are fully sustainable – commitments and targets

Organisational plan commitment	Delivery against the plan	Status
Sustainability framework by 2023	To be completed. Planned for delivery between July and December 2022. Led by Sustainability team.	Green
Climate mitigation targets (40% infrastructure by 2025, 50% operations by 2030 and net zero 2050)	Baseline for new AMP being delivered in next three months. Emission reduction roadmap for 2030 presented in June 2022.	Yellow
	Net zero roadmap not yet started.	Red
		Yellow
Compliance with network discharge consents	Technically non compliant with some conditions (eg regarding system improvement for reporting). Corrective actions in place to remedy.	Yellow
Resource recovery and waste strategy by 2025	Strategy to be completed. Majority of bio solids are being managed through Puketutu. Construction waste requires quantification and planning - pilot being started in 2022.	Yellow
Solar roll out programme by 2030	Delay in programme roll out. Next steps are a focus on Ardmore and Waikato projects, through external funding mechanisms. Followed by Mangere site for 2025.	Yellow
WW GHG emissions monitoring strategy by 2024	Strategy to be completed. Pilot programme in place at Rosedale as well as digital twin with GHG modelling trial at Rosedale (innovation fund project).	Green
Carbon dashboard by 2025	To be completed, tracking well. Healthy Waters are the lead.	Green
Governance templates	Board templates refreshed with sustainability inputs.	Green
Sustainability KPIs for all staff by 2023	Tracking well. Voluntary guidance created in 2021, move to mandatory by 2023.	Green
Climate change risk register by end of 2022	Tracking well, delivered through climate disclosure project with Auckland Council	Green



What we are doing well right now

- 1st programme wide carbon baseline
- Carbon reduction incentivised into delivery contracts



- Direct circular economy example
- Engaging with customers
- Unlocking biosolids

- 1st road worthy heavy construction Ev's
- Recent fleet purchase 75% EVs



- 1st direct monitoring in NZ
- Rosedale digital twin with GHG modelling

Electric vehicles are being normalised

- Video

Challenges for Watercare

Internal

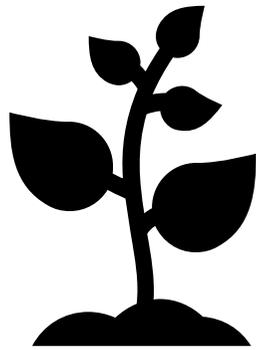
- Prioritisation
- Making this BAU
- Funding

Combined

- Uncertainty of wastewater emissions
- Industry reform

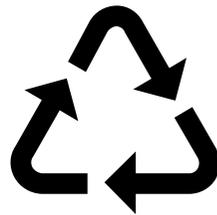
External

- Community expectation
- Government policy changes



Deep dives

- CLIMATE
- WASTE



Climate



CHALLENGES/ OPPORTUNITIES

- Wastewater emissions
- Growing population/demand for services
- Energy intensive water and wastewater requirements
- Sludge/bio solids



CURRENT ACTIONS

- Decarbonisation team
- Emission reduction pathway
- Advanced wastewater monitoring
- Solar programme
- Electric vehicles
- Infrastructure carbon baseline phase 2
- Carbon portal for infrastructure assessments
- Carbon portal with Healthy Waters



CHOICES TO BE MADE

- Now
- Best use of external funding for solar
 - Prioritisation of all investments with climate impacts in mind
- Entity A
- Land use, tree planting and other carbon removals to achieve net zero



WHAT ARE THE GAPS?

- Role of carbon removals/planting
- Plan out to net zero 2050
- Optimal use of bio gas
- Impacts from Puketutu Island



PARTNERSHIPS/ SUPPORT

- Iwi partnering for emission reduction investment eg solar
- WaterNZ wastewater process emissions
- Enterprise Model partners for infrastructure carbon
- Healthy Waters for carbon portal
- Connection with global peers

Waste



CHALLENGES/ OPPORTUNITIES

- Reimagine waste as a resource
- Cost/capacity of waste disposal
- Future of biosolids
- Construction related waste



CURRENT ACTIONS

- Puketutu Island rehabilitation
- Emerge fertiliser
- Construction waste pilot
- Office waste separation
- E-waste programmes



CHOICES TO BE MADE

- Now
- WW process technologies
 - Worm farming
 - Targets for construction
- Entity A
- Post Puketutu
 - Alternative options for regional plants



WHAT ARE THE GAPS?

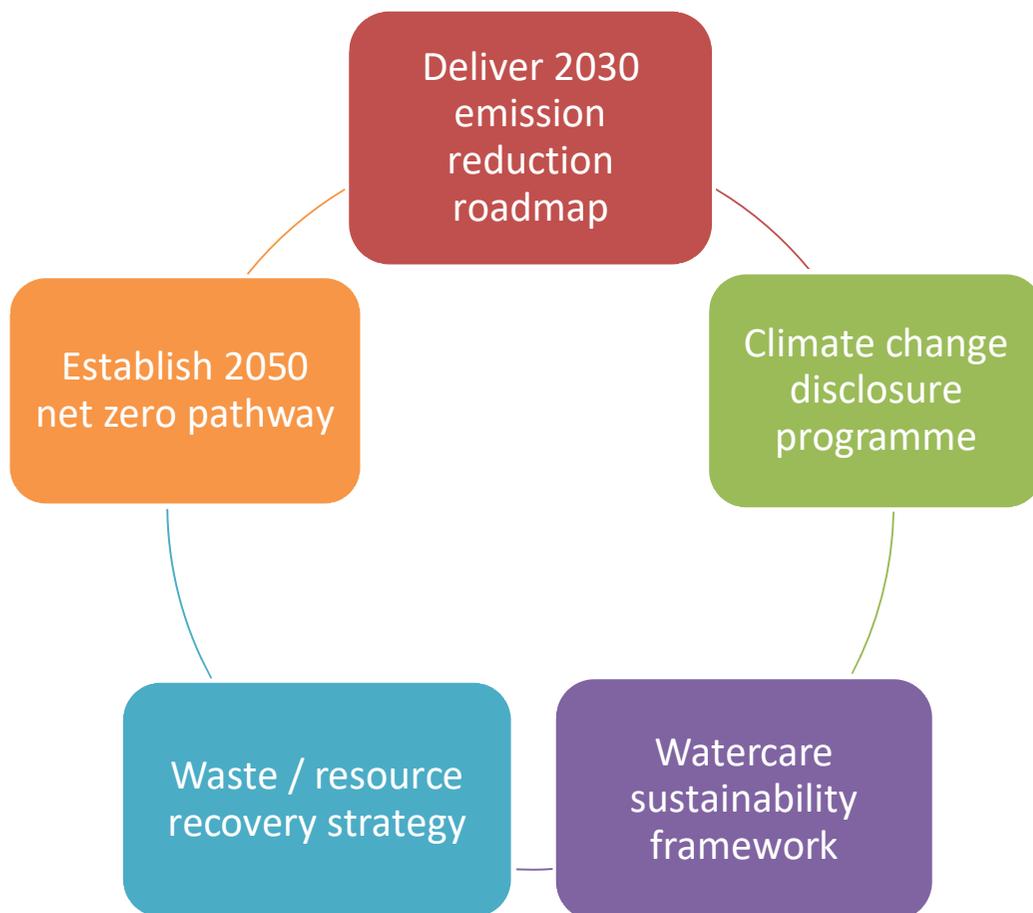
- Understanding soil and fertiliser opportunities
- Role in the market
- Biosolids guidelines/regulations
- Data collection



PARTNERSHIPS/ SUPPORT

- Many Iwi opportunities
- Agriculture + fertiliser sector
- End fate users eg Turners and Growers
- Wasteminz
- Enterprise model and construction sector

Looking forward – 12 months



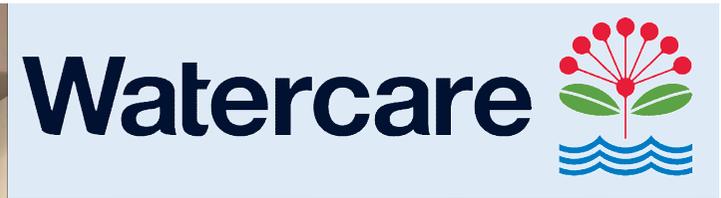
Board decisions and support

- Climate Governance review and implementation
- Alignment to reform process
- Support for budget variances

Thank you

Chief Executive's report – July 2022

Presented by: Jon Lamonte



1. Current significant issues

After a very dry autumn, the first part of winter has produced some welcome steady rainfall, fortunately without too many side effects on overflows or power outages. As a result, lake levels are just below 80% at the time of writing, with a forecast of normal rains through the winter. This should imply levels at or around 90% by the start of summer, allowing us to maximise use of lake waters then. We will continue to review the situation weekly to see if we need to increase the use of the more expensive waters from the Waikato over winter whilst we can maximise the take, before we return to the more limited take allowed in summer before construction starts on the new facilities.

Water usage continues its downward trend by residential users and is currently around 25MLD less than budgeted. However, commercial daily usage has not experienced its typical post-summer reduction, with usage in April 2022 being slightly higher than January 2022. Our customer team is working with our top commercial customers to ensure that the good habits formed during the drought continue. At the same time, connections are up, with 1,948 lodged in May 2022, significantly above our average of 1,350 per month. We anticipate a further spike in June connections, ahead of the 1 July 2022 price increase.

Three waters reform continues to drive a lot of effort on behalf of the team, as we saw the first Bill pass into the Select Committee stage, ahead of likely final approval in December. The Bill sets out the principles behind reform, the four new entities, the share ownership model for councils, and the greater role for iwi in governance. We have also had a visit from Alan Sutherland at WICS, joining colleagues from DIA and Commerce Commission, to discuss how Watercare can play a greater role in the economic regulation transition, which has been discussed within Government in June. We have also joined with council officers and others to discuss how to take forward the transition, including how best to consider issues that might be included in the second Bill, likely to be in Parliament at some point in early 2023.

Taumata Arowai's new Drinking Water Standards have finally been released and will come into force on 14 November 2022, with compliance reporting against the new standards commencing on 1 January 2023. Some of the new standards and rules mean we need to change the way we test and provide assurance around the safety of our water supply, so we are preparing for these changes. The new rules will also have a big impact on the way standpipes are used by contractors throughout in Auckland.

The labour market remains tight, and our voluntary turnover continues to rise steadily, now sitting at 14.66%. The main reasons for moving on include career development opportunities and relocation out of the Auckland area. Overall, however, turnover remains below industry averages. Insights from exit interviews reveal that over 80% of staff members who complete an exit interview would recommend Watercare to family and friends seeking employment and 87% would work for Watercare again if the right role became available.

Watercare is now on Tik Tok! https://www.tiktok.com/@watercare_nz!

2. Key Performance Measures

From the Executive Monthly Performance Review hui, the following key strands emerged:

- May was another broadly satisfactory month.
- The challenges on keeping within the opex budget remain, albeit the throughput of IGCs continues to be high, demonstrating the strength in the development market.
- Delivering to our capex forecast for year end will be largely contingent on achieving a planned land swap with Auckland Council, which at this stage is proving challenging to deliver in year.
- Leakage rates are showing a consistent downward movement, which is pleasing, albeit the effect of lack of meter readings (upon which the precise leakage rate is reverse engineered) may yet affect the final results for the year.
- In consequence of the above, the only likely area of the SOI which will not be met is that of mana whenua meetings, but the achievement of 17/19 iwi in Tamaki Makaurau on top of all the various engagements with Waikato Tainui and river iwi has been really positive.
- eNPS dipped late last year but showed a recovery in the first quarter of this year. The results of a recent pulse survey on the Human Synergistics programme, which are due early next month, will be a good indicator of progress on employee sentiment.
- Despite a lot of effort in the HSW arena at all levels, increasing site inspections, leadership training, HSW online sessions focusing on wellbeing, and CEO level forums, the underlying numbers are proving hard to reduce. Within Watercare, the standout area for focus is musculoskeletal injuries, and we continue to push this area. We are extending the Back to Basics campaign, which has gone down extremely well with contractors, into the rest of the operational business.

[Attachment 1](#) sets out Watercare's performance against the current Statement of Intent measures for May 2022.

3. Organisational plan implementation

We have implemented an initiative tracker to measure progress against the company plan. This tracker is updated monthly and any initiatives that are not on track are discussed as exceptions at the Executive team's monthly performance hui.

We will be focusing on the 'We have a resilient water supply' strategic pillar at our Board meeting to be held on 2 August 2022.

4. People

Current staff numbers are 1,241 full time equivalents (excludes contractors filling full time positions)¹.

The annual Water New Zealand conference is a key opportunity for the industry to showcase excellence and innovation. Watercare were recognised with several awards at this year's ceremony.

- Operations Prize in recognition of the reinstatement of the Pukekohe Water Treatment Plant.
- Online Presentation of the Year was awarded to Waikato 50 Project for a presentation about the application of digital engineering in the water sector.
- Ronald Hicks Memorial Award was awarded to Cassandra Trent for a published paper in the open-access research journal Environments titled 'Evaluation of the Efficacy of SIFT-MS for Speciation of Wastewater Treatment Plant Odours in Parallel with Human Sensory Analysis'.
- Online Presentation of the Year was awarded to Waikato 50 Project for a presentation about the application of digital engineering in the water sector.
- Ronald Hicks Memorial Award was awarded to Cassandra Trent for a published paper in the open-access research journal Environments titled 'Evaluation of the Efficacy of SIFT-MS for Speciation of Wastewater Treatment Plant Odours in Parallel with Human Sensory Analysis'.
- Photo competition was awarded to Antoine Foulon for capturing 'The calm after the storm' following torrential downpours at Waitākere Dam.

Watercare have also been selected as finalists in the Diversity Works Awards 2022 under the 'Inclusive Workplace Award' category. This is in recognition of the 'Gender transitioning at Work Policy' implementation which led to the emergence of a support network for parents and caregivers of gender questioning young people. Winners will be announced at the awards ceremony in August 2022.

After a career in the Water industry spanning 44 years, a farewell was held for Brian Park who retired in May. Brian was recognised for his vast knowledge of Watercare and willingness to mentor and share knowledge with teammates and colleagues. Most notable in recent times were Brian's significant contribution to Hūnua 4 and the North Harbour watermains projects.

[Attachment 2](#) is a workforce snapshot for May 2022. Overall employee numbers have remained steady, new hires and open vacancies have reduced compared to the same period last year which recognises efforts to not increase headcount. Rolling sick leave remains steady and voluntary turnover continues a gradual trend upwards.

¹ Please note, this number is full time equivalents and differs from the number of employees in the HSW update. The HSW update uses the number of persons, whether part-time, full-time, directly employed or contracted.

5. Health, safety and wellbeing

The report attached as [Attachment 3](#) provides a comprehensive overview of Watercare's health, safety and wellbeing including the deep dive on one of Watercare's 14 critical risks (Digging and working in excavations – includes tunnelling).

6. Community and stakeholder relationships

6.1 CCO oversight committee visit

On 10 June 2022, the CCO Oversight Committee (Auckland Councillors) and Watercare Board members came together at Watercare Newmarket for an informal management presentation "Wastewater Networks – a journey through time, balancing community expectations". The history and anecdotes shared were informative and very well received. The group then travelled to visit New Zealand's largest wastewater pump station located 40m underground in Orakei. Here they learned more from our service delivery team about how wastewater is moved around central Auckland. The visit led to several social media posts being shared by elected members. The visit was followed by the CCO Oversight Committee meeting in the afternoon.

6.2 Council relationship survey

The Watercare and Auckland Council Executive Teams came together in May at the Watercare head office to discuss insights from the December 2021 relationship survey. The group agreed there is a solid foundation of good will shared between both organisations. They also agreed that the relationships have continued to grow since the survey was undertaken in December 2021 with many good examples of the two organisations working collaboratively, particularly with Healthy Waters and local boards. Some opportunities for improvement included earlier alignment and engagement during planning and consenting for major projects as well as continuing to demonstrate how a good working relationship between Council and a possible Water Services Entity could function. The opportunity to share and promote mutual success stories was also identified. The next survey is planned for November 2022.

6.3 Local government elections

The next local government election (Auckland Council mayor, councillors, local boards, health boards) is scheduled for 8 October 2022. While many candidates have already started campaigning for election, the official pre-election period begins 15 July 2022. The first step in the elections process is for candidates to submit their nomination paperwork. Following nominations, the candidates will be officially announced on 17 August 2022.

During the pre-election period it is important that all Watercare staff and directors follow a couple of basic guidelines in their day-to-day work: that business as usual must continue, and the company must be seen as being politically neutral. In accordance with Council election process, we need to record elected member interactions and ensure information shared or discussed is made available to all candidates – a section on our information hub has been set up to enable this. If Board members have questions about the process or elected member interactions over the election period, please let us know and our elected member relationship team can provide further advice.

6.4 Combined CCO engagement plan updates

During March and April 2022, we along with the other CCOs delivered workshops to all the Local Boards highlighting our upcoming work and plans for engagement with the Boards. The successful delivery of these workshops required contributions from across the company. In particular, the strong support of senior management in presenting at all the workshops was especially appreciated. The feedback from Council staff and from local board members, is that our preparation and commitment to attending these workshops is paying off – that the trust and positive perception of Watercare across the local boards continues to grow.

6.5 The Citizens' Assembly project

Work is well underway preparing for our Citizens' Assembly project, which is being done in collaboration with the University of Auckland's Centre for Informed Futures, Koi Tū. The project will trial a relatively new form of engagement for public decision-making called 'deliberative democracy'.

The project will allow us to trial it as a tool to help us navigate complex conversations and involve our customers in decision-making about the long-term future of Auckland's water supply.

In July 2022, 10,000 randomly selected customers will receive an invitation to take part in our Citizens' Assembly to be held over four weekends in August and September. From those who accept the invitation, Koi Tū will select a sample that is demographically representative of Auckland in terms of ethnicity, age, gender, and education. These people will be asked to consider the question '*what should be the next source or sources of water for Auckland?*'.

Our intention is for the participants to work through different perspectives and trade-offs to come to a consensus recommendation that will help us build a resilient water source past 2040. At the end of the workshops – in which participants will have access to independent experts – the group will submit their recommendations to our leadership team.

We will also be inviting stakeholders with an interest in Auckland's water future to share feedback ahead of the Citizens' Assembly taking place. We want to know what our customers and community think about two key aspects of what we are doing – the assembly itself and the options we are proposing for supplementing Auckland's water supply beyond 2040.

7. Water resources update

7.1 Water sources

The total dam storage level is close to the historical average. The long-range seasonal forecasts are indicating a slightly wetter-than-normal winter, so we expect our total dam storage to continue to rise.

In terms of non-revenue water updates:

- The leak management programme is progressing well. Since the start of the programme approximately 11,800kms have been surveyed to date with 6,678 leaks found.
- For Māngere and Konini zones, studies are being undertaken for future demand and growth including creating smaller district metered areas (DMAs) and pressure management areas. Pressure management is set to be implemented in six DMAs in the Maungakiekie area. PRV (Pressure Reducing Valve) controllers are currently in the process of being retrofitted and installed.

7.2 Water quality

Positive E.coli was detected on 30 May 2022 at Cornwall Road Water Treatment Plant, treated water sample. Investigation confirmed this as an isolated event and not representative of the water supply.

7.3 Taumata Arowai's new Drinking Water Standards, Aesthetic Values and Quality Assurance Rules – effective 14 November 2022

The new Standards, Values and Rules were published on the Taumata Arowai's website in early June. However, there has been no communication received by water suppliers for this announcement.

The new compliance reporting requirements will be effective from 1 January 2023. There is a degree of uncertainty with the new Drinking Water Standards on how compliance with the standards will be assessed where it relates to response to transgressions. We anticipate receiving confirmation on this in the coming weeks.

Implementation and update of Watercare's existing water safety plans is underway. Updated plans are required to be submitted to TA by November 2022. Work is underway to address the non-conformances identified in the last system audit, including improving document management, training and competency record keeping.

7.4 Annual Summary of Performance of Watercare Dams for 2021

The letter setting out an Annual Summary of the Performance of Watercare's Dams (2021) was received from our external dam safety surveillance consultants Dam Safety Intelligence (DSI). The letter serves as an Annual Certification on the Performance of Watercare's Dams and its original intent was to communicate dam safety risks that were independently assessed to Watercare's Board.

The letter provides an overview of the surveillance status of the dams, dam performance and any significant events or actions to address dam safety concerns or issues. It confirms that Watercare has maintained an appropriate Dam Safety Management System during 2021 which is consistent with the NZ Dam Safety Guidelines (2015). The only risk identified is with the existing condition of Mangakura Dam 1 (water supply dam for Helensville). The upgrade for this dam to address outstanding issues is currently being considered with Watercare's Planning Team.

7.5 Beneficial disposal of biosolids

At the last Board meeting, the Board queried the challenges around beneficially using Watercare's wastewater treatment plant biosolids as a fertiliser / soil conditioning product. In response to this question, the two main challenges are pasteurising these biosolids (which involves, eg thermal hydrolysis at Rosedale to remove harmful bacteria), and Council approval by either resource consent, or alternatively, a Unitary Plan change. At the last Board meeting, the challenge was incorrectly identified as a legislative challenge.

8. Risk and compliance update

8.1 Enterprise risk management

Our new risk system will go-live in Q4 FY22 to further enhance our risk management capability across the organisation. This will provide a standardise tool to support our risk 'aware' culture.

External project risk management benchmarking is underway to support our Infrastructure teams project management practices and add further governance controls as required. A draft project risk management roadmap has been developed to support the uplift in capability.

8.2 Legal and compliance

Non-compliance with resource consents

The number of consents non-compliant with their consent conditions remains the same as in April. June will see an increase in compliance with the resolution of some long-standing technical non-compliances.

The following graph summarises Watercare's consent compliance in May 2022.

Active resource consents in May 2022

378

Consents with non-compliances in May 2022

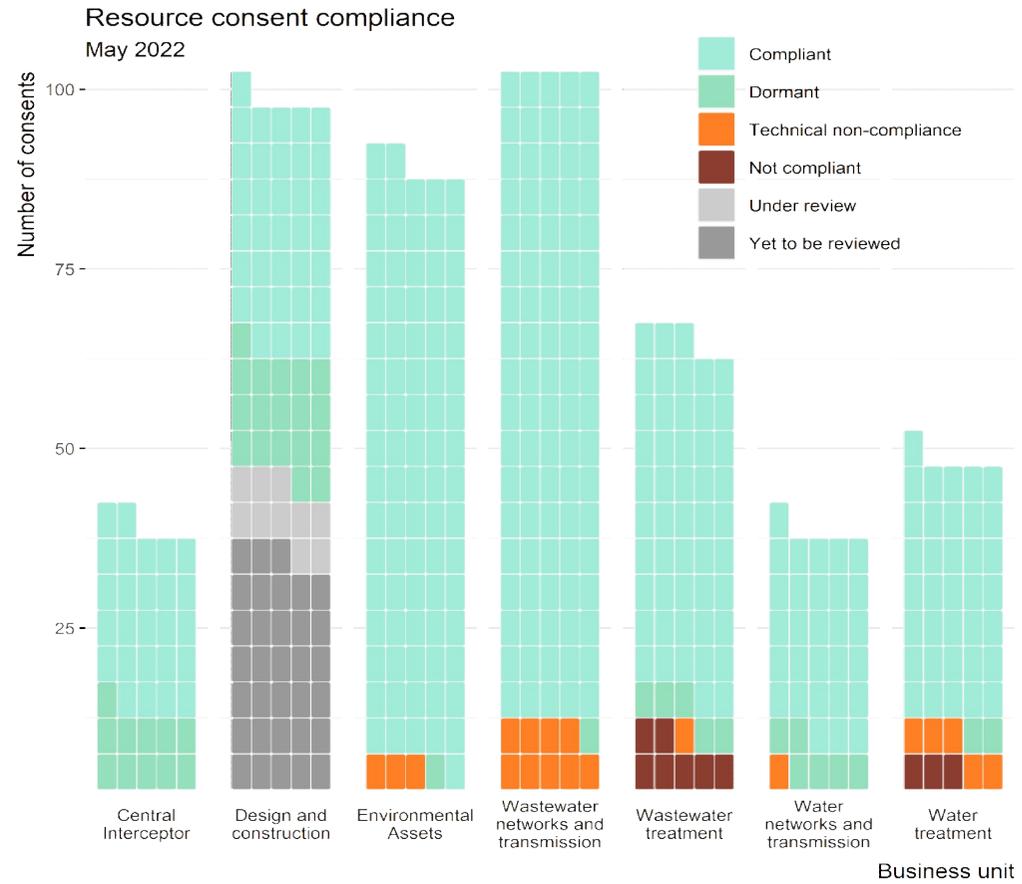
29

Rolling 6-month average (non-compliant consents)

33

Consents under enforcement in May 2022

0



LGOIMA requests

In May 2022, we received seven requests for information under the Local Government Official Information and Meetings Act 1987 (the Act). Four of these requests were forwarded to us from Auckland Council. Watercare responded to all requests within 20 working days (in accordance with the Act).

Legal action

- RMA related:
Huia Water Treatment Plant: The Environment Court (EC) was not willing to conduct face to face mediation under the Red light status. Since the changing of the status, the EC has sought to initiate mediation. However, the appellants have been unable to agree on a suitable date. The EC has now directed that the mediation begins in September 2022 and have set down two days for the initial discussions. Watercare has initiated discussions with the immediate neighbours that have appealed the decision. We are waiting for their responses with regards possible mediation measures prior to meeting with them again.
- Non-RMA related:
There is currently one claim for \$1.2m for alleged damage to a residential property from a burst watermain.

Whistleblowing

There have been no disclosures made through the PwC whistle-blower service since the last Board meeting. All disclosures are reported to the Audit and Risk Committee on a quarterly basis.

The new Protected Disclosures Act 2022 comes into force on 1 July 2022. The Internal Audit team is reviewing Watercare's Protected Disclosures ('Whistle-blower') Policy to ensure it complies with the new Act.

9. Update on business areas

Embedding Te Ao Māori

Te Rua Whetū (Māori Outcomes & Relationships) have made an immediate and positive impact within Watercare. The addition of a Senior Policy Advisor in February 2022 provided much needed legal and policy expertise on Māori rights and interests, and the recognition of these across the business. At a time where water and RMA reforms are at the forefront of Crown and Māori engagement, the need for Watercare to be effective in this space is incredibly important.

Individually and collectively, demand for Te Rua Whetū's services and support has significantly increased in the last six months. The team have focussed on building internal capability of staff, creating awareness of Te Ao Māori, and accelerating organisational understanding on how we integrate this learning into various work programmes.

Providing advice and direction on all things Te Ao Māori has included facilitation of workshops, mentoring, reo and tikanga Māori training and reviewing of strategic documents. Balancing internal needs of the business with our external obligations under Te Tiriti o Waitangi, will be a priority of Te Rua Whetū over the next six to nine months.

Te Rua Whetū continue to function as connectors to other Māori organisations. Internal business units have come to rely on this approach, but it is not sustainable in the long term. Ownership of these relationships needs to sit with relevant managers and business units as appropriate. It is an area we expect to see change as capability and confidence amongst staff evolves.

Te Mana o Te Wai

Initial insights from staff about their understanding of Te Mana o Te Wai and how Watercare gives effect to it, highlighted major knowledge gaps for the organisation. Watercare Board members and executive team recognised the need to address this and implement learning pathways that will further develop staff capability.

Staff have shown genuine desire to better understand the application of Te Mana o Te Wai in the context of their role, business unit and Watercare within the wider water industry. As water reforms continue, Te Mana o Te Wai training workshops from a Te Ao Māori perspective will be delivered to Watercare staff throughout July, August, and September.

Three Waters iwi Māori engagement

In recent months, water reforms and the Board of Inquiry have placed a renewed spotlight on Watercare's relationships with Māori. Competing forums, engagement fatigue and capacity limitations have at times made it difficult for our iwi and mana whenua partners to meet with us. Where appropriate, we leveraged existing relationships within Te Rua Whetū to arrange hui with iwi leaders. These are hui that Watercare may not have otherwise been afforded.

Te Rua Whetū's participation in the Northern Waters group and support to the National Transition Unit's iwi Māori engagement team, have been important steps in the process of relationship building with iwi and mana whenua of Entity A. Through Te Rua Whetū, Watercare have requested meetings with Te Tai Tokerau mana whenua to ensure we provide space for Māori to directly engage with us rangatira ki te rangatira, kanohi ki te kanohi.

This approach forms part of Watercare's overall strategic stakeholder engagement plan, with Watercare's Board members playing an integral part in leading discussions.

10. Matters for noting

10.1 Central Interceptor update

- A serious Health and safety breach was recorded in May 2022 with sixteen people lifted from the bottom of the MPS shaft in a ten-person cage. Basket operations were temporarily suspended pending a full site review.
- The final pour of the shaft wall lining at MPS was completed in early May 2022. The main shaft dividing wall construction continues.
- 352m of main tunnel were excavated in the month and a total distance of 1,301m now excavated at the end of May 2022.
- The Micro Tunnel Boring Machine (mTBM) drive number 2 of Link Sewer C from Dundale to Haycock (722m) is progressing very well. By the end of May 2022, 154 pipes (462m) were installed and the drive is expected to be completed by the end of June 2022.
- The Central Interceptor Project was well represented at the Water NZ Conference in Hamilton, with the Discovery Centre on display and the CI Sustainability Journey shared with delegates. Positive feedback and engagement were received to both.

10.2 Significant meetings

Relationship meetings (Waikato-Tainui, Ngāti Manuhiri, Ngāti Tahu-Ngāti Whāoa, Ngāti Maniapoto RMC, Te Kawerau a Maki, Ngāti Tamaoho); Mana Whenua Kaitiaki Forum (Waikato-Tainui, Te Ahiwaru Waiohua, Te Rūnanga o Ngāti Whātua, Ngāti Tamaoho); and KOTM mana outcome-related projects (Ngāti Whātua Ōrakei, Ngāi Tai ki Tāmaki).

David Smith, Director of Strategy, Stantec (Global); SMEC; Fraser Wylie, McConnell Dowell; Auckland Council ELT; Waikato District Council CEO; Orakei Local Board Environment Forum; Hon Phil Twyford/Cr Henderson; Hugh Goddard, Pipeline and Civil; Russell McVeagh, Wellington presentation; First meeting of Thought Leadership forum; IMSB Board to Board engagement; CCO Oversight visit to Watercare on 10 June 2022; Peter Lensink, Transdev; CCNZ Auckland branch presentation; WICS and; Hugo Group breakfast with Hon Grant Robertson.

10.3 Update on progress on recommendations

This update follows the update provided in the CE's report for the 5 April 2022 Board pack.

Aurecon review: The table set out at [Attachment 4](#) provides an update on Watercare's progress against the recommendations it has received from the Aurecon's review. The next update will be provided in the November 2022 Board meeting.

CCO review: A comprehensive update of the CCO review report's implementation was provided to the CCO Oversight Committee on 26 April 2022. In summary, the report noted that the Council Group had made substantial progress in implementing the Review recommendations, and making changes to

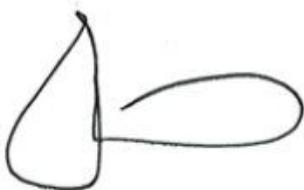
the CCO model, accountability, and group culture. Whilst most recommendations will be fully implemented by June 2022, some major programmes initiated as part of the review, such as Better Faster Consents will extend beyond 2022. In the meantime, the Group Chief Executives Forum continues to monitor the implementation of the outstanding Review recommendations.

11. Delegated authority to Chief Executive

In accordance with the authority delegated to the Chief Executive by the Board for the month of May 2022:

- there were two documents required to be signed by Watercare's Chief Executive with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents. There were no property documents required to be signed by members of the Watercare Board.
- there were no capex approvals signed below a threshold of \$50m.
- there were two capex and opex contracts over \$100,000 approved. They are as follows:

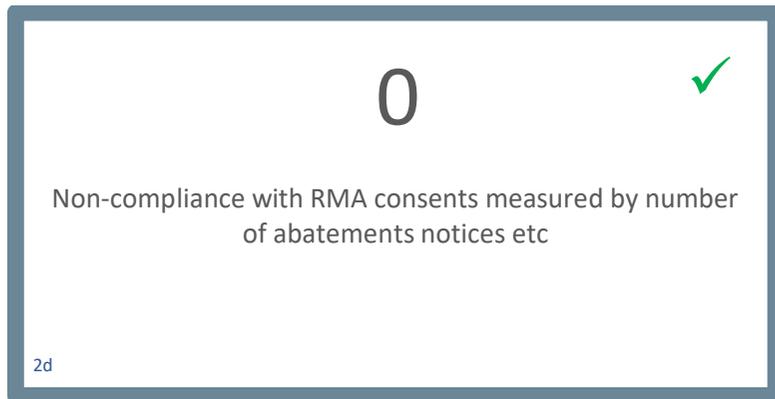
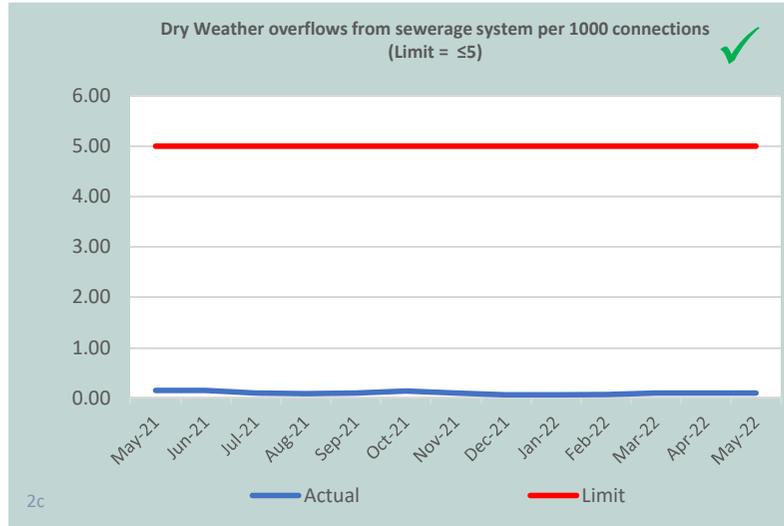
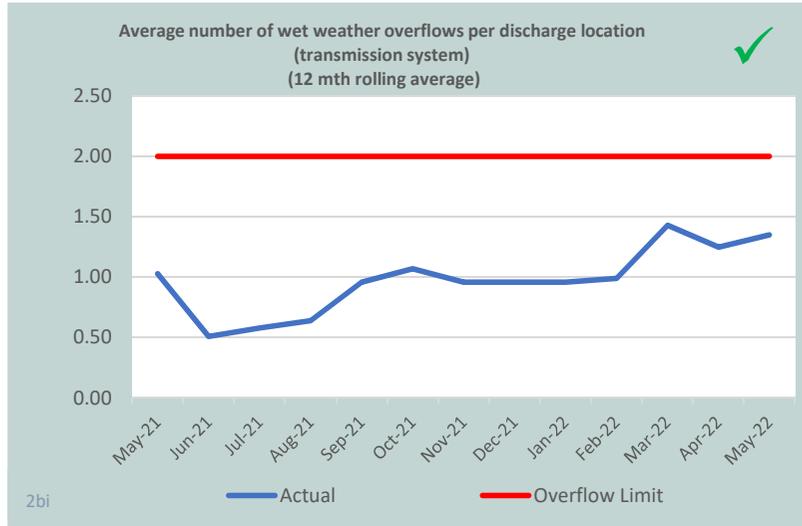
Contract description	Successful supplier
Electricity Purchase Agreement	Simply Energy Limited
Pukekohe WWTP Pond 1 Desludging	Conhur Limited



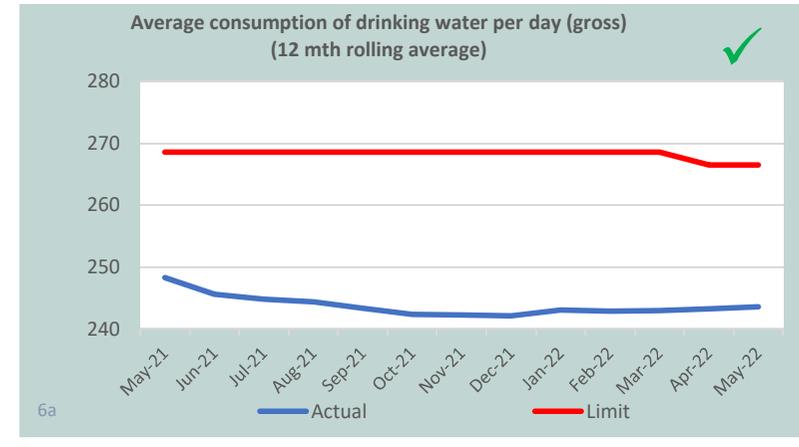
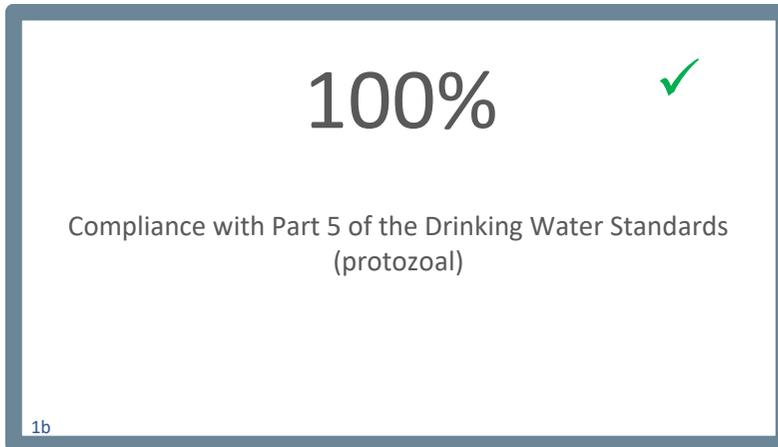
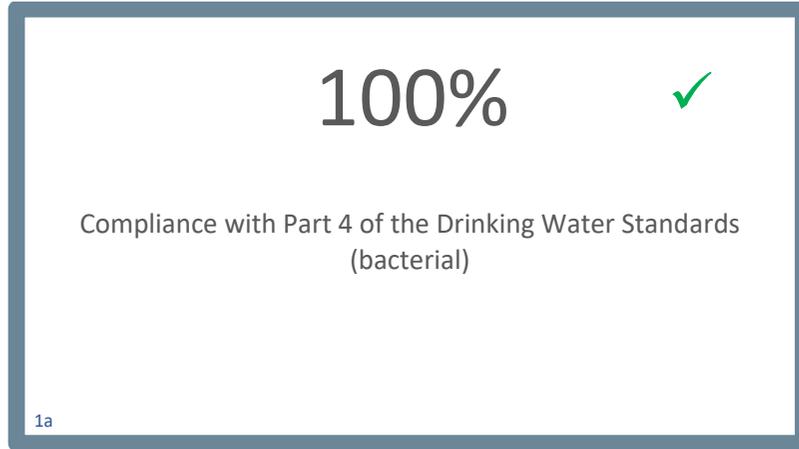
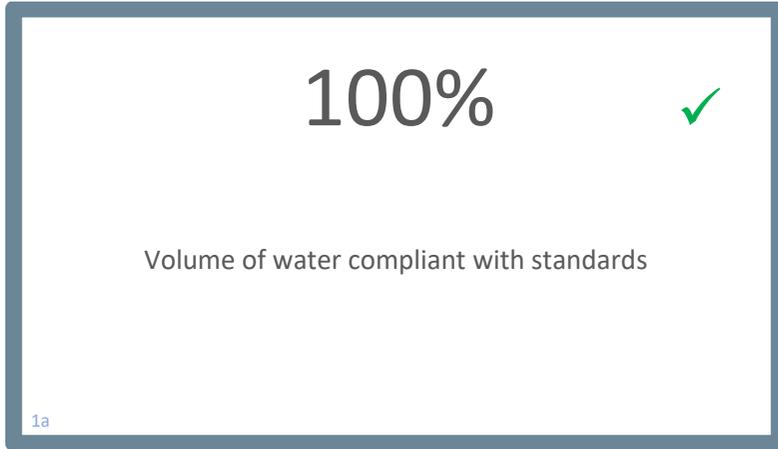
Jon Lamonte
Chief Executive

Attachment 1 – Performance against Statement of Intent measures

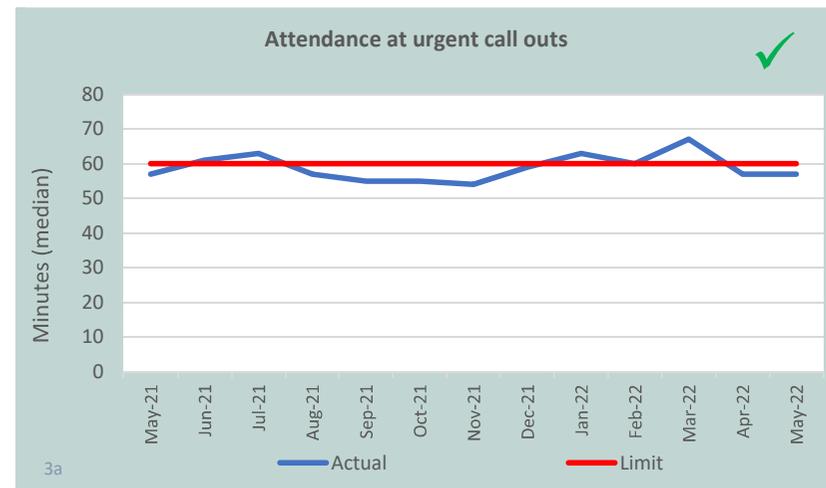
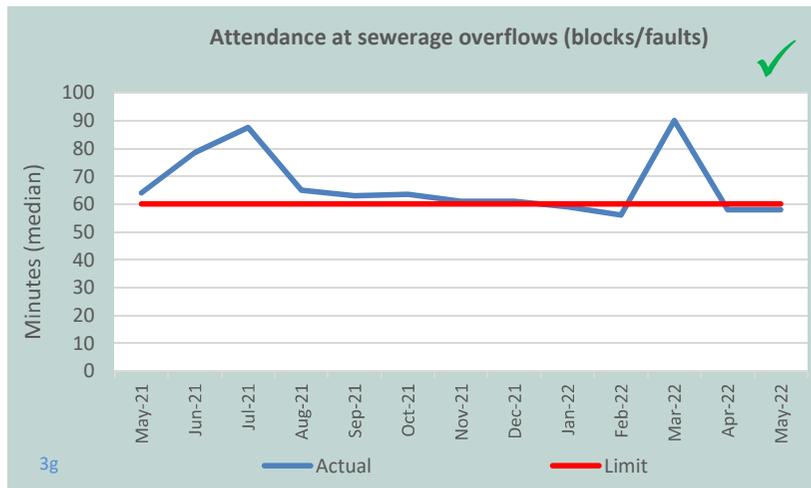
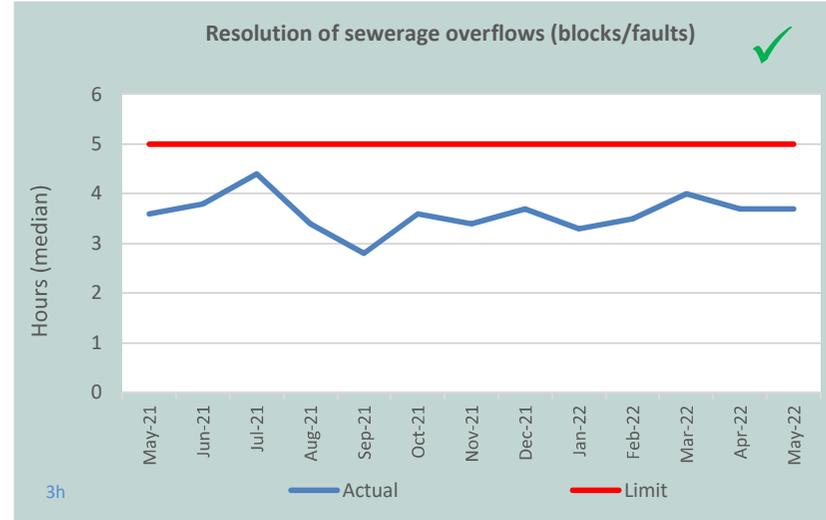
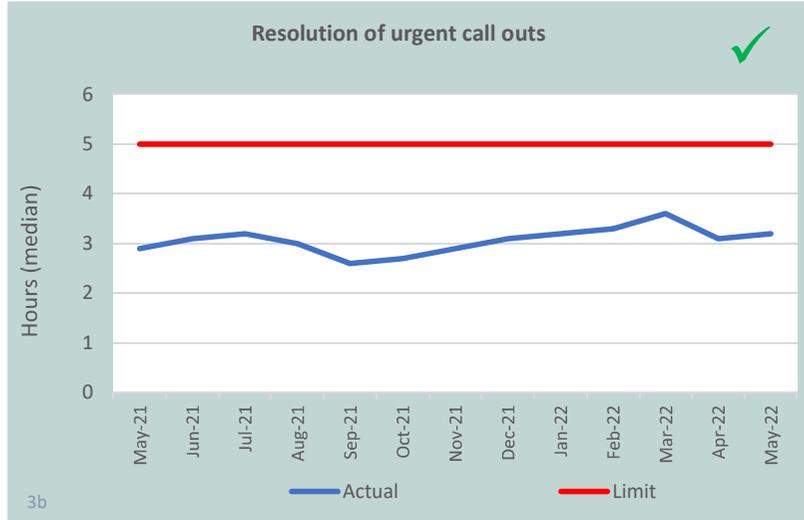
SOI Measures — Natural Environment



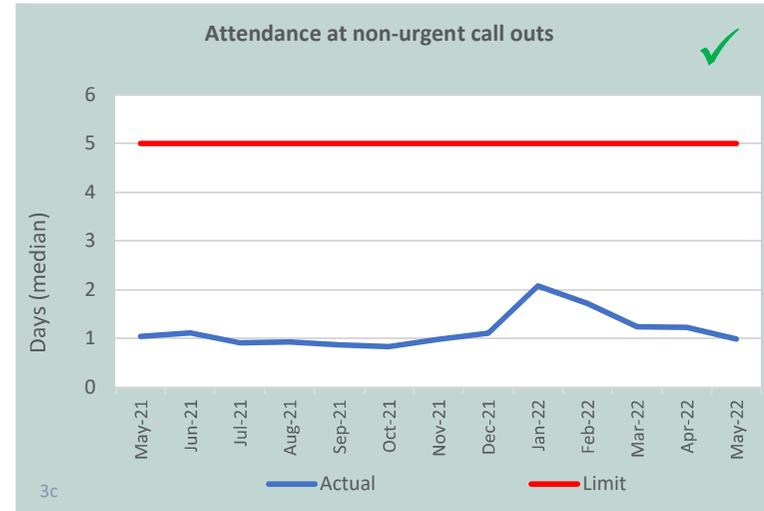
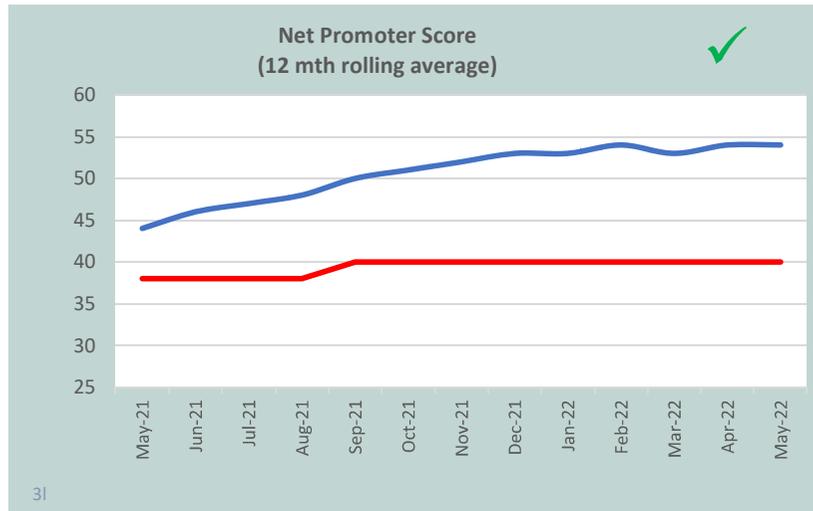
SOI Measures — Assets and Infrastructure



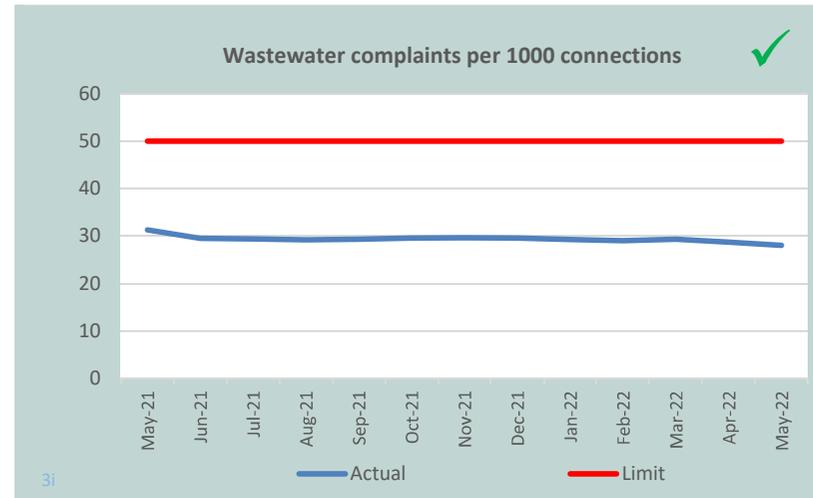
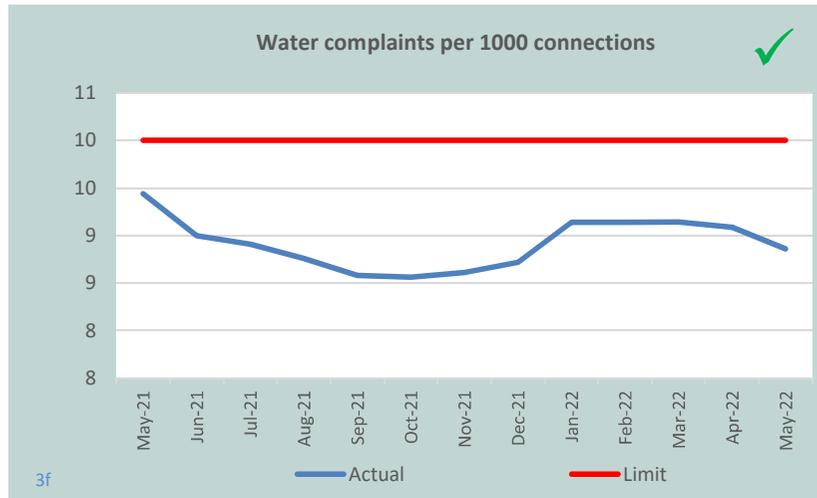
SOI Measures — Community and Stakeholder Relationships



SOI Measures — Community and Stakeholder Relationships



SOI Measures — Community and Stakeholder Relationships



Watercare performance measures (unaudited)

No.	Measure	Target	Actual			Commentary
			May 2022	April 2022	March 2022	
1.	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	≤2 ≤2 ≤2 0	0 0 0 0	0 0 0 0	0 0 0 0	
2.	The average consumption of drinking water per day per resident (gross PCC) (12-month rolling average)	260 litres	243.6	243.2	243.0	
3.	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	
4.	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	
5.	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 60 mins	57	57	67	The results for March were above the target due to the extreme wet weather event i.e flooding in March and high Covid-19 cases amongst the service providers. Accordingly, this created a work backlog for our service providers and hit contractors. This kept them busy for at least two weeks with delays of up to 2-4 days for clean up activities.

No.	Measure	Target	Actual			Commentary
			May 2022	April 2022	March 2022	
6.	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 5 hours	3.2	3.1	3.6	
7.	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 5 days	0.99	1.23	1.24	
8.	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 6 days	1.40	2.0	1.90	
9.	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	8.86	9.09	9.14	

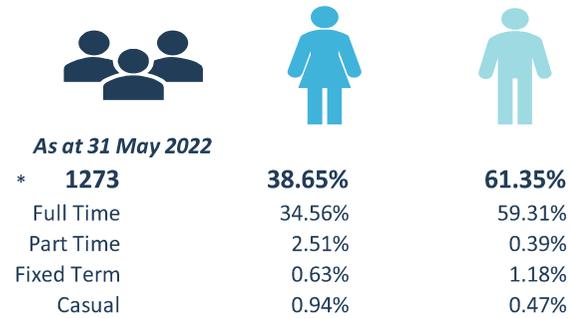
No.	Measure	Target	Actual			Commentary
			May 2022	April 2022	March 2022	
10.	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 60 mins	58	58	56	The results for March were above the target due to the extreme wet weather event i.e flooding in March and high Covid-19 cases amongst the service providers. Accordingly, this created a work backlog for our service providers and hit contractors. This kept them busy for at least two weeks with delays of up to 2-4 days for clean up activities. This measure is expected to be stabilised and be within the target in coming months.
11.	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	≤ 5 hours	3.7	3.7	3.5	
12.	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) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system (12-month rolling average)	≤ 50	28.04	28.75	29.03	
13.	The percentage of real water loss from the local authority's networked reticulation system (12-month rolling average)	≤13	11.08 (February figure)	11.08 (February figure)	13.64 (November figure)	Data for March is currently unavailable with over 50,000 meters unread since the 31 March 2022. Therefore, this metric for March 2022 can be reported in July 2022.

No.	Measure	Target	Actual			Commentary
			May 2022	April 2022	March 2022	
14.	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (12-month rolling average)	≤ 5	0.10	0.50	0.07	
15.	Average number of wet weather overflows per discharge location (transmission system) (12-month rolling average)	≤ 2 overflows per year	1.35	1.25	0.99	
16.	Employee net promoter score (eNPS)	≥20	23 (March survey results)	23 (March survey results)	11 (October figure)	The October eNPS survey coincided with another lockdown due to Covid-19 restrictions, the tail end of a number of restructures within the business, as well as general end-of-year fatigue. The next eNPS survey due in Q2 FY23.
17.	Gender workforce ratio	Improve on prior year (PY ratio: F: 34% M: 66%)	F: 38.65% M: 61.35%	F: 38.99% M: 61.01%	F:38.1% M: 61.9%	
18.	Total recordable injury frequency rate per million hours worked (12-month rolling average)	<20	14.36	13.56	15.15	
19.	DUEs (domestic unit equivalent) measured through IGCs	TBD	2204.3	1071	1088	Baseline to be established.
20.	Average asset age	Reduce on prior year (PY: 39.4)	39.3 (December 2021 figure)	39.3 (December 2021 figure)	39.3 (December 2021 figure)	This is a long-term measure and will be reported every six months to give an indication of how this is tracking.
21.	Debt to revenue ratio	3.54	2.80	2.78	2.73	Unaudited – numbers are based on forecasting.
22.	Percentage of household expenditure on water supply services relative to average household income	≤ 1.5%	0.81%	0.85%	0.87%	

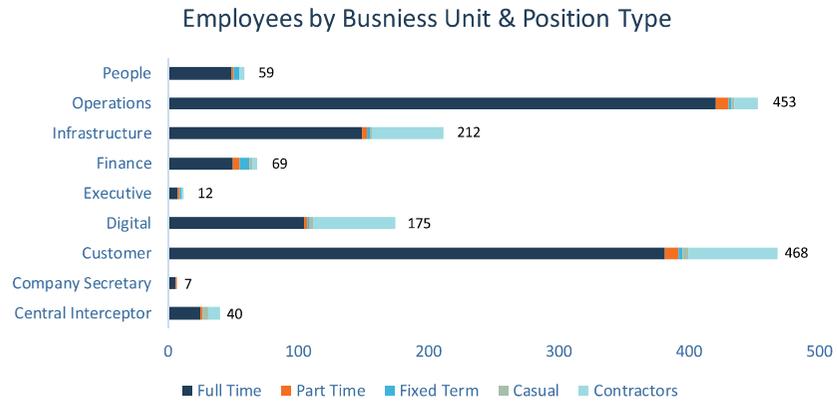
No.	Measure	Target	Actual			Commentary
			May 2022	April 2022	March 2022	
23.	Formal engagement with mana whenua of Tāmaki Makaurau	100%	89.47%	89.47%	84%	This measure will be reported on at year end. We are continuing to meet with the mana whenua of Tāmaki Makaurau. Year to date 17 of 19 mana whenua have met with Watercare. We are still to meet with two of the 19 mana whenua within Tāmaki Makaurau. They are: Ngāti Rehua Ngāti Wai ki Aotea and Te Uri Hau. Changes in personnel and limited capacity have impacted their abilities to participate in the mana whenua kaitiaki forum. However, we intend to re-engage through the water reforms and entity A discussions.
24.	Ratio of procurement sourced through Māori owned businesses	1%	1.27%	1.32%	1.31%	Measure now contains indirect spend from key supply partners (EM, TARP, CI, Valued networks). However, at this stage only Fulton Hogan, McConnell Dowell and March Cato have been able to report on Māori spend. We are continuing to work with other key supplier partners to assist them in being able to report on their Māori spend.
25.	Percentage of customer complaints resolved within ten days of notification	≥95%	98.40%	98.03%	98.48%	
26.	Net promoter score (NPS)	≥40%	54%	54%	54%	
27.	Community trust score	≥55%	57%	57%	56%	

Attachment 2

PEOPLE DASHBOARD: May

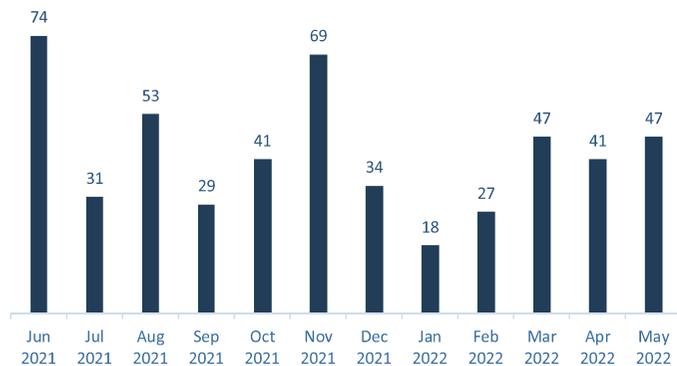


* FTE as at 31 May 2022, 1247.05. Casual employees are counted as 0.1 FTE. The gender figures above do not include contingent workers as this information is not currently collected.



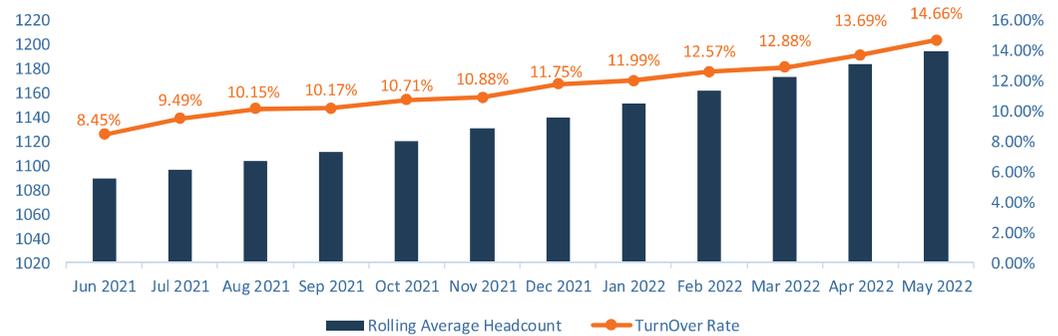
Please note active contractor information is based on data provided by the business through ServiceNow. Some third party contractors may not be included, and further categorization of contractors (direct, third party) was not provided at time of request. There are also potentially contractors who have expired but have not been terminated by the manager. We are currently working on improving the process to better capture this information and report on it.

New Hires by Month

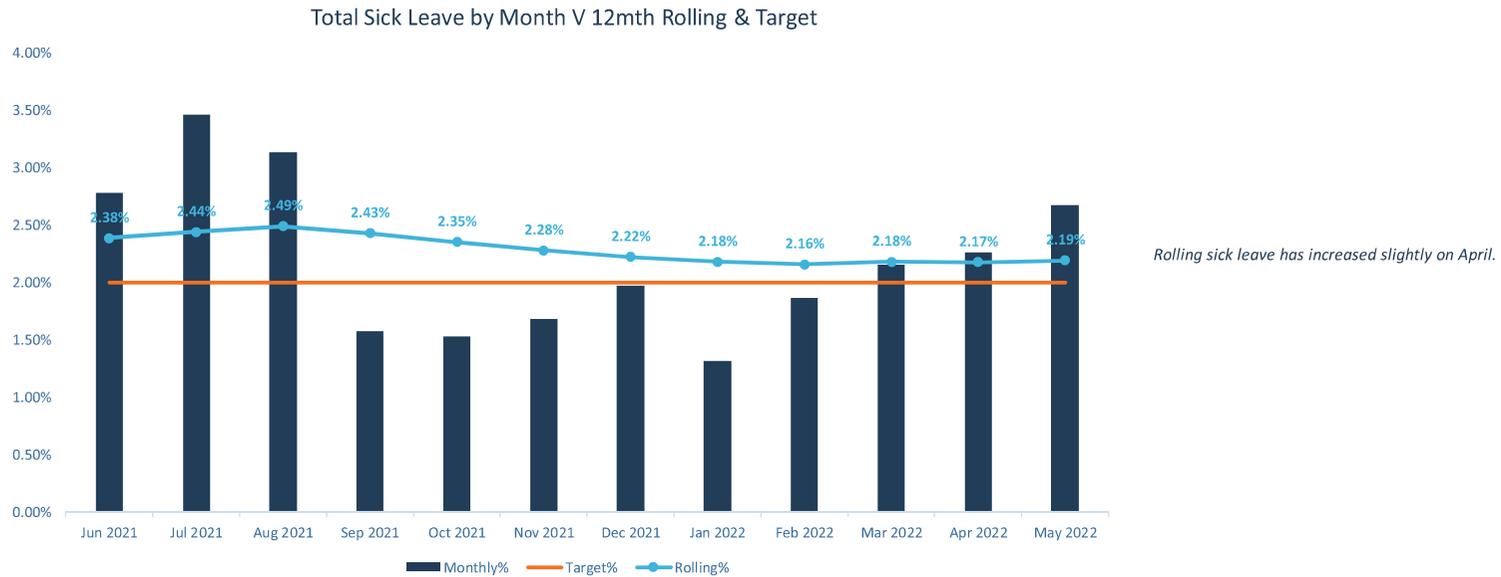
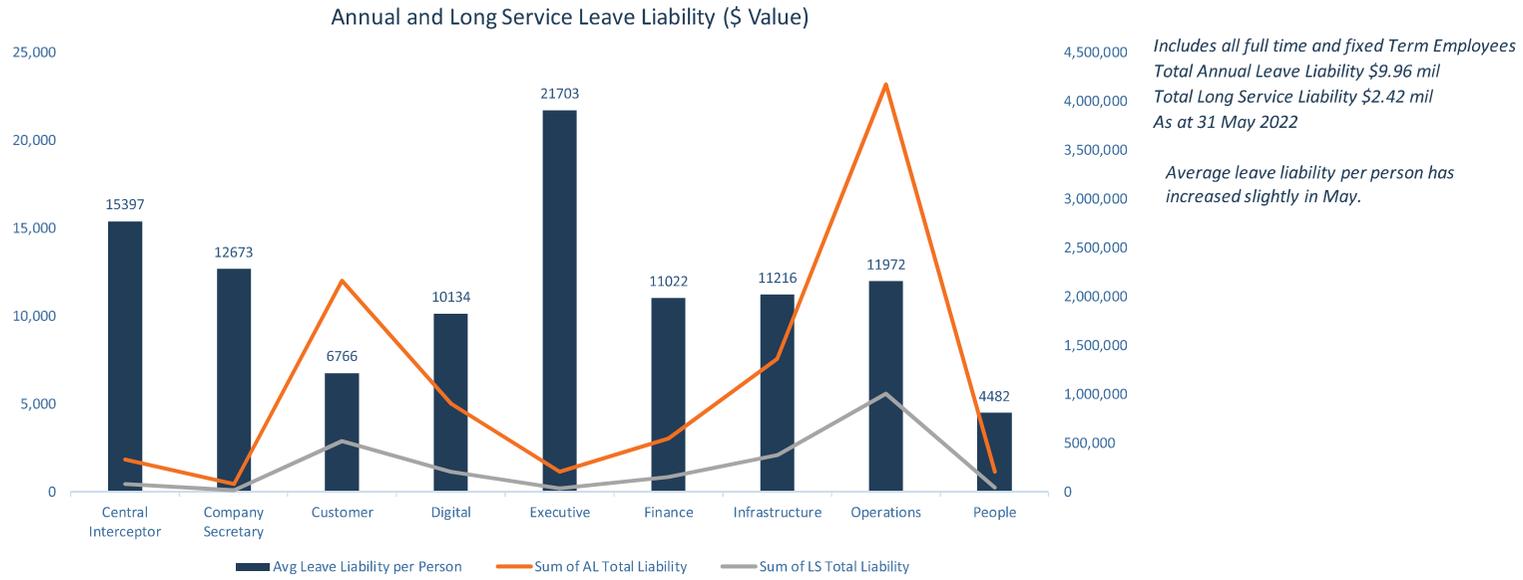


Time to Hire in work days (from jobs open) has slightly dropped, from 56.56 days in April to 56.02 days in May. Vacancies created (including both replacement and new vacancies) in May has dropped from 32 in April to 21 in May.

Average 12 mth Rolling: Headcount V % Voluntary Turnover



This does not include anyone that has left for reasons other than resignation.



Attachment 3

Health, safety and wellbeing – May 2022

Audits

We are in the last stages of preparation for our ACC audit from 21-23 June 2022. The primary site selected for audit is the Lab and secondary sites are MSN and Huia. These sites have been highly engaged in preparation and demonstrate an ongoing focus on HSW as part of day-to-day work.

All other staffed sites have completed a self-audit and are working on close-out actions through their site HSW Improvement Teams. The next step is for sites to identify two areas for proactive development to include in the site HSW Improvement Plan. This work is planned to start in July 2022.

We are also doing a full review of the HSW Management system as part of a process to upgrade to ISO 45001 and in that process, we are working to incorporate plain language and useability.

CEO forum

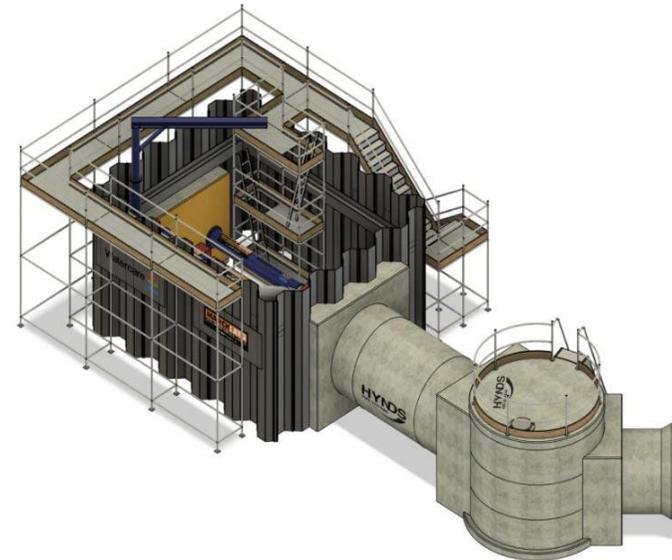
Jon Lamonte hosted the CEOs forum for our major contractors for a quarterly HSW korero. Following the B2B focus on service strikes, there was robust discussion about areas required for improvement including training for service location providers, utility owners updating and sharing GIS, and everyone committed to supporting the New Zealand Utilities Advisory Group's (NZUAG) review of regulations.

Pipe-jacking training facility

We are in the final stages of fit-out for the pipe-jacking training facility with a plan to open at the end of July 2022. Prior to opening, we will hold an open day for our business to visit the centre and see how it can be used for a range of training and rehearsal opportunities.

Critical risk review

We are consolidating critical risks and have a proposal for business units to identify their key risks to support focus and relevance. A draft document will be available in early July 2022.



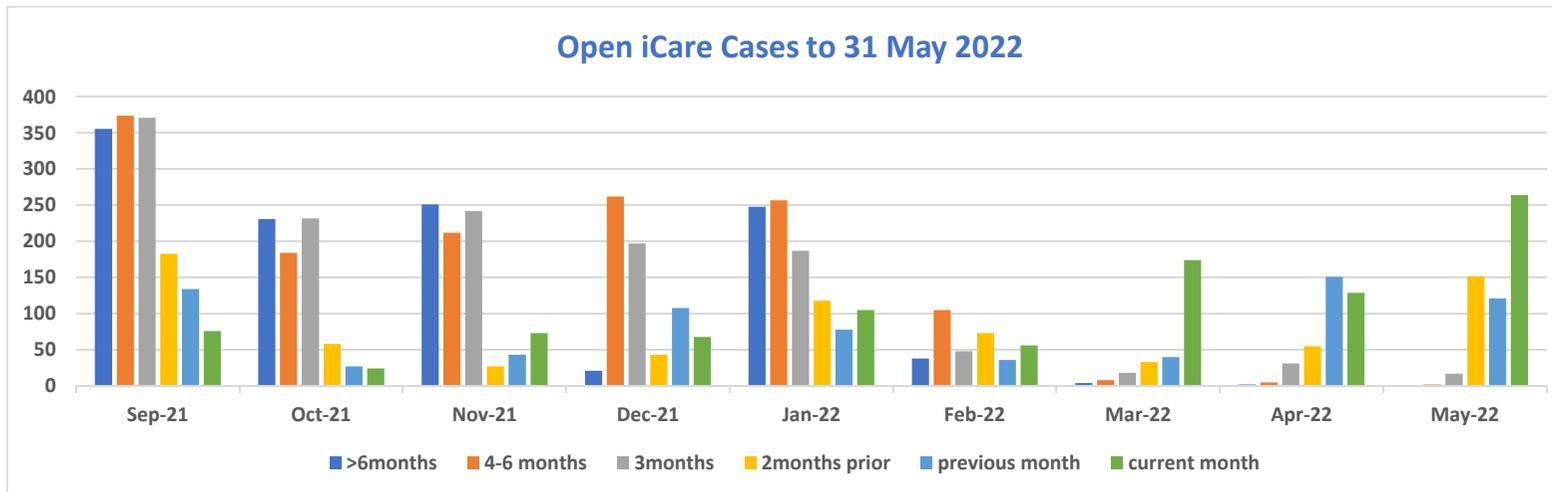
HSW performance – May 2022

Number of employees and contractors		Total hours worked	Number of days overtime
1459		323,736	761 days
Employees	1249	(13.3% decline on previous month)	Customer 360 days
Contractors	210	WC 53.076%	Operations 384.5 days
		Contractor 46.923%	

iCare cases

iCare is the Watercare incident reporting system.

Average time between event and reporting 1.2 days



Incident metrics

	Note	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21
No. of recordable injuries	1	8	8	8	6	6	5	9	7
Critical risk exposures/all incidents	2	20/76	14/60	5/64	10/64	7/61	8/44	11/73	5/44
High Potential Critical events	3	-	-	1	-	-	-	-	-

1. Recordable injuries

There were two recordable injuries to Watercare staff and six to Contractors.

Watercare staff

- One injury resulted in the worker having time away from work with a muscular-skeletal damage (MSD) resulting from a trip.
- The other case required hand therapy following a finger being twisted.

Contractor injury

- One contractor injury resulted from a trip on site stairs resulting in a broken hip. The worker was treated at hospital and returned to work the following day.
- The remaining five injuries resulted in restricted duties:
 - three were from slips and trips,
 - one contractor dislocated their thumb, and
 - one had chemical burns from grout.

2. Of the 76 incidents recorded in May, 25 resulted in vehicle or property damage with no injuries. There were two cases of abusive members of the public approaching work crews, and two security breaches.

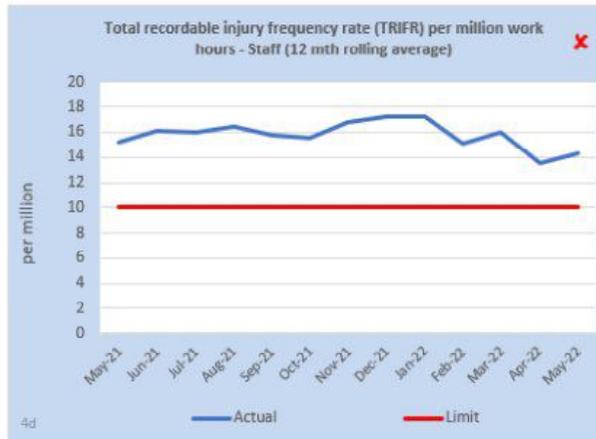
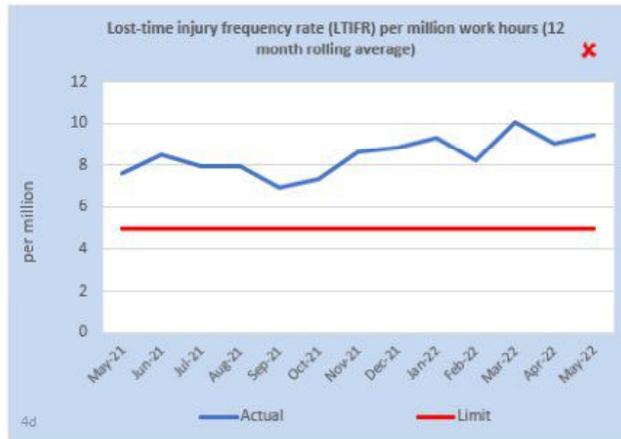
Only three events related to manual tasks this month, and there were six hand injuries, four of which were treated on site.

Six events resulted from trips on site, reflected in focus areas in inspections regarding access and housekeeping.

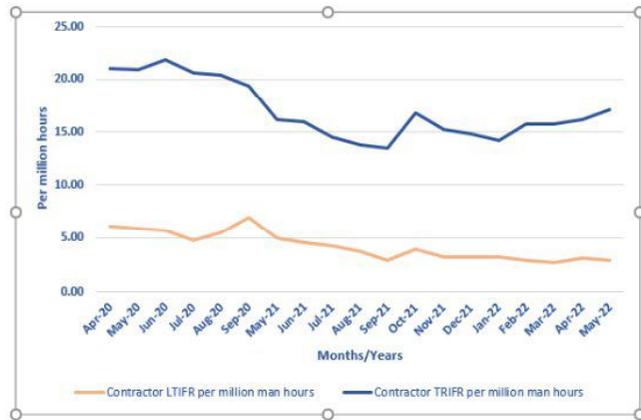
3. Critical risk exposures: There were no high potential critical events in May 2022. There were 20 incidents involving critical risks but controls in place ensured no injuries occurred.

Working with or near live energy	8
Mobile Plant	6
Working at Height	2
Chemical	2
Fire	1
Driving	1

Employee TRIFR & LTIFR May 2021 to May 2022



Contractors LTIFR/TRIFR Graphs



Critical Risk Deep Dive: Digging and working in excavations (includes tunnelling)

Generally, means working around soil or rock that has been formed as an open face, hole or cavity, using tools, machinery or explosives.

Watercare examples include

- Open excavations
- Pit excavations
- Trenches and retaining walls
- Shafts and drives

What it looks like for Watercare

It is an important stage in the construction of most of Watercare's assets and is sometimes required for maintenance of existing assets.

Potential Harm

The consequences are significant as the falling earth can bury or crush any person in its path, resulting in death.

- Excavation failures are particularly dangerous because they may occur quickly, limiting escape, especially if the collapse is extensive. The speed of an excavation collapse increases the risk with this type of work.
- Excavation work can also cause damage to services, with consequential risks of injuries to workers or people nearby.
- Many other risks such as working at height, suspended loads, confined space entry, mobile plant can be present at excavation and tunnelling sites



Controls currently in place

- Planning
- Ground testing
- Ground stabilisation
- Atmospheric testing
- Emergency response
- Training and rehearsal

Training & Competency

- In addition to other competencies, qualifications and certificates of competency are required under the Mining Regulations

Critical risks

Watercare's 14 critical safety risks are below. Every month the HSW team reviews one of these risks and updates the Board. The current month review and deep dive is **Digging and working in excavations (includes tunnelling)**.

1. Working in confined spaces
2. Working with mobile plant
3. Driving / using vehicles
4. Working alone or isolated
5. Working with hazardous materials
6. Working with suspended loads
7. Working with or near live energy (electrical, mechanical, pneumatic, hydraulic, etc)
8. Working with fixed plant and equipment
9. Working in or near live traffic (includes road corridors, construction and operational sites)
10. Working at Height
11. Working around water bodies
12. Digging and working in excavations (includes tunnelling)
13. Working with flammables or in explosive/flammable areas
14. Worker mental wellbeing



Update against Aurecon report recommendations

Recommendations	Status C= critical E= essential D= desirable	Initiative to address	Status
AURECON			
<i>(Note that recommendations 21 and 25 have been removed as they were duplicates)</i>			
Key items identified as being required to be performed: <ul style="list-style-type: none"> Complete and compile all customer (commercial and residential) expectations around levels of service Feed levels of services expected into drought standards review (noted that Auckland Council currently expect the currently drought standard to remain) Co-develop with an agreed set of future scenarios (most likely, probable, plausible, and preferable/ desirable), to stress-test and develop robust drought strategies and standards. A drought resilience workshop is to be established with the Board and the Watercare Management to agree on levels of service Stocktake gaps/overlaps/synergies with Auckland Council 			
Recommendations – targeted for completion			
Recommendation no. 1 Watercare must review and revise the 2020 DMP. The revised Drought Standard should be based on all supply sources and should clearly state the level of service to customers.	C	Feedback from Auckland Council during preparation of the Auckland Water Strategy (AWS) was that the current security of supply standard was not being changed. The Drought Management Plan (DMP) has been updated and feedback from Auckland Council has been included. The DMP was presented to the Environment and Climate Change Committee workshop on 15 June 2022 and will be provided to the Watercare Board in July 2022. The website has also been updated to include a wider perspective on the water supply situation beyond the dams and to provide more transparency around the water use restrictions and potential trigger levels.	July 2022
Recommendation no. 5 It is recommended that an Integrated Water Security Program for Auckland be developed, to ensure water supply security for Auckland for medium to long-term.	C	Following the completion of the updated DMP, we will commence work on a Water Security Plan which will sit alongside our Asset Management Plan to help identify and manage the reliable availability of an acceptable quantity and quality of water for health, livelihood and production, coupled with an acceptable level of water-related risks. We have obtained consent to take additional water from the Waikato River for the next 20 years. We are working with Auckland Council to deliver on the commitments made within the AWS. We have committed to key investments towards the 2030 targets which are a residential smart meter programme and reducing leakage below the economic level of leakage which is currently 123 l/c/d.	2022/2023
Recommendation no. 9 Watercare should co-develop with key stakeholders, an agreed set of integrated 'top-down' future scenarios (most likely, probable, plausible, and preferable/ desirable), to stress-test and develop robust drought strategies and standards.	E	The updated DMP has considered future scenarios. Instead of using scenario modelling Watercare has used stochastic modelling (including climate variables). The Customer team also obtained feedback from key customers around what restrictions should look like. A Peak Management Plan is currently being developed	July 2022 2023
Recommendation no. 10 Watercare must review and revise the 2020 DMP, the Drought Standard, IMP, and the Asset Management Plan (AMP). The revised Drought Standard should be based on all supply sources and should clearly state the level of service to customers.	C	The 2020 DMP and lessons learnt from the drought were taken into consideration as part of the DMP update undertaken in June/July 2022. A full review of Watercare's Incident Management Plan is conducted in a three yearly cycle, with the last review conducted in April 2021. Given the learnings from Covid-19, a review of the Incident Management Plan content and simplification will be planned for FY23.	July 2022 Incident Management FY23.
Recommendation no. 13 Using climate change scenarios, Watercare should review the 2020 DMP including hydrology, yield, the Drought Standard, and the restrictions regime, and revise as required.	E	The updated drought management plan is going through the approval process We are updating the tools we use for water source yield to include future climate scenarios. This includes the downscaling of global models and input to the ISMM tool. We expect this work to be completed June 2022. Within the first six months of the project there will be an opportunity to review progress and see if any updates can be made with the information at hand. Once completed the DMP and Drought standard will be reviewed and revised accordingly.	September 2022 – March 2023.
Recommendation no. 19 Watercare's Board and Executive need to build a shared understanding of current and future level of water security and drought resilience by examining potential drought scenarios and the extent of drought resilience/ drought proofing to maintain Watercare's mission.	E	A revised DMP is being finalised in July 2022. It is based on the direction from Council that the drought standard is appropriate as it stands. The DMP will provide information on water security and drought management and resilience. This plan will detail the Auckland Metropolitan Systems water resources development basis, relative to community expectations of water supply system resilience. A broader communication strategy regarding the management and operation of Auckland's water resources will be developed to ensure that all key stakeholders are aware of the design parameters of the water supply system, our security of supply standard, and the triggers/methodology for the implementation of water conservation and demand management protocols during times of water resource stress.	July 2022.

Recommendations – addressed, ongoing and completed			
<p>Recommendation no. 27</p> <p>It is recommended that Watercare leads and coordinates the development of the Integrated Water Security Program. Taking into consideration the accountability, capability, knowledge base and resources the component projects could be led in partnership with key stakeholders.</p>	C	<p>Auckland Council coordinated the AWS. This is integrated water strategy and included the Water Sensitive Cities benchmarking. We contributed to, and continue to support Auckland Council in achieving the targets within the AWS and are also supporting a Water Security programme being run by Auckland Council which is part of the C40 Cities programme.</p>	Addressed, but will continue on an ongoing basis.
<p>Recommendation no. 2</p> <p>Watercare needs to engage with Auckland community and stakeholders on water security to ensure they understand the Drought Standard, water supply resilience and planned response to droughts.</p>	E	<p>Current highlights</p> <p>A water literacy strategy is being prepared to guide all customer and community initiatives, such as:</p> <ul style="list-style-type: none"> • Our education programme in schools • Face-to-face events such as the water efficiency expo for commercial customers (planned for August 2022) • Water efficiency campaigns targeting specific water uses (eg gardening). <p>Smart meters are being progressively rolled out:</p> <ul style="list-style-type: none"> • Customers have been involved in the co-design of an app that will enable them to gain insights into their water use • Commercial customers including schools – roll out is advanced • Residential customers – roll out is about to start. <p>Deliberative democracy:</p> <ul style="list-style-type: none"> • A process to identify what should be Auckland's next water source beyond 2040, involving 'citizens' assembly' will get underway soon following the successful trial that took place during 2021. 	Addressed, but will continue on an ongoing basis.
<p>Recommendation no. 3</p> <p>Watercare must monitor water security and update relevant strategies regularly to ensure they achieve the desired levels of service. Watercare should engage continually with the community to raise water literacy, maintain trust, and build shared understanding.</p>	E	<p>We monitor water security on a daily to weekly basis to ensure we continually meet our desired level of service. Annual reporting tracks water security for supply and demand over the time and against AMP growth projections.</p> <p>The first phase of the upgrade to ISMM (Integrated Source Management Model) has been completed. This has extended the climate record in ISMM and confirms that the underlying data reflects the current climate. Stage two is underway to model climate change scenarios for mid- and end-century time horizons, results are expected in June 2022.</p> <p>We are moving our engagement with customers from one-way information flows to include more inclusive and collaborative engagement (see comments against recommendation 2 above). The participatory model is providing great insights as to the water literacy of our customers. We have analysed our key stakeholders, their areas of interest and the nature of the relationship as well as the effective channels for communication. Work will continue on developing the understanding of these relationships relative to our strategic issues while also providing a much more targeted and coordinated response. Our education programme continues to run in schools, reaching over 8,000 pupils a year (when there are no Covid lockdowns). It is focused on raising water literacy and is supported by water and wastewater hardcopy and digital books (English/te reo Māori versions).</p>	<p>Addressed, but will continue on an ongoing basis.</p> <p>Climate modelling June 2022.</p>
<p>Recommendation no. 4</p> <p>Watercare must clarify for stakeholders on how Auckland's water security is being met and the basis for Watercare's confidence must be clearly conveyed to its stakeholders, especially Auckland Council.</p>	C	<p>Addressed in response to recommendation 2 above.</p>	Addressed, but will continue on an ongoing basis.
<p>Recommendation no. 6</p> <p>Watercare should form a Customer Reference Group or similar body to inform, gain customer insights, co-design solutions, raise awareness and build support, to represent the voice of customers.</p>	E	<p>Residential Customers Refer to comments included in recommendation 2 above.</p> <p>Commercial Customers Refer to comments included in recommendation 2 above.</p> <p>Public Authorities (Auckland Council)</p> <ul style="list-style-type: none"> • The majority of our WWTP and WTP consents require us to hold community liaison group (CLG) meetings at least once a year. The new consents also include technology reviews which we perform and report on regularly. • The process of meeting with stakeholder/submitters is consistently applied for all notified wastewater and water consents. For example, the Board of Inquiry consenting process was publicly notified with 55 submissions. Watercare met with most of the submitters. • The Watercare Board and Management meet with the CCO oversight committee annually. Last meeting occurred on 10 June 2022 and included a presentation from Watercare staff and a site visit to the Orakei pump station. The Board Chair and CEO attend the CCO Oversight Committee meetings every quarter. 	Addressed, but will continue on an ongoing basis.
<p>Recommendation no. 7</p> <p>Watercare and Auckland Council to put in place agreed protocols which would clarify lines of communication and consultation.</p>	E	<p>A paper on the Auckland Council and Watercare relationship was presented to the Watercare Board in October 2021 outlining the major steps in building and maintaining the relationship with Auckland Council including a transition to business-as-usual practice. The main initiatives include:</p> <ul style="list-style-type: none"> • The Rangatira-to-Rangatira relationship – this is the senior relationships with Auckland Council at the elected member/Director/Executive level. • Portal for elected members – this will be regularly updated to ensure it remains relevant. • Internal communications. <p>We meet with Auckland Council staff on a regular basis to discuss any issues. This is over and above the communication with Auckland Council as a major commercial customer. We acknowledge the critical importance of sharing the water resource position with Auckland Council and we will continue to improve on the process around interactions and engagement.</p>	Addressed, but will continue on an ongoing basis.

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<p>Recommendation no. 8 Watercare undertake future scenario planning incorporating internal and external factors/forces of change and trends.</p>	<p>E</p>	<p>Water supply and demand modelling is updated on a regular basis. We use the UK Headroom and Outage planning model that has a significant number of scenarios.</p> <p>We are involved in a project with Auckland Council on climate risk assessments and disclosure. This project will include scenario planning for climate futures that will support this recommendation.</p>	<p>Addressed, but will continue on an ongoing basis.</p> <p>Council climate project due for completion in December 2022.</p>
<p>Recommendation no. 11 Watercare should review the Drought Standard at the same time as the DMP, IMP and the Asset Management Plan (AMP) and if necessary, appropriate revisions made to them.</p>	<p>C</p>	<p>Addressed in response to recommendation number 10 above.</p> <p>The Drought Standard has been reviewed with Auckland Council and a decision has been made to retain our existing drought standard. It is acknowledged that we need to ensure that business critical documents are required to be reviewed at regular intervals. We will continue to do this.</p>	<p>Completed.</p>
<p>Recommendation no. 12 To align the Drought Standard and response measures with customer and community expectations, Watercare should develop a comprehensive desired Level of Service (LoS) for water supply security and resilience.</p>	<p>C</p>	<p>We undertook research on commercial customers and their willingness to pay for future resiliency. The research was qualitative and involved a cross section of 30 key, strategic, major and SME commercial customers.</p> <p>Given the decision to maintain the drought standard, there is no proposed change to residential customer service levels at this stage. However, further work is taking place to better understand domestic customer expectations (see response in recommendation 2 above).</p>	<p>Ongoing.</p>
<p>Recommendation no. 14 To ensure drought resilience for the future, further assessment of the level of security in ongoing climate change, benefits of alternative decentralised supply sources, and willingness to pay for extent of drought resilience are recommended.</p>	<p>E</p>	<p>It has been determined by Auckland Council that the Drought Standard will not change at this stage.</p> <p>We have performed a detailed analysis of future and alternate sources. We have also considered decentralised sources to support our application to the Board of Inquiry for the Waikato Water take consent. We undertook research with commercial and residential customers to determine their expectations. Refer to comments in recommendation 2.</p>	<p>Ongoing.</p>
<p>Recommendation no. 15 Given the community support for stormwater/ rainwater harvesting for augmenting local supplies, Auckland Council and Watercare should explore mutually beneficial precinct level projects to engage with the broader community.</p>	<p>D</p>	<p>We have provided Auckland Council with information on rain tanks to help inform their rain tank policy changes.</p> <p>We have also worked with Council to remove barriers for customers to install rain tanks in the home.</p> <p>Finally, we are working with Fletchers to build water efficient homes. These homes will provide Watercare with valuable data on rain tank efficiency to support and inform future policies, regulations, and pricing.</p>	<p>Ongoing.</p>
<p>Recommendation no. 16 Watercare needs to raise awareness and understanding of the stakeholders to provide assurance of water supply security and resilience and the integral role of water restrictions in achieving supply security and resilience.</p>	<p>D</p>	<p>We are using <i>Tapped In</i>, the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience. Refer to the comments in recommendation 2.</p>	<p>Ongoing.</p>
<p>Recommendation no. 17 The lack of regulations and guidelines for use of recycled water is a constraint to supply diversification. This should be addressed at the earliest by the regulators, commencing with guidelines for outdoor use in parks, gardens and playing surfaces</p>	<p>C</p>	<p>We are working on some small-scale reuse programmes, such as community gardens, to commence the recycled water journey. We expect these small-scale programmes of work will support the establishment of regulations and guidelines. A Recycled Water Strategy was developed and presented at the August 2021 Board Meeting.</p> <p>We are working on six non-potable demonstration projects that are all in different stages of development which include sports fields irrigation, golf course irrigation, community garden, recycled water ice rink and our first recycled water pilot plant as part of the CI project. We have also created two focused recycled water roles within the Water Value team. We expect to work closely with Iwi and Auckland Council on this journey.</p>	<p>Commenced and ongoing.</p>
<p>Recommendation no. 18 Watercare should consider leveraging off the Three Waters Reform opportunity to influence policy and planning to improve drought resilience and supply reliability.</p>	<p>C</p>	<p>We are working with Auckland Council and DIA to support the transition, and to influence policy, with the intention of improving drought resilience and supply reliability across NZ.</p>	<p>Ongoing.</p>
<p>Recommendation no. 20 Watercare needs to engage with Auckland community and stakeholders on water security to ensure they understand the Drought Standard, water supply resilience and planned response to droughts. Since Drought Resilience is a shared responsibility of service providers and consumers/ beneficiaries, the wider community needs to be consulted and have an opportunity to provide input.</p>	<p>E</p>	<p>We are using <i>Tapped In</i>, the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience. Refer to the comments in recommendation 2.</p>	<p>Ongoing.</p>

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<p>Recommendation no. 22 Watercare must explore opportunities with large water users, water dependent/sensitive customers, emerging developments, CCOs, water utilities as well as industry researchers and on how to better incorporate water security into their business planning and to explore opportunities of mutual benefit.</p>	<p>E</p>	<p>We are working closely with our large commercial customers such as Kāinga Ora, Auckland Council and Auckland Zoo to ensure that they are using water wisely and have water sensitive strategies in place.</p>	<p>Ongoing.</p>
<p>Recommendation no. 23 Watercare must clarify for stakeholders on how Auckland's water security is being met and the basis for Watercare's confidence must be clearly conveyed to its stakeholders, especially Auckland Council.</p>	<p>E</p>	<p>We are using <i>Tapped In</i>, the Website, and many forms of advertising to ensure that stakeholders understand water supply security and resilience.</p>	<p>Ongoing.</p>
<p>Recommendation no. 24 Auckland could consider collaborating with its sister City Brisbane (given the similarities) to co-develop, adopt, adapt, and apply their collective wisdom and resources in achieving drought resilience.</p>	<p>D</p>	<p>We held a meeting with Brisbane water utility to understand how they developed their water strategy. The intention is to continue this engagement. We also have regular contract with WSAA, to learn from them and connect with other utilities in Australia.</p>	<p>Ongoing.</p>
<p>Recommendation no. 26 It is recommended that Watercare do a stocktake and map actions/initiatives of Watercare, Auckland Council and stakeholders to create shared understanding of their status, gaps, overlaps, synergies, timeframes, and resources.</p>	<p>E</p>	<p>Watercare have worked with Council on a regular basis in the development of the Auckland Water Strategy. In addition, the Drought Management Plan has been reviewed by Council. Watercare and Council Resources are now regularly working together.</p> <p>Both Watercare and Council have separate Three Waters working groups – Council is focussing on the impact to Council while Watercare is preparing for integration.</p>	<p>Ongoing.</p>

Board meeting | 5 July 2022
Public session



Watercare's final draft Statement of Intent 2022-2025

For approval

Te pou whenua tuinga / Document ownership

Prepared by

Emma McBride
Co-Head of Governance

Recommended by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhanga / Recommendation

We recommend that the Board approves:

- the final draft Statement of Intent (SOI) ([Attachment 1](#)) for submission to the Shareholder, Auckland Council, by 31 July 2022; and
- the final draft cover letter to the Mayor, which will enclose the final SOI ([Attachment 3](#)).

2. Whāinga / Purpose and context

Watercare is required, under Section 64 of the Local Government Act 2002 (the Act), to produce a SOI for a period of three years, the purpose of which is to provide:

- a public statement of the activities and intentions of a council-controlled organisation (CCO) for the year and the objectives to which those activities will contribute; and
- provide an opportunity for shareholders to influence the direction of the organisation; and
- provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

Schedule 8 of the Act sets out the required contents of the SOI. It requires that a draft is to be presented to the shareholder by 1 March each year. This year, Council extended the deadline to 1 April 2022 and Watercare met this deadline.

Not only does the SOI set out the intended strategic direction for Watercare, but some of the operational performance measures in the SOI form part of the performance measures that are included in Auckland Council's long-term plan (LTP).

The SOI and associated performance measures and the annual performance reporting are all subject to audit by the Auditor General.

3. Kōrero pitopito / The details

[Attachment 1](#) includes the final draft SOI.

- The final draft now includes the changes to respond to the Shareholder's feedback.
- It also includes an SOI performance measure relating to greenhouse gas emissions. Members of the public will have the opportunity to provide any final feedback on this draft SOI at the 5 July 2022 meeting, whilst this item is being tabled.
- This is the first year that our SOI has included a performance measure around the "Economic Level of Leakage". Watercare's level of leakage for FY22 will be available in mid July 2022. The final draft SOI will be updated at that time with the FY22 result, before it is sent to Council.

[Attachment 2](#) is a copy of a "no surprises" letter, sent to the Mayor by the Watercare Chair on 10 June 2022. This letter provides further background information around Watercare's greenhouse gas emissions roadmap, and our first SOI greenhouse gas emission performance measure that is included in this final draft SOI.

[Attachment 3](#) is the final draft cover letter to the Mayor, which will enclose the final SOI. This must be sent to Council by 31 July 2022.

4. Ngā ūpoko / The capitals

The SOI is structured around our six capitals and how they align to Council's Auckland Plan Outcomes.

5. Ā muri ake nei / Next steps

- If there are public deputations at the July Board meeting, then the Board may wish to amend the draft SOI before it is submitted to Council. In that instance, the Chair and Chair of the Audit and Risk Committee should be delegated authority to provide final sign-off of the final draft SOI.
- In mid-July, pages 22 and 23 of the SOI will be updated to include the leakage performance as at 30 June 2022.
- If there are no public deputations at the July Board meeting, and no other changes to the SOI requested by the Board, then the approved SOI and cover letter must be sent to Auckland Council by 31 July 2022.
- The approved SOI will then be formally adopted by Auckland Council in August 2022.

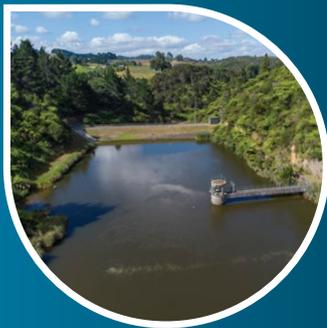
6. Ngā whakapiringa / Attachments

Attachment number	Description
1.	Watercare's final draft SOI 2022-25
2.	Copy of a "no surprises" letter, sent to the Mayor
3.	Final draft cover letter to be sent to Mayor, enclosing the final SOI



Attachment 1

Statement of Intent 2022 to 2025



He mihi

Kia tīkina atu he mihi, he whakamānawa ki ngā iwi huri noa o Tāmaki Makaurau ake, me ngā tini kārangaranga o ngā mātāwaka.

Ka mihi atu ki ngā kupu whakarei a te hunga kua tīpokotia e te ringa o te wāhi ngaro, rātou kua mene ki ngā Hawaiki katoa.

E rere rā ko ngā wai o Waikato, Tāmaki me te Hoteo. Kei waho rā ko ngā tai piringa o Tīkapa Moana, te Waitematā, Te Mānukanuka o Hoturoa me te Kaipara.

Kei uta, he whenua taurikura hei kāinga tupuranga uri mō tātou katoa.

Kāti, ka uia te pātai, 'Mā wai ngā hawai, ngā haroto me ngā moana e tiaki, e whakarauora mai, mei kore māku, mei kore hoki māu?'

Greetings and well wishes to the mana whenua; first settlers of Tāmaki Makaurau, also visitors and residents from elsewhere.

We acknowledge you with the eloquent words of those, lost long ago to the hidden hand of eternity, those now gathered in the Hereafter.

The waters of the Waikato, Tāmaki and Hoteo flow inland while out there languish the watery havens of the Hauraki, Waitematā, Manukau and Kaipara.

Here onshore is a prosperous and peaceful place, home for us all and generations yet to come.

To pose the question, 'For whom is the business of preserving the health of waterways, if it's not mine and it's not yours?'

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Message from the Chair of the Board and Chief Executive of Watercare Services Limited

Ki te ora te wai *The wellbeing of our customers and communities depends on us*
Ka ora te whenua *looking after our water sources. Because when the water is healthy,*
Ka ora te tangata *the land and the people are nourished.*

As Auckland's water and wastewater services provider, Watercare has a significant role in helping Auckland Council achieve its vision for the city. Our board welcomes the opportunity to work collaboratively with the Mayor and Councillors to jointly develop strategies and policies which achieve efficiencies and provide greater benefit to our customers and the communities of Auckland. This Statement of Intent (SOI) sets out Watercare's commitment to fulfil our vision to be trusted by our communities for exceptional performance every day and our mission to provide safe, reliable and efficient water and wastewater services to all of Auckland.

Watercare's priorities for 2022–2025 are:

- Supplying safe drinking water for the public health of consumers, and collecting, treating and discharging wastewater in a safe and responsible manner for people and the environment
- Health, safety and wellbeing of all staff and contractors, especially as they tackle the continued impacts of Covid-19 and the associated changes with the water reform programme
- Promotion and celebration of a diverse and inclusive culture
- Continuing to prepare our business, in collaboration with Auckland Council, for water reform by ensuring the company is in the strongest shape for reform when it occurs
- Improving network performance by building and maintaining critical infrastructure
- Protecting the environment, adapting and mitigating for climate change
- Improving and achieving Māori outcomes
- Partnership with mana whenua and mātāwaka
- Continued collaboration with our customers and other stakeholders.

Collaboration with Auckland Council on implementing the Auckland Water Strategy, including embedding the Strategy's high-level vision for Auckland's waters "te Mauri o te Wai o Tāmaki Makaurau – the life sustaining capacity of Auckland's water is protected and enhanced.

Supplying safe drinking water for the public health of consumers, and collecting, treating and discharging wastewater in a safe and responsible manner for people and the environment.

We currently supply water and wastewater services to around 1.7 million people. As Auckland's water utility, we face three main challenges – population growth (with an estimated growth of 476,000 people over the next 20 years), ageing infrastructure and climate change. In the face of these challenges, Watercare will continue to:

- Comply with the Water Services Act 2021, including delivering to new drinking water standards and rules, as well as environmental and levels of service standards
- Deliver safe, cost-effective and efficient water and wastewater services, which does not compromise the health of our customers or the environment
- Focus on water efficiency and innovation across the network to further improve water service delivery.

Improving network performance by building and maintaining critical infrastructure (renewals and growth)

Regional growth in population, industry, and commerce has a direct impact on Watercare's ability to provide reliable services and protect both public health and the environment.

Our Asset Management Plan (AMP) 2021-2041 is our tactical plan for managing our infrastructure effectively to achieve our long-term strategic goals and meet those future demand increases. Our asset management planning is focused on: growth, renewals, and levels of service. Over the next 20 years, we will invest about \$18.5 billion to build and maintain water and wastewater infrastructure for Aucklanders. This equates to roughly an average of \$2.5 million every

single day for the next two decades. This plan also outlines our largest ever investment towards renewals (pipes and plants) at \$8.7 billion to address the problem of ageing infrastructure.

In early 2022, Watercare was granted a 20-year resource consent for up to 150 million litres a day (MLD) from the Waikato River, ensuring Aucklanders will continue to have a reliable water supply as the population grows. We have agreed to invest \$40 million over the life of the consent towards projects that restore the awa and its tributaries. The Waikato River helps us to provide a lifeline service to our customers and we will be doing our bit to give back and enable the awa to thrive.

We are also continuing to plan for the replacement of the ageing Huia WTP with a new 140 MLD capacity plant. With an additional 30MLD production capacity, the replacement plant will help meet peak demand and improve system resilience.

Auckland Water Strategy

Council adopted the Auckland Water Strategy in March 2022. This Strategy describes the region's core challenges related to water outcomes and provides integrated strategic direction to address them. The vision for Auckland's Water Strategy is 'te mauri o te wai o Tāmaki Makaurau, the life-sustaining capacity of Auckland's water is protected and enhanced'. We will ensure that this vision is understood across Watercare and embedded in all of the work that we do.

Watercare worked closely with Council on the development of the Strategy and has agreed to specific actions that it will lead or contribute to. Watercare is committed to the prioritisation of the life-sustaining capacity (mauri) of water in decision-making and commits to strengthening its partnership with mana whenua to do so.

In line with the Auckland Water Strategy, Watercare, together with Auckland Council is commencing our water-reuse journey to explore options for future water sources, which could include purified recycled water, desalination and increased use of groundwater sources. We will consult with the people of Auckland on the selection of future water source(s) through a Citizen's Assembly later this year. The diversification of sources together with the implementation of long-term water consumption reduction targets will contribute to the overall resilience of the water network.

Protecting the environment and building resilience against climate change impacts

Droughts such as the one we experienced over the last three years are likely to be more common as our climate continues to change. We have worked hard to increase the volume of water available to Aucklanders by building and expanding water treatment plants. We have engaged with our customers on their water use and encouraged them to use water wisely indoors and out. We are pleased with the progress we have made in increasing the resilience of the city's water supply through greater diversity of sources and by reducing reliance on dams, which suffer the effects of droughts more acutely than river and underground sources.

In the coming years, we will continue to work together with the council group to deliver the actions associated with Te Tāruke-ā-Tāwhiri: Auckland's Climate Action Plan, reducing greenhouse gas emissions (GHG) and preparing Auckland for the impacts of climate change. This includes plans to meet specific targets from the short-term goals of 50% saving in carbon emissions by 2030 to the long-term goal of net zero emissions by 2050 and actions to monitor and prepare for climate impacts.

Watercare's Climate Change Strategy has been refreshed in light of this overarching strategy and a new document, the Watercare and Healthy Waters Climate Action Plan has been established. The Action Plan includes the key areas we will focus on to meet our 2030 Climate targets and GHG performance measures have been included in this SOI for the first time. We are working together with Healthy Waters to ensure the targets in the Action Plan and our response to climate change are aligned.

Watercare commits to working with council on climate change risk assessment and disclosure. During 2022 direct support will be provided to implement the underlying processes that will meet the mandatory reporting requirements under the Climate Related Disclosures and other Matters Amendment Bill.

Water reform

We are working collaboratively with council to understand what water reform means for Aucklanders and are positively responding to the government's requests for information.

We are working collaboratively with the National Transition Unit, the Local Establishment Entity and of course, Auckland Council, including Healthy Waters, on transition to a new water services entity (Entity A). We are also starting to build relationships with our neighbours in the North, who will join Watercare in forming Entity A.

We continue to work closely with council to provide advice and support to the government on the development of an economic regulator.

Achieving Māori Outcomes

Watercare actively works with the Council group in delivering Māori outcomes. Over the next three years Watercare will continue to deliver its Achieving Māori Outcomes Plan, a framework that will be used to measure Watercare's contribution to Māori outcomes. This plan is aligned to Kia ora Tāmaki Makaurau, the council group's Māori Outcomes Performance Measurement Framework and we will advance the intent of Kia ora Tāmaki Makaurau to improve social, economic, and cultural wellbeing for Māori throughout Tāmaki Makaurau. Watercare is committed to achieving the Auckland Water Strategy's vision - Te Mauri o te Wai o Tāmaki Makaurau and Te Tiriti partnership, whereby Council, Watercare and mana whenua work together as partners in the protection, management, and enhancement of water.

Covid-19

The Covid-19 pandemic has impacted our business programmes, staff, customers and supply chain, resulting in cost escalations and has dramatically changed the way our people work. Our coordinated incident management framework for Covid-19 has served us well over the past two years and we are confident that we have the resilience and expertise we need to cope with the evolution of this pandemic.

Collaboration with the Council family

Watercare will continue to work closely with Auckland Council, and the broader council family to ensure that council's vision for the city is achieved. With the recent launch of the Auckland Water Strategy, this collaboration will include continuing committed investments and actions designed to achieve the Strategy's targets, such as the reduction in water consumption, and water literacy targets.

Watercare is committed to providing world class water and wastewater services to Aucklanders. Our SOI reaffirms our commitment to work with council and our stakeholders so that together, we can meet the challenges of today and tomorrow.

Margaret Devlin
Chair of the Board

Jon Lamonte
Chief Executive



Priyan Perera, Head Strategy and Planning, Infrastructure, takes a sample of the water flowing through the Hays Creek Stream

Part 1: Strategic overview

1.1 Roles and Responsibilities

Watercare is a lifeline utility providing water and wastewater services to 1.7 million people in Auckland. Our services are vital for life, keep people safe and help communities flourish. We supply reliable, high-quality drinking water to homes and businesses in the Auckland region and collect, treat and discharge their wastewater in environmentally responsible ways.

We manage water and wastewater assets valued in the order of \$12 billion and plan and build infrastructure to ensure we are resilient and reliable and can support growth today and into the future.

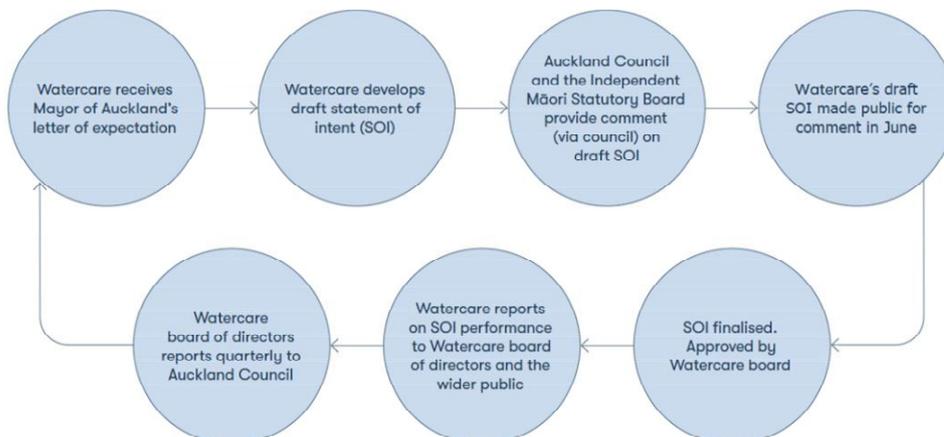
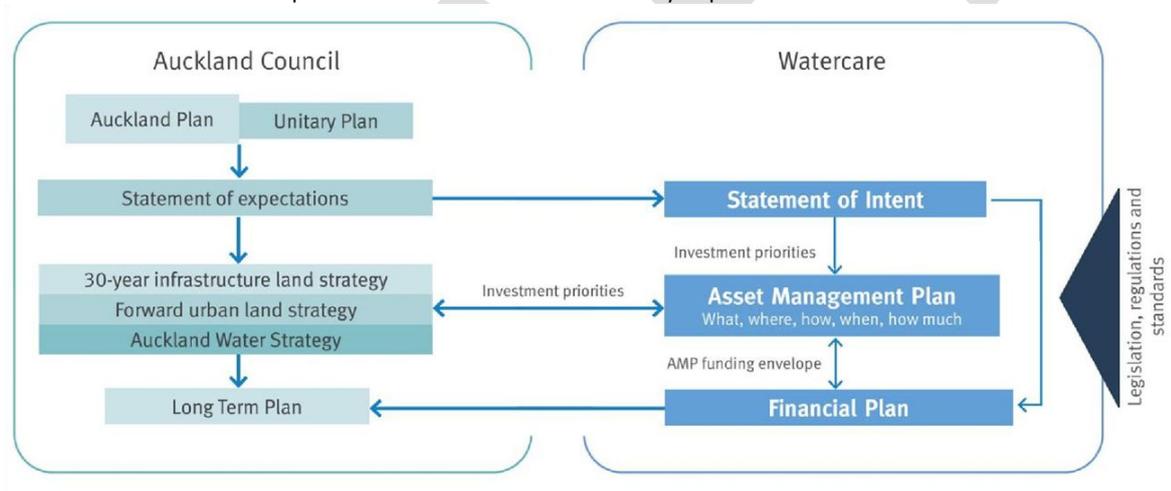
Our functions

We are a council-controlled organisation (CCO), fully owned by Auckland Council (council). Our services and programmes are financed solely through user charges and borrowings. We are required by law to be a minimum-cost, cost-efficient service provider to our customers (collectively) that operates effectively into the long-term. We do not pay a dividend to our shareholder.

The way we manage and measure our performance is detailed in section 1.4 and our legislative framework is summarised in Appendix A.

Purpose of statement of intent (SOI)

Our annual SOI is required by the Local Government Act 2002 and publicly states our activities and intentions for the next three years, and how they contribute to the council's objectives. Our SOI provides an opportunity for council to influence the direction of Watercare and provides a basis for the accountability of performance.



1.2 Responses to council's strategic objectives and outcomes

We are fully committed to working with the council group to deliver the Auckland Plan 2050, the Auckland Water Strategy, Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, Kia ora Tāmaki Makaurau: Māori Outcomes Performance Measurement Framework, relevant performance measures and any associated guidance.

We apply the integrated reporting framework in our decision-making and reporting. Our approach focuses on how we create value through our inputs (or six-capitals) and business activities, focusing on what matters most to our many stakeholders and is intrinsically linked the Auckland Plan 2050 outcomes.

Our major contributions to the Auckland Plan 2050 outcomes are:

Auckland Plan Outcomes	How Watercare contributes
<p>Opportunity and prosperity</p>  <p>Auckland is prosperous with many opportunities and delivers a better standard of living for everyone</p>	<ul style="list-style-type: none"> • By reliably and efficiently delivering safe drinking water to our customers • By reliably and efficiently delivering wastewater services to our customers • By building customer trust and value through exceptional performance and engagement • By developing and maintaining a safe, engaged, empowered, diverse and inclusive workforce • By providing a reliable pipeline of infrastructure programmes • By providing high performing infrastructure (reliable and resilient now and in the future) • By working with industry partners and tertiary education providers to deliver graduate programmes as well as apprenticeship and internship opportunities • By working with council to deliver the Economic Development Action Plan • Be encouraging innovation to find new solutions to improve the way we work – to do this we allow our staff and partners to explore, experiment and if necessary, fail safe and learn fast
<p>Environment and cultural heritage</p>  <p>Preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value, and for the benefit of present and future generations</p>	<ul style="list-style-type: none"> • By working with council on implementing the Auckland Water Strategy to achieve the Auckland Plan 2050's objectives of adapting to a changing water future • By reliably and efficiently delivering wastewater services to our customers and discharging it in a safe and responsible manner for people and the environment • By planning and providing resilient infrastructure that is adaptive to future changes including climate change • By adopting council's 50% target for greenhouse gas reduction • By actively promoting water-efficient technologies and behaviours to customers and homebuilders • By consulting with affected parties on our development plans
<p>Homes and places</p>  <p>Aucklanders live in secure, healthy and affordable homes and have access to a range of inclusive public places</p>	<ul style="list-style-type: none"> • By reliably and efficiently delivering safe drinking water to our customers • By reliably and efficiently delivering wastewater services to our customers • By collaborating with the wider council group to support areas of growth identified by council • By aligning major infrastructure development for future urban areas with Council's Future Urban Land Supply Strategy (FULSS) • By proactively engaging with Kāinga Ora to plan, fund and deliver water and wastewater infrastructure to support its major urban transformation programmes • By collaborating with Council on the implementation of the Auckland Water Strategy, including the introduction of long-term new water consumption targets

Auckland Plan Outcomes	How Watercare contributes
<p>Māori identity and wellbeing</p>  <p>A thriving Māori identity is Auckland's point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders</p>	<ul style="list-style-type: none"> • By actively working with the council group to deliver our Achieving Māori Outcomes Plan, a framework that will be used to measure Watercare's contribution to Māori Outcomes. Our work is guided by, and is aligned to, Council's Māori Outcomes Performance Measurement Framework, Kia ora Tāmaki Makaurau • By actively fostering and maintaining relationships with local Māori, including via the Mana Whenua Kaitiaki Forum, mana whenua and mātāwaka. By working alongside Council's Ngā Mātārae and the Māori Outcomes Steering Group to achieve stronger alignment with Kia ora Tāmaki Makaurau regarding: a) rangatahi/ intern opportunities; and b) key performance indicators relating to Māori • By providing technical advice related to water supply and septic tanks to all marae • By providing technical advice for water supply and septic tanks to all marae
<p>Belonging and participation</p>  <p>All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential</p>	<ul style="list-style-type: none"> • By reliably and efficiently delivering safe drinking water to our customers • By reliably and efficiently delivering wastewater services to our customers • By developing and maintaining a safe, engaged and empowered workforce • By collaborating with the wider council group to support areas of growth identified by council • By employing a diverse and inclusive workforce • By providing a reliable pipeline of infrastructure programmes • By developing education programmes for our customers and tamariki, including water awareness programmes, free water education programmes for schools and open days at our treatment plants • By engaging Aucklanders on decisions around future infrastructure investments.
<p>Transport and access</p>  <p>Aucklanders will be able to get where they want to go more easily, safely and sustainably</p>	<ul style="list-style-type: none"> • By collaborating with the wider council group to support areas of growth identified by council • By ensuring Watercare works with council, Auckland Transport, Waka Kotahi and other utilities to align infrastructure projects wherever possible, to minimise the effects on traffic and neighbourhoods



Tamariki taking part in Watercare's free water education programme

1.3 How we create value – Kia whaihanga ngā huanga

Our vision, mission and value creation model are illustrated below. We continue to focus our efforts and resources on creating value for Aucklanders while we prepare and adapt for rapid population growth, the impacts of climate change, higher standards for improved environmental outcomes and fulfil our mandate to be a minimum-cost, cost-efficient service provider into the long-term.



How we're delivering value

Customer and stakeholder relationships



Value created

Public health

Engaged communities and stakeholders

Thriving communities and economy

Our vision is to be trusted by our customers and communities for exceptional services

We work hard to gain and maintain the trust of the communities we serve. With focus on:

- delivering safe and reliable drinking water and wastewater services 24/7
- enhancing our partnerships and strong relationships with Māori in Tāmaki Makaurau
- operating responsibly and trusted by our community and stakeholders for exceptional performance.

Deliver safe and reliable drinking water and wastewater services 24/7

Under Taumata Arowai – the Water Services Regulator Act 2020, the principal regulators of our water quality include Auckland Council, Waikato Regional Council, and Taumata Arowai.

We have the responsibility and dedication to provide Aucklanders with safe and high-quality drinking-water. The Water Services Act 2021 requires water suppliers to comply with new Drinking Water Standards, new Drinking Water Aesthetic Values and new Drinking Water Quality Assurance Rules which will come into effect on 14 November 2022. For registered water suppliers, including Watercare, new compliance reporting requirement will take effect from 1 January 2023.

Implementation and update of Watercare's existing water safety plans is underway for submission to Taumata Arowai by November 2022.

We are working with the regulators to continuously improve our water safety initiatives and undertake annual internal audits of WSPs (Water Safety Plans) to:

- Ensure we follow the prescribed practices and procedures in our WSP for the treatment and management of water services operations. This is in advance of external audits carried out at any time by the regulator(s).
- Ensure evidence is gathered to support Watercare operations and compliance. And where there is non-compliance, provide the reasons for non-compliance and the impact on ensuring safe and secure drinking-water.
- Confirm stated improvements are being actioned and potential new risks are identified.

Through a series of underground wastewater pipes, the majority of Auckland households and businesses are connected to one of our major treatment plants at Māngere, Rosedale, Pukekohe or Army Bay. We treat and discharge our wastewater in an environmentally sustainable manner.

We are committed to providing great service, whether it is fixing a leak, clearing a blockage, or resolving a bill query. We take guidance from the DIA non-financial measures for water and wastewater operators (see Appendix B); and we set targets for these measures to make sure we continue to earn the trust of our customers.

Ensure reliable water supply

We recognise that reliable water supply is essential not only for Aucklanders' public safety and wellbeing but also to give businesses the confidence to invest and operate in our city, ultimately improving the economic prosperity of New Zealanders.

Our weather is changing. Climate change means that over the long term, we will see drier summers and wetter winters. The severe and unprecedented drought of 2019-2021 increased awareness about the value of water system resilience. Watercare's response to the drought included augmenting water supply, reducing demand through an effective multi-channel communication programme, working closely with our customers. Other actions included the introduction of stage 1 restrictions and improving network performance by investing resources into proactive leak detection.

The drought standard provides for a 1:100 year event where dam storage drops to 15% or below. The purpose of our Drought Management Plan is to provide a series of responses to mitigate the potential impact of droughts.

A separate independent review of Watercare's drought preparedness found that the actions taken by Watercare in both demand and supply were appropriate to mitigate the potential risk and storage was maintained above 40%. Communications with Watercare stakeholders were identified as an area for further improvement in terms of earlier communication engagement.

See our Assets and Infrastructure section for further information about our infrastructure planning and investment for continued delivery of safe and reliable drinking water and wastewater services now and in the future.

Working with others

Specific strategies and plans where we are working with council include:

- Implementation of the Auckland Water Strategy
- Climate change
- Three Waters Reform.

Other entities we are working with:

- Veolia Water, Papakura's water and wastewater retailer
- Our partners on the Enterprise Model, Fulton Hogan and Fletcher Construction
- Taumata Arowai to implement changes to drinking water standards and rules.

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Ensure safe drinking water						
Meet DIA drinking water targets (see appendix B refer numbers 3, 4 and 9)	DIA measures	100%	100%	100%	100%	100%
Ensure reliable water supply						
Meet DIA drinking water targets (see appendix B refer numbers 5-8)	DIA measures	100%	100%	100%	100%	100%
Ensure efficient water supply						
Meet DIA drinking water targets (see appendix B refer numbers 2 and 13)	DIA measures	100%	100%	100%	100%	100%
Ensure safe and reliable wastewater collection						
Meet DIA wastewater targets (see appendix B refer numbers 10-12)	DIA measures	100%	100%	100%	100%	100%

Note: All of the above DIA measures are also Auckland Council Long Term Plan measures.

Enhance our partnerships and strong relationships with Māori in Tāmaki Makaurau

We value our partnership with Māori. In working with our Māori partners we have developed a mutual respect and a shared understanding. Watercare supports the Auckland Water Strategy's commitment to partnering with mana whenua to achieve the vision of Te Mauri o te Wai and working together to advance our core interests in water and the environment.

Te Ao Māori principles within our business

The Auckland Plan 2050 includes a priority outcome that "Māori culture and identity is celebrated by Aucklanders and is our point of difference in the world". For Watercare, we have made the commitment to embed Te Ao Māori values

throughout the organisation. As a strategic priority, we will keep ourselves accountable and aim to realise these aspirations:

- We value Te Ao Māori/the Māori world view, and understand the cultural importance of water
- We embrace and develop our own Māori identity and culture competencies
- We recognise Te Tiriti o Waitangi/the Treaty of Waitangi and the significance of Te Mana O Te Wai.
- We (Council and Watercare) and mana whenua are partners in the protection, management and enhancement of water (refer to Auckland Water Strategy Strategic Shift 1: Te Tiriti Partnership).

Achieving Māori Outcomes

Watercare has identified initiatives within its Achieving Māori Outcomes Plan that it will advance over the next 3 to 4 years to improve social, economic and cultural wellbeing for Māori communities throughout Auckland. The plan aligns to Kia Ora Tāmaki Makaurau, the Council group's Māori Outcomes Performance Measurement Framework, and progress against the plan is reported to Council quarterly. Through the framework's 10 priority mana outcomes, Watercare will deliver key priorities over the medium term that contribute to Māori Outcomes including:

Mana outcome	Watercare action
Kia ora te ahurea: Māori identity and culture	Build staff confidence and competency to engage with Māori; Grow staff awareness and understanding in Te Reo Māori and Tikanga Māori principles through: <ul style="list-style-type: none"> • Cultural interpretations and dual naming at Watercare sites • Events and programmes supported by Watercare that showcase Māori identity • Inductions include Māori cultural component
Kia ora te ūmanga: Māori business, tourism and employment	Support economic opportunities for Māori businesses and iwi organisations through: <ul style="list-style-type: none"> • Sourcing 5% of procurement through Māori owned businesses by 2025
Kia ora te rangatahi: Realising rangatahi potential	Contribute meaningfully to realise rangatahi potential through: <ul style="list-style-type: none"> • Māori youth employment, Māori cadetship and work experience programmes • Continue Mark Ford Ngā Tapuwae scholarship • Māori culture and values infused through Watercare leadership programmes
Kia ora te taiao: Kaitiakitanga	Kaitiaki provide an aligned approach to remediate, protect and enhance the mauri of our treasured environments through: <ul style="list-style-type: none"> • Water efficiency education and demand management • Healthier waterways, initiatives with Māori
Kia ora te hononga: Effective Māori participation	Mana whenua and Māori are active partners, decision-makers and participants through: <ul style="list-style-type: none"> • Incorporating Māori outcomes in core strategies, policies and plans • Mana whenua are offered the opportunity to individually participate in discussions about projects and work programmes through the kaitiaki schedule

Watercare's Te Rua Whetū - Māori Outcomes & Relationships Unit, has strong relationships with their counterpart teams at Council and other CCOs, and is committed to explore opportunities to improve the consistency between CCOs in how they contribute to Kia Ora Tāmaki Makaurau.

Working with others

Specific strategies and plans where we are working with council include:

- Implementation of the Māori Employment Strategy – MAHI - to grow and develop a talented and thriving Māori workforce and build organisation capability to achieve Māori Outcomes.
- Collaboration and trusted relationship with council's Ngā Mātārae (Māori outcomes department)
- Watercare is committed to working with the council group and the Independent Māori Statutory Board (IMSB) in meeting the requirements of the tri-annual Treaty of Waitangi Audit
- Tūpuna Maunga of Tāmaki Makaurau Authority in relation to Watercare infrastructure on maunga
- Watercare is an active member of the Māori Outcomes Steering Group. The Māori Outcomes Steering Group reports into council's Executive Leadership Team and the council group chief executives and has oversight of the long-term plan funding for Māori Outcomes
- Assessing and mapping the impacts of existing water infrastructure on te Mauri o te Wai (the life-sustaining capacity of Auckland's Water, is protected and enhanced) – to be done in partnership with mana whenua by 2030.

Other entities we are working with:

- Mana Whenua forums and tribal authorities
- Independent Māori Statutory Board (IMSB)
- Supporting Mātāwaka in the Tamaki Makaurau region, in relation to water and wastewater supplies at all marae

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Formal engagement with mana whenua of Tāmaki Makaurau	Watercare	Not Achieved (13 out of 19 iwi met at least once in 2020-2021)	100%	Partnering with mana whenua of Tāmaki Makaurau to achieve outcomes for Māori Each year, at least five priority outcomes within our Achieving Māori Outcomes Plan are being progressed with mana whenua (updated measure).		
Integration/Adoption of Te Reo and Tikanga Māori within Watercare	Watercare	New measure	New Measure	Ensure all Tier 1-4 job titles include Te Reo Māori translation; and hold a Watercare Tikanga Māori experience for all staff	Ensure all external facing marketing materials and communications content includes part-translations in Te Reo Māori; and hold a Watercare Tikanga Māori experience for all staff	50% of all staff have attended lessons to improve pronunciation of Te Reo Māori, and undertaking of Tikanga Māori; and hold a Watercare Tikanga Māori experience for all staff
Ratio of procurement sourced through Māori-owned businesses*	Watercare	New measure	1%	2%	3%	5% by June 2025

*addressable spend, including through sub-contractors, construction and maintenance partners.

Customer trust and value through exceptional performance and engagement

Building trust through education, transparency and engagement

Watercare commits to ensuring all aspects of service delivery are customer and community centred, recognising Watercare's role in the community it operates in, as well as customers. This will be increasingly important in the evolution towards a three waters entity.

We are committed to working with council on its plan to ensure all Aucklanders have equitable access to essential services. In line with the Auckland Water Strategy, Watercare will support Council to develop a plan to address affordable water access in Auckland.

We are introducing a Customer Charter to articulate our customer promise. We are also continuing to drive customer centricity in our decision making – in the past we may have made decisions for our customers, rather than with them. But as the challenges we face become more complex, we recognise that we need to empower Aucklanders to shape decisions about, and are prepared for, our changing water future. We will collaborate and engage more with our customers, and pursue participative decision-making.

We are increasingly segmenting our customer base so that we may engage with them in ways that help Aucklanders further increase their water literacy, including via our integrated education programme that engages school pupils, communities and customers. This will not only build trust and encourage wise water use, but also develop a shared

understanding of water as taonga. We are developing programmes to ensure our customers are better prepared for and able to cope with the impacts of extreme weather-related events. The effectiveness and impact of our external messaging will be closely monitored through monthly media analysis.

We will continue to encourage Aucklanders to use water wisely, with messaging that targets specific water users (eg gardeners). We will also continue to encourage people to dispose of their fats, oils and rubbish correctly, to reduce the likelihood of dry weather overflows.

Our activities can cause disruptions in our community. We make every effort to protect public safety, engage and consult with communities affected before, during and after our construction programmes and work with Auckland Transport and Waka Kotahi to limit disruption.

The Environmental Advisory Group is an independent group we facilitate to advise, support and challenge our approach to environmental matters. It helps us to anticipate emerging issues, identify community concerns and informs our strategy.

We have entered a collaborative relationship with the Koi Tū Centre for Informed Futures, a research entity within the University of Auckland, to investigate potential benefits of deliberative democracy for community engagement.

Exceptional and responsible service

Over the last few years we have obtained a deeper understanding of our customers and have rolled out programmes to improve access to our services. We have:

- Launched a priority assistance service to enable our more vulnerable customers to access our services. Customers can self-identify using multiple channels to let us know if they have special requirements, whether it be hearing and visually impaired, elderly, financially constrained or physical or medically dependent. This new service enables us to proactively identify these customers and ensure services are tailored to meet their needs.
- Launched a chat service which is available in 84 languages and actively promote Te Reo Māori, Mandarin and Hindi to ensure we are able to serve our communities better.
- Continued assistance for customers facing financial hardship through the Water Utility Assistance Consumer Trust (WUCAT) by referring those unable to pay bills to WUCAT for assistance.

We will continue to work with our customers to provide exceptional and responsible service.

Working with our stakeholders

We have worked closely with Auckland Council and the other CCOs to implement findings of the July 2020 CCO Review. Working with the other CCOs, the relationship with local boards has been reset and combined CCO engagement plans are now in place with regular reporting commitments being followed. Watercare is committed to working collaboratively and sharing information with elected members and council staff, as appropriate, including adherence with the no-surprises protocols set out in council's Statement of Expectation. The new Information Hub on the Watercare website, designed specifically for our stakeholders, is regularly updated with information about our projects, services and how we are engaging with communities.

We maintain strong relationships with the Councillors and Local Board members by providing timely and accurate information on Watercare-related matters, including infrastructure planning and construction projects in the interests of no-surprises. Many treatment plants also have special requirements for ongoing community liaison groups and we regularly meet to share information and discuss local issues.

Working with others

Specific strategies and plans where we will work with council include:

- Council's equitable access to essential services plan, including working with Council to develop a plan to address affordable water access (Water Strategy Action 5.2).
- Auckland Water Strategy, and in particular, actions working together with Council with Aucklanders for better water outcomes (Empowered Aucklanders).

Other entities we are working with:

- Koi Tū Centre for Informed Futures to investigate the potential benefits of deliberative democracy.

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Customer Net Satisfaction Score (Previously Net promoter score)*	Watercare	46 Achieved	≥40%	≥45	≥45	≥45
Community trust score	Watercare	New measure	≥55%	≥55%	≥55%	≥55%
Percentage of customer complaints resolved within ten days of notification	Watercare	New measure	≥95%	≥95%	≥95%	≥95%

**The name of this score is now the Customer Net Satisfaction Score. This measures customer satisfaction when they interact with Watercare. This is a better reflection of the measure, as it's a net score derived by deducting the percentage of customers scoring poorly (0-6) from the percentage of customers scoring us highly (9-10). NPS measures brand loyalty, and Watercare is a monopoly. The methodology used to calculate the score remains unchanged – only the name has changed. The score is derived from this question - "Would you speak positively of your most recent experience with Watercare to friends and family (if asked)?"*



Volunteers and Watercare staff at a planting day at Ambury Farm to encourage nesting birds

How we're delivering value

Natural environment



Value created
Protected and enhanced natural environment
Leading-edge resource efficiency and reuse of resources including water

Watercare's business is intrinsically linked to the environment and climate

Water is a taonga (treasured resource) and every aspect of our operation is dependent on and impacts the natural environment. We are part of the water cycle, receiving our water from rainfall, rivers and aquifers; and returning high quality treated wastewater to the environment. Our water and wastewater services thrive only if the natural environment does. We have a duty to protect our water sources.

Protect and enhance our natural environment

Mitigate the impact of our water and wastewater activities on the environment

Through a series of underground pipes, the majority of Auckland households and businesses are connected to one of our major treatment plants at Māngere, Rosedale, Pukekohe or Army Bay. We treat our wastewater to the highest standards and discharge it safely to the receiving environment.

Watercare has regional network discharge consent for the regulation of wastewater discharges. We design and maintain our wastewater network to limit discharges to the environment. This is achieved most of the time and across the majority of our network.

We strive to continuously improve our wastewater network performance and are working to deliver significant programmes, such as the Central Interceptor and the Western Isthmus water quality improvement programme, to reduce overflows and ultimately improve the water quality of Auckland's waterways and coastline for the enjoyment of Aucklanders. Further detail can be found under the infrastructure section.

We are working with NIWA, iwi and council's Healthy Waters and Research and Evaluation Unit (RIMU) departments to develop hydrodynamic water quality programmes for the Manukau Harbour. The solid relationship established from this collaborative work is enabling further discussions on improving the quality and efficiency of environmental monitoring in the Manukau Harbour.

The natural environment, made up of rivers, streams, forests, hill lands and underground aquifers make up the source and catchment for our water supply. Many of these habitats are also a showcase of New Zealand ecology. Working to enhance where we operate is not new and we continue to make improvement through ecological programmes, riparian planting, native forest regeneration and pro-active catchment management.

Mitigate climate change and adapt to the impacts of climate change

Climate change is one of the largest challenges we face as a business, as people, and as a country. The impacts of climate change are often seen through water, and it is our responsibility to mitigate and adapt to these impacts. Climate change can make new issues arise while exacerbating existing problems. This demands that we change not only what we do but how we do it. We are committed to playing an active role in dealing with this issue by taking bold action.

Given Auckland's size and scale, preparedness for climate change will be the cornerstone of our response. We know that the water in our dams and rivers is not an infinite resource and cannot be taken for granted. We are already facing increasing extreme weather conditions. That, along with a rise in demand for water during hot and dry periods will put our water supply at risk. A single drought is not the same as climate change, but the threat to drinking water supply is one of the most pronounced impacts we will face as a region. Even slight changes to rainfall, sea level, and temperature will have significant impacts for us and future generations. We will see more frequent droughts and flooding, and rainfall will be a less reliable source of water. More days with hotter temperatures and longer dry spells will cause demand for water

to increase, while the assets and plants in our water and wastewater systems will face more extreme weather events and the effects of sea level rise.

Auckland's future will depend on the decisions we make now to both prepare and mitigate the impacts of growth and climate change. As we look to the future, we are focussed on promoting water security through the concepts of capturing, using, and recycling water efficiently so that Aucklanders have access to enough water of the appropriate quality to meet their needs. Making efficient and effective use of Auckland's various water supplies is going to become more important. Our climate change work continues to evolve. Our first Climate Change Strategy which was launched in 2019 and has been updated into a Climate Action Plan in 2022. It sets out the action areas we will focus on as we continue our journey to operate a low-carbon company that is resilient to climate impacts. We are also monitoring and understanding the events that we see today, such as drought and extreme rainfall events, so that we can adapt to the changing climate based on our own experiences as well as evolving data and projections.

We worked closely with Auckland Council on the development of Te Tāruke-ā-Tāwhiri: Auckland's Climate Action Plan and we strongly support the implementation of the actions identified in that Plan to ensure that climate change considerations are embedded within organisational decision-making and culture.

We are committed to delivering on the actions and direction set out in Te Tāruke-ā-Tāwhiri, including Auckland's regional targets of halving emissions by 2030 and net zero by 2050. To achieve this, Watercare has adopted a range of climate change targets that give direction to the company in taking responsibility for our impacts and establishing ourselves as a low-carbon company in line with the required ambition of the country and the world. Watercare targets for carbon reduction are in line with global science and include:

- Reduce infrastructure emissions by 40% by 2025
- Reduce operational emissions by 50% by 2030
- Energy neutral at major WWTPs by 2030
- Net-zero emissions by 2050

Watercare is committed to these targets and in 2022 will finalise a roadmap for annual operational carbon emissions as well as annual SOI performance measures. From financial year 2023, we are including an SOI performance measure relating to greenhouse gas emissions (GHG). Over the past year, we have conducted significant work to confirm our baseline GHG emissions for 2018, using updated accounting standards from the Intergovernmental Panel on Climate Change that were recently adopted in the industry in Aotearoa by WaterNZ. The change in accounting methodology has led to an increase in our reported emissions from previous years, even though actual operations have not changed significantly. As the Auckland population is predicted to grow, and Watercare is continuing to build infrastructure to meet this growth, GHG emissions are predicted to stay relatively steady over the next three years. Indeed, in the short term, we are seeing increasing energy consumption from population growth and the use of more energy intensive treatment technologies. For example, the upgraded Pukekohe WWTP, treats water to a higher quality, but uses more energy to do so.

This stabilisation of emissions through this SOI reporting period will be followed by reductions in future years to meet the 2030 reduction target and realise our goal of providing low carbon water and wastewater services. Over this time we will also be focusing on direct monitoring of emissions from wastewater, which now take up a larger portion of our footprint with the newly adopted accounting standards.

Some of the short-term projects we are investing in over the SOI period, which will help us realise an eventual fall in overall emissions include the following:

- We plan to build on our existing solar projects through the utilisation of marginal land, roof space and potentially ponds/dams to deliver more solar arrays.
- We are transitioning our light vehicle fleet away from petrol fuel, and by 2023, 50 percent of the light fleet will be PHEV/BEV vehicles.
- We are investing in monitoring programmes for methane and nitrous oxide in wastewater so we can identify further ways to optimise our treatment and reduce these gasses in the future.
- Investigations into tree planting and other natural methods of carbon sequestration across Watercare land and the Council family operations.

The mitigation programmes we have planned will be further explored considering the financial constraints over our AMP. Getting the balance right is a constant challenge.

Working with others**Specific strategies and plans where we are, or will work with council include:**

- Auckland Water Strategy
- Compliance with the National Policy Statement on Freshwater Management
- Climate Change Risk Assessment using scenario analysis
- Identification and implementation of a process for managing climate risks across the group
- Climate risk governance assessment
- Working with council and Auckland Transport to lead development of 10-year project outcomes for the Western Isthmus Water Quality Improvement Programme
- Three Waters Reform
- Te Tāruke-ā-Tāwhiri: Auckland's Climate Action Plan

Other entities we are working with:

- Veolia Water, Papakura's water and wastewater retailer
- Our partners on the Enterprise Model
- NIWA, iwi and the Research and Evaluation Unit of council to develop hydrodynamic water quality models for the Manukau Harbour

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Protected and enhanced natural environment						
Meet all DIA natural environment targets (refer to numbers 1 and 2 in appendix B) Note: These DIA measures are also Auckland Council Long Term Plan measures	DIA	100%	100%	100%	100%	100%
We will implement Mitigation measures in line with our emissions reduction targets. We will report annual greenhouse gas emissions from Scope 1 and Scope 2 emissions (operational mitigation) in line with our emission reduction pathway to meet 50% reduction by 2030. <i>Note: these targets exclude emissions from Puketutu island as our current measurement methodology does not provide enough accuracy for a performance target. Actions to directly monitor emissions from this source as well as reduce them are being delivered and future SOI's will include these numbers.</i>	Watercare	Complete work on a plan to achieve reductions in operational emissions by 2030, including updating targets in line with Auckland Climate Plan (ACP) – Achieved	N/A – not included in SOI as we are completing work to finalise targets in line with ACP. We are working on establishing baselines and a roadmap of targets, which will consider the contribution to the regions 2030 target.	73,200 tonnes CO ₂ e	73,600 tonnes CO ₂ e	73,900 tonnes CO ₂ e

How we're delivering value

People and culture



Value created
 Safe, engaged and empowered team
 Customer trust and value
 Industry talent and skills developed

Our people work around the clock to ensure uninterrupted access to our services

The collective knowledge and experience of our people is essential for us to deliver on our core purpose and ensure Auckland is prosperous with many opportunities to deliver a better standard of living for everyone. Our people continued our essential services throughout the Covid-19 lockdowns without interruption.

Safe, engaged and empowered team

Ensuring the health, safety and wellbeing of all staff and contractors

We want our people to be safe, healthy and engaged at work, and for them to go home safely to their families everyday. Health and safety in and around our worksites is paramount to us and always has been. Wellness, including our people's mental health, is also an integral part of the company's commitment to our people. The concept of "I care, we care, Watercare" is embedded throughout our company.

Employing a diverse and inclusive workforce

Our Diversity, Inclusion and Belonging Committee's mission is for Watercare's people to reflect the diverse communities we serve. The committee champions inclusion so that our people can bring their whole, authentic selves to work and feel a true sense of belonging at Watercare. Our Māori Outcomes Plan includes our plan to increase the number of staff who identify as Māori.

This SOI introduces a new target for gender diversity at Watercare, being the 40:40:20 ratio, which refers to 40% men, 40% women, 20% of any gender, including gender diverse.

Training our staff for competent delivery of safe and reliable water and wastewater services

Watercare provides training to maximise on-the-job effectiveness and to encourage individual career development, consistent with its business requirements. We demonstrate full compliance with legislative requirements to ensure all staff are adequately trained and competent to ensure safe and reliable drinking-water quality management and water safety planning activities.

Unlocking potential through training and development

The limited availability of talent in our labour market means it is essential we grow skills and talent internally and attract a diverse range of new talent. We work with industry partners and tertiary education providers to deliver clear training pathways, graduate programmes as well as apprenticeship and internship opportunities and continuous online training opportunities.

Working with our suppliers to build greater pipeline certainty and confidence to invest for the future

Through our Enterprise Model we are working collaboratively with the construction industry to give our partners greater certainty of the construction pipeline so they can invest in the training and development of their people to improve workforce capability overall. See the section on Intellectual Capital for more information.

Working with others

Specific strategies and plans where we are working with council include:

- Action the CCO review recommendations, including develop group policies for leadership talent and remuneration

Specific strategies and plans where we are working with others include:

- Our partners on the Enterprise Model, Fulton Hogan and Fletcher Construction
- Tertiary education providers to deliver graduate programmes

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Employee net promoter score (eNPS)	Watercare	35 – Achieved	≥20	≥20	≥20	≥20
Total recordable injury frequency rate (TRIFR) per million hours worked	Watercare	New Measure	<20	<10	<10	<10
Safety improvement plans	Watercare	New Measure	New Measure	100% of teams with a HSW Improvement Plan	New measure to be devised relating to completion of actions on the Safety Improvement Plan	New measure to be defined relating to completion of actions on the Safety Improvement Plan
Culture and Leadership	Watercare	New Measure	New Measure	100% of Tier 1 to Tier 4 who have completed at least 10 leadership walks per year	New measure related to quality discussions with our people on site during leadership walks	New measure Quality of actions and close-out of leadership walks
Gender workforce ratio in fixed term and/or permanent roles , including leadership positions (Tier 3 and above)	Watercare	Baseline established and improve on baselines (Achieved)	Improve on last year – which was 35% women	40% men 40% women 20% any gender	40% men 40% women 20% any gender	40% men 40% women 20% any gender
Employees in fixed term and/or permanent roles , including leadership positions (Tier 3 and above) identify as Māori	Watercare	New Measure	New Measure	6%	9%	12%

How we're delivering value

Assets and infrastructure



Value created
 Future-proofed growth and supply assurance
 High-performing infrastructure

Our network is critical to safely supply water and wastewater services

Our network supports over 1.7 million Aucklanders, this is expected to grow to 2.25 million before 2041. Growth of this scale is significant, and we need to ensure we have a clear understanding of where and when investment in planning and infrastructure will be made while also ensuring our current network operates safely and reliably.

The critical contributions made to Auckland Plan Outcomes through our assets and infrastructure are:

- Provide safe and reliable drinking water and wastewater services 24/7 (see customer and stakeholder section)
- High performing infrastructure (reliable and resilient now and in the future)
- Future-proofed growth and supply assurance.

Our Asset Management Plan (AMP), is a future-focused planning document that outlines how we will operate, maintain and renew existing water and wastewater assets and provide new assets to meet demand as Auckland grows. It has a 20-year horizon and contributes to Auckland Council's Long-Term Plan (LTP). It helps us to decide what, where, how, when and how much we invest to build and maintain networks.

Key factors considered when preparing our AMP for the Long-term Plan 2021-2031 were:

- Meeting strategic objectives to support council plans and statutory obligations
- Increased environmental standards and compliance
- Maintain network integrity through proactive maintenance
- Scope (the scale of growth)
- Network resilience and climate change adaptation and mitigation
- Maintain affordability and ensure equity across generations.

The result has seen our investment programme increase over the previous AMP, meaning that over the next 20 years, we will invest about \$18.5 billion to build and maintain water and wastewater infrastructure for Aucklanders. Now that the Auckland Water Strategy has been finalised, we will ensure the delivery of the AMP, and future updates to the AMP, align with this Strategy.

To help us deliver this large programme of work, we have deepened our partnerships with the supply chain to mitigate risks, including implementation of the Enterprise Model framework (see Intellectual Capital).

High performing infrastructure (reliable and resilient now and in the future)

Our customers expect safe and reliable services 24/7. This requires us to be resilient and adaptive to changing conditions and invest sufficiently so our water and wastewater networks can withstand emergencies and operate normally with minimal impact on our customers or the environment.

Our water and wastewater systems have a reasonable degree of resilience engineered into them. However, the resilience of our water and wastewater networks has and will continue to be challenged. Over the last five years, Auckland has experienced extremes in weather, ranging from storm events with record rainfall to severe droughts depleting our water storage.

As assets age, we normally see a decline in their performance, sometimes to the point of asset failure. Asset failures can cause service interruptions and may pose a risk to public health and safety. We have developed asset replacement and rehabilitation programmes to monitor the condition and performance of assets to estimate the end of their useful lives.

Asset renewal decisions are based on a risk assessment of the likelihood and consequence of failure, taking into account the asset's age and life expectancy, condition, performance, system resilience and criticality.

While we have been actively maintaining and renewing our network, our independent economic benchmarking review by WICS (see the financial capital and resources section) recommended increased renewals investment and funding to ensure a reliable and sustainable network over the long-term.

Future-proofed growth and supply assurance

Working in partnership with council on Auckland's growth and intensification

Watercare works closely with the council group to efficiently plan for and prioritise growth and intensification, including via the monthly GM Housing Group. Our aim is to align our longer-term planning of new or upgraded infrastructure to meet council's spatial development priorities and give effect to Auckland's Long-Term Plan and the Future Urban Land Supply Strategy (FULSS). The alignment of service provision with the FULSS, and vice versa, allows Watercare to plan, consent and construct bulk water and wastewater infrastructure efficiently. Development that is not aligned with the FULSS can lead to inefficient investment, particularly if it does not border existing serviced land.

We will continue to consult with council's GM Housing Group or the Planning Office (who report to the Chief of Strategy) on any development proposal which may not align with council's adopted plans and strategies.

Watercare confirms it will contribute to the government's programme to accelerate the supply of housing by working together with the Council group in a coordinated and united way by doing the following:

- Support the implementation of the NPS-UD and submitting on any associated legislation
- Actively engage in the development of the Auckland Future Development Strategy and additions to the Infrastructure Strategy
- Review plans and strategies in an open and transparent manner
- Share information in a timely manner across the Council group to ensure monitoring, analysis and reporting is consistent.

Watercare will also:

- monitor and model climate impacts on the water system, including impacts and scenarios for individual sources, to understand the resilience of the network and inform a precautionary approach to operational source management;
- work with council on scenario planning and adaptation investment pathways with a 'whole of infrastructure' and 'whole of community' approach (i.e., Parakai/Helensville);
- support council to deliver a package of non-regulatory and regulatory interventions to promote the effective use of water sensitive design and ensure structural elements of water sensitive design are consistently maintained to a high standard.

A secure, diverse water supply for a growing population

We currently plan our water security to meet the following standards:

<p>Level of Service 1 Proactive demand restrictions are to be required for an event no more frequently than that with a 5% probability of occurring.</p>	<p>The peak supply/demand balance is designed to show the forecast peak demand without restrictions during a dry summer with a return period of 1 in 20 years. Under drier conditions (leading to higher demand), Watercare could impose restrictions to reduce peak demand while continuing to meet our Levels of Service.</p>
<p>Level of Service 2 Annual average demand within the Metropolitan supply area can be met in a drought with a 1% probability of occurrence leaving 15% residual capacity in its water supply lakes.</p>	<p>The annual drought supply/demand balance is designed to show the forecast annual average demand during a drought with a return period of 1 in 100 years can be met and would result in water supply lake levels being no less than 15%. Watercare would expect to impose some restrictions during this event (see Level of Service 1, above).</p>

Our Water Safety Plans (WSPs) are fundamental to our success as a water supplier. WSPs describe our commitment to supplying safe drinking water, strengthen our focus on preventive measures across the whole drinking water supply system, promote a multi-barrier approach to managing risks and support continuous improvement to guide day-to-day activities now and into the future. They describe our commitment to the provision of safe drinking water and how we behave and operate to deliver this outcome on an ongoing, sustainable basis.

In terms of supply for the future, the delivery of drought augmentation projects, and the successful grant of a 20-year resource consent for up to 150 MLD from the Waikato River, have together provided us with access to more water, and enhanced our water source diversity. We are also continuing to plan for the replacement of the ageing Huia WTP with a new 140 MLD capacity plant to help meet peak demand and improve system resilience.

We are now looking to further improve our source diversity by continuing our focus on alternative sources, which could include purified recycled water, desalination and increased use of groundwater sources. We will consult Aucklanders through a Citizen's Assembly on this topic.

The Auckland Water Strategy includes a water source diversity target for 2030 of 20 MLD (non-dam) rainwater and recycled water capacity for beneficial reuse, increasing to 100 MLD by 2050.

We already have small-scale pilot projects in place to commence our journey towards the use of purified recycled water, thereby reducing our reliance on rain dependent sources (refer Water Strategy Action point 5.11). These projects will help inform the investment plan required under the Auckland Water Strategy. The investment plan will outline how Council and Watercare will together meet the above 2030 and 2050 water source diversity targets.

Additionally, as part of the new Waikato River consent, from 2026, Watercare will need to report to Waikato Regional Council every five years on the progress being made on the investigation and implementation of future water source options for Auckland. Once all appeals regarding the consent have been resolved, Watercare must establish and maintain a committee or board within its organisation to promote the vision and strategy for the Waikato River (as set out in Schedule 2 Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010). Representatives of Te Whakakitenga o Waikato Incorporated (Waikato Tainui Governance Board) and Te Taniwha o Waikato (a collection of 7 Marae along the lower river and part of Waikato Tainui) will be invited to be members of that committee or board in order to become material participants and directly involved in all aspects of the management, governance and use of the river, including its water. Generally, the purpose and function of that committee or board will be to investigate and address options for the reduction in reliance on the awa by Watercare, including identifying new alternative sources for resilient water and wastewater systems. In particular, the committee and board will be looking at the following:

- reduction in reliance on the Waikato River for the supply of water to Auckland;
- reduction in the volume (both relative and absolute) of water taken from the Waikato River;
- increased resilience of the Waikato River to human activities and their effects; and
- in that context, recognition of the rights and interests of taangata whenua in fresh water.

Progress against this work programme will be reported to Council regularly via quarterly reports. The five yearly reports will be made publicly available and shared with representatives of Te Whakakitenga o Waikato Incorporated, Te Taniwha o Waikato, Te Tokanganui-a-noho Regional Management Committee and Hauauru Ki Uta Regional Management Committee, Ngā Waihua o Paerangi, Te Kotahitanga o Ngāti Tuwharetoa, Raukawa Settlement Trust, Te Arawa River Iwi Trust, Ngāti Tahu-Ngāti Whāoa, and the Waikato River Authority.

To manage demand, we have a comprehensive demand management plan that includes a drought management plan and target to reduce residential water demand to 147 litres/person/day (l/p/d) in 2030 and 135 l/p/d by 2050. We will achieve these efficiencies with the support of Auckland Council via demand management and the facilitation and support of water efficient housing.

We are also undertaking various other initiatives, such as our leak detection programme, to reduce water loss. We are now targeting the Economic Level of Leakage (ELL), measured by litres/connection/day.

To help us achieve these ambitious targets involves cross-functional coordination across the business. We are installing smart meters (focussing first on commercial premises and schools), so our customers can actively manage consumption and leaks. We are also working with Auckland Council's Sustainability Lead to ensure smart water meters and efficient water consumption (eg time targeted irrigation) is adopted by the council family.

Our commercial team has been trained to conduct water audits to help our larger customers drive water efficiency, and at a residential level, we have partnered with EcoMatters to promote in home water checks.

We continue working with our construction partners to achieve our 40:20:20 goal before the end of the 2024 calendar year.

Working with others

Specific strategies and plans where we are working with council include:

- Council's infrastructure strategy – in particular, Watercare will participate in the annual infrastructure strategic alignment process by providing updated AMP information to Council at the end of June every year.
- Continue to notify council of any substantive changes to our AMP outside of the annual updates provided
- Auckland Water Strategy
- Review and update the Auckland Metropolitan Drought Management Plan, including council agreement on the triggers and thresholds for using different water sources
- Three waters reform.

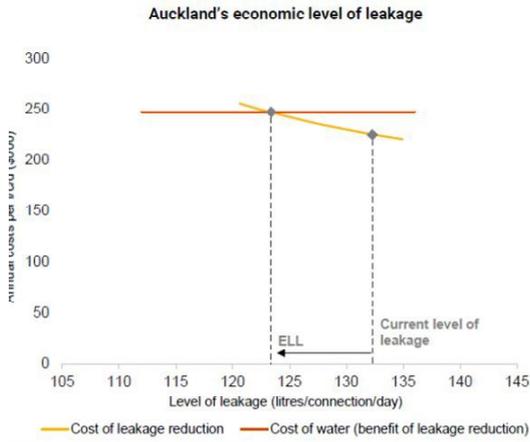
Other entities we are working with:

- Taumata Arowai
- Enterprise model – Fletcher Construction and Fulton Hogan
Veolia Water, Papakura's water and wastewater retailer Kāinga Ora for the regeneration and intensification of urban areas with a significant social housing component.

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
High performing infrastructure (reliable and resilient now and in the future)						
Meet DIA asset and infrastructure targets (see appendix B refer numbers 13-15) <i>Note Measures 13 and 14 are also Auckland Council Long Term Plan measures</i>	DIA	100%	100%	100%	100%	100%
Future proofed growth and supply assurance						
Leakage target - Economic level of leakage (ELL) - litres/connection/day (l/c/d)	Watercare	n/a	123 l/c/d	Equal to the ELL as calculated annually in early July.	Equal to the ELL as calculated annually in the following July.	
Leakage performance - litres/connection/day (l/c/d)	Watercare	132l/c/d (as at August 2021)	Result avail mid-July 2022	Performance to be reported at end of each month with final result available mid-July each year.		
We are sourcing water from a diversity of sources; and we are preparing for, and promoting, the adoption of alternative sources of human drinking water in the future	Watercare	New measure	New measure	Watercare to make submissions to Central Government when the opportunity arises (eg the Natural and Built Environments Bill and Strategic Planning Bill), supporting the use of desalination and purified recycled water as recognised sources of drinking water in New Zealand.	Monitor the pilot wastewater reuse treatment plant at the Mangere Wastewater Treatment Plant, and from FY24, produce annual reports regarding the pilot plant's performance based on operational and sampling data collated.	

^ The Economic Level of Leakage (ELL) has been incorporated into the Auckland Water Strategy. The ELL lies at the intersection of the marginal costs and benefits of leakage reduction and is represented by the litres of leakage/connection/day (l/c/d). As the model relies on two variables (the cost of leakage reduction and the cost of water), the ELL will need to be periodically reviewed and may change from year to year. Below we have provided the actual leakage performance against the ELL (targets) established by the model:



DRAFT

How we're delivering value

Intellectual capital



Watercare – Becoming future fit

As New Zealand's largest water company, we are committed to leading the industry in technical excellence. Our treatment processes are some of the most advanced in the world and our customers can rest easy knowing that they receive reliable, high-quality water at the turn of their taps.

We will continue to focus our efforts on transforming Watercare into a utility of the future – one that leverages best practice not only in its core operations but in all areas of the company as well. Through Covid-19 we have seen the critical role that technology plays as an enabler for our business.

The water industry faces many significant challenges – climate change, availability of water resources, ageing infrastructure and ageing workforce – these challenges are complex and require new thinking and new ways of working. Watercare believes the key to dealing with these challenges involves building an innovation and collaboration mindset.

In line with the Auckland Water Strategy Strategic Shift 4 (Regenerative Water Infrastructure), Watercare is committed to understanding what is required to design, measure and implement water infrastructure that is regenerative, resilient, low carbon and increases the mauri of water.

Industry leading thinking and processes

Sustainable and cost-effective infrastructure for Auckland

Our ambitious 40:20:20 vision seeks to achieve wins in sustainability, safety and costs. The 40:20:20 targets are:

- Reduce carbon in construction by 40% by the end of the 2024 calendar year and applied to all new projects starting in 2025
- Reduce the cost to deliver our infrastructure programme by 20% by the end of the 2024 calendar year and applied to all new projects starting in 2025
- 20% year-on-year improvement in health, safety and wellbeing.

A significant portion of the 40:20:20 vision will be delivered through the Enterprise model framework. Starting in 2019, we partnered with two construction companies, Fulton Hogan and Fletcher Construction, for the delivery of \$4.8 billion worth of water and wastewater infrastructure for Auckland over 10 years. In 2022, this partnership has been enhanced with the recent introduction of two new strategy and planning partners, and two new design delivery partners, both for 10 years. The long-term and collaborative nature of the Enterprise Model framework is a first for New Zealand and supports the development of a high-performing construction sector in New Zealand and enhances the resilience of our partners, who have long-term agreements with us. They will be able to invest in people and we are allocating risk in a fair way. We have a mature and collaborative way of working to ensure our customers, company and partners are looked after. This framework involves a commitment to deliver a programme of work, rather than discrete projects, that will drive greater cost-efficiency and innovation.

Working with others

Specific strategies and plans where we are working with council include:

- Auckland Water Strategy

Specific strategies and plans where we are working with others include:

- Our Enterprise Model partners

We measure success through a combination of measures identified in other sections.

How we're delivering value

Financial capital and resources



Value created
Minimum-cost,
efficient,
financially-robust
provider

We work hard to operate efficiently so our services are affordable, now and in the future

We take our financial responsibilities very seriously, and operate efficiently and responsibly by:

- Effective planning of our infrastructure needs, reflected in our asset management plan (see Assets and Infrastructure section)
- Long term financial planning
- Continuously review and improvement of our performance
- Innovative procurement initiatives such as the Enterprise Model (see Intellectual Capital section).

Minimum-cost, efficient, financially robust provider both now and in the future

Long-term financial planning

Legislation mandates us to manage our operations efficiently, keeping costs to customers (collectively) at minimum levels while maintaining the long-term integrity of our assets. We ensure we invest in providing safe and reliable services not just today but for decades to come.

Our financial management is underpinned by robust plans and policies and supported by a comprehensive risk and audit programme. To be financially stable over the long term, we consider network age and resilience, risk, future demand, debt levels, interest costs and inter-generational equity. We are required not to pay a dividend to our shareholder and collect from our customers no more than what is needed to operate and reinvest in our network.

Our borrowings are sourced through Auckland Council's centralised treasury function. We work closely with Auckland Council's treasury and financial planning teams to ensure our debt and cash flow requirements align with council's forecasts and debt limits.

The challenge of our budget for the next 10 years is balancing our increased investment and service level needs with affordability for our customers and to be within the Council group's prudential debt limits. We are grateful to council for approving most of our increased investment programme over the course of the next 10 years and our proposed price path which sees an increase of 7% on 1 July 2022, followed by annual rises of 9.5% from 2023 to 2029. We will continue to work with council to monitor progress and any impact that deferrals, particularly renewals, may have on us being able to meet our performance targets and customer expectations.

We continue to monitor affordability which is still well below our threshold of 1.5% of Aucklanders' household income.

We will work closely with WUCAT to assess the impact of our price rises on our vulnerable customers (see our Customer and Stakeholder Relationship section).

Continuous review and improvement of our performance (WICS benchmarking review)

Watercare has been working with the Water Industry Commission for Scotland (WICS) to prepare for economic regulation. In our 2020 review WICS found:

- Our performance, while significantly better than much of New Zealand, has room for improvement.
- Our funding for asset renewals is less than the true economic cost of replacement. This means that at some stage in the future there will be a renewal catchup. WICS recommended we plan for this catchup now to ensure fair contribution to the cost of our network, across generations.
- The leverage available to us is significantly less than our international peers. This means our current customers are paying more than is fair for new assets and that we are unable to invest efficiently to build critical infrastructure.

Our engagement with WICS is ongoing. We are currently working with them to confirm baseline assumptions and reassess our operating performance. In a consultative capacity WICS is acting as a coach to develop regulatory capability within Watercare by giving insight about the level and quality of information required by an economic regulator.

Water reform

We are working closely with council to understand the government's Three Waters Reform proposals and what it means for Aucklanders. Watercare anticipates having a significant role to play in the Water Reform process. However, until more clarity is provided by the enabling legislation, DIA and the National Transition Unit, the scale Watercare's role, potential costs, the exact timeline, and any support funding available to us, cannot be accurately determined.

Watercare has a large team of experienced professionals with water and wastewater industry expertise who will be important in guiding the technical, financial and commercial elements of transition. Watercare will make key staff available to support the DIA to ensure it has access to Watercare's best resources and skills.

To date, we have established initial programme management activities and key workstream areas, including: iwi engagement; legal support; commercial; financial and technical advice. Over the coming year, Watercare anticipates that we will be involved in significant work to contribute to the Water Reform programme, including supporting the activities of the Northern Waters Group, and the work to stand up Entity A by the deadline of 1 July 2024. The workstreams that Watercare has identified (and which align with the workstreams of Auckland Council's Transition Office) are as follows:

- Iwi engagement – supporting iwi engagement activities associated with reform
- Legal support – due diligence, contract reviews, reform legislative support and guidance
- Commercial, financial and technical support – includes provision of financial, commercial and risk expertise from the business, including data and systems expertise to inform the integration process
- Other support – including staff involvement in reform across key technical areas, including Asset Management, Operations and Customer
- People and culture – including supporting the impact of reform on employees in Watercare, resource planning, organisational design, staff engagement and retention, and third party/union relationships.

Updates on these work programmes will be provided to Council via our quarterly reports.

Watercare's Board and Executive team are conscious of managing the impact of Water Reform on our staff, systems, and wider organisational functions. Obviously, continuity of our essential services leading up to, during, and after the transition is paramount.

Revenue opportunities

Guided by the 2019 Letter of Expectation to explore new revenue opportunities, Watercare entered a contract of service with Waikato District Council (WDC). WDC continues to own all assets while Watercare manages the infrastructure above and below the ground. It was originally intended we would consult with Auckland customers after a 21-month transition period. This transition period has been extended to 30 June 2024 while we work to understand the Three Waters Reform proposals.

Through our 2020 acquisition of a majority shareholding in Lutra Limited, we gain efficiencies from Lutra's software and by utilising their training platform. We have also grown revenue without compromising core services.

Efficiency savings

Watercare commits to working with the Council's Chief Executive to implement \$15 million of permanent cost reductions in the form of efficiency savings across the group in 2023/24, growing to \$30 million per annum from 2024/25 onwards. We are using the WICS work (refer above) and other benchmarking information to establish an efficiency programme which will be instigated in the 2022/23 financial year. We have also signaled our efficiency focus through the 2022/23 budgeting process, which includes cost reduction targets and expectations in relation to staffing levels, contract labour and professional fees.

The current Covid-19 effects are also reflected in actual operational and capital expenditure captured in the financials. The Covid-19 and current economic conditions are also considered in the asset revaluations.

Working with others**Specific strategies and plans where we are working with council include:**

- Three Waters Reform
- Delivering our AMP 2021-2041 to align with council's infrastructure strategy and to integrate planning with council and other CCOs
- Supporting council to prepare its 10-year budget for 2023-2032
- Auckland Water Strategy
- The introduction of an economic regulator
- Informing council of any proposals for new entities formed or acquired (in whole or part)

Specific strategies and plans where we are working with others include:

- Water Industry Commission for Scotland to continually review our economic performance
- DIA on Three Waters Reform

We measure success by:

Measure	Source	2021 Actual	2022 SOI	Next three year targets		
				2023	2024	2025
Minimum-cost, efficient, financially robust provider both now and in the future						
Percentage of household expenditure on water supply services relative to average household income	Watercare	0.85% Achieved	<1.5%	<1.5%	<1.5%	<1.5%
Debt to revenue ratio	Watercare	Set measure and establish baseline of 3.45 or lower – achieved – 2.89	≤3.54	≤3.61	≤3.46	≤3.77

1.4 About us – statement of the board’s approach to governance



The Directors and the Management team are committed to ensuring the company applies best-practice governance policies and procedures. The company has one subcommittee, being the Audit and Risk Committee chaired by Hinerangi Raumati Tu’ua.

Our board undergoes board performance reviews biannually, in line with the council-adopted process.

Watercare ensures we fulfil the public meetings stipulation of the Local Government (Auckland Council) Act 2009 which requires Auckland Council’s CCOs to hold two public meetings a year and the timing for these is set out below. Dates and times are publicly notified in advance with agendas and minutes made available on our website.

Date	Purpose	Form of public notification
7 June 2022	Consider shareholder comments on draft SOI	Public notice
1 November 2022	Consider performance against SOI targets	Public notice
May/June 2023	Consider shareholder comments on draft SOI	Public notice

Watercare works diligently to meet our legal obligations and act in accordance with the Statement of Expectations of substantive council-controlled organisations (SOE), which sits alongside this SOI and forms part of the annual binding agreement between council and Watercare. We operate under a no-surprises policy and inform the Mayor, councillors or Local Boards (as appropriate) well in advance of anything that could be potentially contentious, whether or not the issue is covered by the SOI or legislation. We also ensure that if an issue is likely to attract public interest, that the Mayor, Councillors and/or Local boards (as appropriate) are fully briefed.

We are committed to participating in the design and implementation of group-wide policies. Watercare is also supportive of the development of Council group foundation principles and standards (where required).

See *Our legislative framework* in Appendix A for more information on our legal responsibilities.

Subsidiaries

We are a majority shareholder of Wellington-based software and process engineering company Lutra Limited (Lutra). Lutra has a small and highly skilled team of industry experts providing software and technical services to improve the performance of people and processes involved in water and wastewater operations. Lutra’s board has three directors of which Watercare executives hold two positions, including the chair. Watercare’s board receives and approves Lutra’s SOI and receive half-yearly updates from our executive directors.

Managing risk

We have an established risk management policy and framework, which follows the guidance of the ISO 31000 risk management standard. Risks are identified and evaluated using likelihood and consequence scores and ranked. The highest-ranked and most significant emerging risks are regularly reviewed by senior management and the board via management and board-level reporting.

As part of the risk management framework, Watercare management has a Risk Management Steering Committee to monitor emerging risk and risk-mitigating actions and strategies.

The internal audit function produces an annual plan that is approved by our Audit and Risk Committee with management's quarterly reporting against the plan to the committee. The Audit and Risk Committee maintains oversight of progress and must be satisfied that recommendations arising from internal audit's work are fully addressed by management.

Watercare also provides council's Audit and Risk Committee with a quarterly report outlining our risk management framework, approach, processes and an overview of the top risks with associated mitigation actions. We proactively report on all significant risks and issues and their management to ensure no surprises, transparency and that significant risks are being appropriately managed.

Measuring our performance

We have an agreed set of performance measures and targets which form the basis of accountability for delivering on council's strategic direction, priorities and targets. These are reported on a quarterly basis in accordance with the governance manual for substantive CCOs.

The measures and targets include those aligned with our six capitals, and the mandated non-financial measures of the Department of Internal Affairs and those that were agreed with council as part of the LTP 2021-2031.

Our commitment

Watercare supports the council's drive for greater transparency in budgeting, operating expenditure and reporting and is committed to:

- Demonstrating value for money across all expenditure
- Continuing to work with council to align our capital investment programme with council's 10-year budget. In particular, Watercare will:
 - take account of political direction on key changes proposed by the Mayor and governing body; and
 - continue to undertake comprehensive reviews of our AMP, performance trends, budgets and fee settings. In doing so, we will follow best-practice asset planning processes and do so in a highly transparent manner.
- Sharing key information in our AMP (which includes asset condition, renewals planning, maintenance and renewals procurement, asset-related cost trends and asset planning for growth)
- Benchmarking front-line and back-office expenditure, including regularly publishing results on Watercare's website
- Keeping a strong focus on managing sensitive expenditure lines.

Watercare recognises the affordability challenges council faces and acknowledge there is limited capacity for new cost pressures, new funding request or unforeseen events in relation to funding and we commit to continuing to work with council in this regard. We also keep council informed, via our quarterly reports, of any significant operational challenges that might occur in the future.

We commit to working with council to finalise the implementation of the findings of the 2020 CCO Review.

Part 2: Statement of performance expectations

2.1 Introduction

The last few years have presented unprecedented challenges with Covid-19 and the severe and extended drought. Watercare has met these challenges head on, investing heavily to augment water supply, improve network performance and reduce demand. We carried out work to increase Auckland's water supply by 100 MLD, or enough to meet the residential and commercial needs of at least 400,000 (the population of Palmerston North, Tauranga and Hamilton combined). The increased supply capacity and the processes we developed to deliver at pace will serve us well as we look to the future.

Over the last five years we have invested more than \$2 billion in our networks while increasing net debt by just \$365m. Our robust and prudent financial planning and efficient delivery has allowed investment of this scale without compromising our exceptional, resilient and affordable services.

We are committed to continue providing safe and reliable water and wastewater services to Aucklanders and to work with council toward Auckland Plan outcomes. Our programme for the next year reaffirms our commitments:

Auckland Water Strategy

The Auckland Water Strategy will enable council decisions and investments to contribute to improving Te Mauri o te Wai, via the eight strategic shifts that are part of the strategy (Appendix C illustrates the Auckland Water Strategy Strategic Framework, including the vision, two cross-cutting themes and eight strategic shifts). Demand management is an early focus of the Strategy. Average gross daily consumption targets per person have been set at 253 litres by 2025, 247 litres by 2030 and 225 litres by 2050. The targets and a set of initiatives to achieve them are included in the LTP 2021-2031. Key investments by Watercare for the 2030 targets are implementing a residential smart meter programme and managing leakage to the Economic Level of Leakage (ELL). Watercare will provide regular progress reports to Council on the smart meter programme, and the ELL will be reported on via quarterly reports.

Council contributes to achieving these targets by implementing new policy and regulation such as allowing rain tanks to be plumbed into new homes.

In response to the drought Aucklanders made significant reductions to overall demand. Our ability to meet the Auckland Water Strategy targets will depend on the strength of our relationship with the people we serve. Our goal is for Aucklanders to remain part of a movement that values tap water as they value water in the natural environment. We will continue our proactive advertising and communication campaigns to further encourage Aucklanders to be more water efficient, build water-efficient homes and install water-efficient fittings and appliances (Refer Action Point 5.6).

We will also implement the Watercare aspects of the adopted water consumption targets (April 2021) and continue to work collaboratively on modelling, monitoring and reporting of targets (refer Auckland Water Strategy)

- update our Water Efficiency Plan 2021-2025 to align with the Auckland Water Strategy.

Water Reform

In July 2020, the government launched its Three Waters Reform Programme, a three-year programme to reform local government three waters service delivery. An Exposure Draft of the water services entity bill was released in December 2021 that provides details of the government proposal. The entities remain public, separated from local authorities and with mechanisms to recognise Treaty rights and interests to prevent future privatisation. The government has recommended aggregation to four new multi-regional water services entities across New Zealand. Under this proposal Auckland would join with Northland. Professional directors would be appointed to the boards by a representation group with members from local councils and iwi. The entities will be monitored and regulated through Taumata Arowai and a new economic regulator. The National Transition Unit will appoint Local Establishment Entity Boards in mid 2022 that will oversee the transition into the new entities by 1 July 2024.

Water reform is being mandated by government. We are working closely with council to understand what water reform means for Aucklanders both now and in the future and will be supporting council's transition process as the programme advances.

Water Industry Commission for Scotland (WICS) review

Watercare has been working with the Water Industry Commission for Scotland (WICS) to prepare for economic regulation. 2020 was the first year we engaged WICS. They have made several recommendations that management is working through. These recommendations will be shared with council.

CCO review recommendations

We are working with council to close out the recommendations of the CCO Review Panel.



Public open day - Central Interceptor Wastewater Tunnel project

2.2 How we will deliver – annual work programme

Key activities and programmes over the coming financial year are below. We measure success through the performance measures and targets documented under each sub-section of section 1.3 Nature and scope of activities – ‘what we do’.

Our contributions to the Auckland Plan	Primary capital	Significant activities and programmes over the coming financial year	Direct expenditure \$m	Capex budget \$m
Deliver safe and reliable water services 24/7		<ul style="list-style-type: none"> Water operating activities Prepare to meet Taumata Arowai water quality regulations once they are in place Implementation of the new Auckland Water Strategy prepared by Auckland Council, including the continued roll out of smart meters and a reduction in network leakage to ELL Continue planning the Huia Water Treatment Replacement Plant to help meet peak demand and improve system resilience 	\$105	Refer to page 33
Deliver safe and reliable wastewater services 24/7		<ul style="list-style-type: none"> Wastewater operating activities Via TARP (Targeted Asset Replacement Programme), expand the Inflow and Infiltration reduction programme and network renewals programme, to improve and coordinate cost effective asset refurbishment Deliver a new Wastewater Network Strategy to update the 2017 Strategy, and in the meantime, continue work to reduce overflows 	\$242	Refer to Page 33 below
Minimum cost, efficient, financially robust provider both now and in the future & industry leading thinking and processes	 	<ul style="list-style-type: none"> Work collaboratively with the National Transition Unit, the Local Establishment Entity and Auckland Council, including Healthy Waters, on transition to a new water services entity (Entity A). Continue to work closely with Council to provide advice and support to the government on the development of an economic regulator. Build on regulatory capability within Watercare ahead of economic regulation. Continue collaborating with Council on the finalisation, and then implementation of Climate Related Financial Disclosure (TCFD) reporting requirements Continue our engagement with WICS to confirm baseline assumptions and reassess our operating performance Continue to develop and deliver our Enterprise Model Target efficiency savings against current opex costs In line with the Economic Development Action Plan action: 5.2.1 Investigate water-use precincts co-located near Rosedale and Māngere Wastewater Treatment Plants, we are currently in the process of building our first reuse plant at Māngere WWTP which will provide recycled water for the Central Interceptor construction. We are also investigating irrigation near Rosedale 	Within Operating and Capital Budgets	N/A
High performing infrastructure (reliable and resilient now and in the future)		<ul style="list-style-type: none"> Continue work to optimise our AMP Implement the Auckland Water Strategy including continuing our leak detection programme to meet the ELL, including understanding what is required to design, measure and implement water infrastructure that is regenerative, resilient, low carbon and increases the mauri of water. Actively engage with Council in the development of the Auckland Future Development Strategy and additions to the Infrastructure Strategy 	Within Water and Wastewater Opex budgets	\$121

Our contributions to the Auckland Plan	Primary capital	Significant activities and programmes over the coming financial year	Direct expenditure \$m	Capex budget \$m
Future-proofed growth and supply assurance		<p>We currently have under construction:</p> <p>Water (growth, level of service and renewal)</p> <ul style="list-style-type: none"> • Ardmore to Redoubt Rd watermain • Nihotupu No.1 and Huia No.1 watermain replacement • Smart meter programme <p>Wastewater (growth, level of service and renewal)</p> <ul style="list-style-type: none"> • Central interceptor • Northern interceptor • Pukekohe wastewater treatment plant upgrade • Western Isthmus Water Quality Improvement Programme • Warkworth-Snells-Algies wastewater network <p>Wastewater renewals across the city</p>		\$612
Protect and enhance our natural environment		<ul style="list-style-type: none"> • Continue our work with our Enterprise Model partners to develop processes to reduce carbon associated with infrastructure projects. This includes developing a carbon portal to measure emissions related to infrastructure builds, also included within the EDAP • Continue our work with customers to reduce water demand to ensure we achieve the targets in the Auckland Water Strategy 	Within Water and Wastewater Opex budgets	Within Capex budgets above
Enhance our partnerships and strong relationships with Māori in Tāmaki Makaurau		<ul style="list-style-type: none"> • Continue to deliver on our Achieving Māori Outcomes Plan • Build on the recently launched procurement programme to source 5% from Māori owned businesses by the end of 2025 • Continue our work with The Mana Whenua Managers Kaitiaki Forum (MWMKF). Watercare hosts the bi-monthly meetings of MWMKF • Recognise the impact of water reforms on iwi and continue to strengthen existing partnerships and build new ones that represent Māori communities 	<p>Māori Outcomes team included in Opex</p> <p>FY23 Target 2% procurement from Māori owned businesses</p>	N/A
Customer trust and value through exceptional performance and engagement		<ul style="list-style-type: none"> • Finalise the implementation of CCO review recommendations • Launch a Customer Panel who will be engaged on a regular basis to help guide our decision making • Participate in a collaborative working group with Council to assess and define a water literacy framework (Auckland Water Strategy Action 2.1) • Increasingly segment our customer base to engage in ways that are relevant to them and increase water literacy and trust • Continue the deliberative democracy project with Koi Tū Centre for Informed Future to ensure we get a collaborative future/outcomes 	Within Water and Wastewater Opex budgets	N/A
Safe, engaged and empowered team		<ul style="list-style-type: none"> • Continue building capability through our staff development and training programmes • All employees to have an annual target of 10 hours of training, including two hours in Health, Safety and Wellness in their personal KPIs • Improve inequalities across the business 	Within Water and Wastewater Opex budgets	N/A

2.3 Financial statements for the long-term plan

Operating budgets (\$million)	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
Revenue	778.5	765.3	925.6	985.4	1053.0
Fees and charges	510.7	615.5	586.9	656.2	703.9
Grants and subsidies	2.1	-	-	-	-
Other revenue	265.7	149.8	338.7	325.9	349.1
Direct expenditure	315.6	308.9	347.7	349.2	347.1
Employee related costs	88.2	79.3	77.8	78.8	78.5
Grants, contributions, sponsorship	0.3	0.4	0.0	0.0	0.0
Other expenditure	227.1	229.2	269.9	270.4	268.6
Net direct expenditure (income)	(462.8)	(456.3)	(577.9)	(636.1)	(705.8)
Funding from Auckland Council	0.0	-	-	-	-
Revenue from vested assets	(48.5)	(69.0)	(65.5)	(62.2)	(58.7)
Other non-operating income		-	-	-	-
Net finance expense*	88.4	100.5	115.6	127.4	141.4
Depreciation and amortisation	270.5	245.9	273.3	280.6	315.0
Net losses (gains)	8.6	8.0	8.0	8.0	8.0
Income tax	39.3	55.7	80.7	99.4	110.2
NET EXPENDITURE (INCOME)	(104.6)	(115.2)	(165.8)	(182.9)	(190.0)
Net direct expenditure by area					
Expenditure (\$million)	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
Net direct expenditure (income)	(462.8)	(456.3)	(577.9)	(636.1)	(705.8)
Wastewater Service	(347.6)	(336.0)	(355.8)	(402.3)	(468.3)
Water Supply	(115.2)	(120.3)	(222.1)	(233.9)	(237.6)

*The revised LTP numbers have been adjusted for known changes since the LTP was adopted. Adjustments factor in impacts due to Covid-19, drought, inflation, and performance differences that have occurred since the LTP. The net finance expense also includes Capitalised interest.

Capital expenditure

Expenditure (\$million)	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
- to meet additional demand	495.7	342.4	341.7	369.3	444.2
- to improve the level of service	80.7	102.9	123.2	103.9	82.0
- to replace existing assets	187.7	301.0	249.8	299.6	403.9
Total capital expenditure excluding capitalised interest	764.0	746.2	714.7	772.8	930.2
Capitalised interest	34.1	28.1	34.1	39.5	39.5
Total capital expenditure including capitalised interest	798.2	774.3	748.8	812.3	969.6

Sources of capital funding	798.2	774.3	748.8	812.3	969.6
Infrastructure growth charge	196.9	114.7	198.5	174.6	188.9
Debt	354.9	389.9	258.9	262.0	353.0
Asset sales	9.8	-	-	-	10.0
Operating surplus (Net direct income less IGC & finance expense)	211.6	269.2	297.9	373.6	415.1
Working capital	24.9	0.5	(6.5)	2.1	2.6

Specific expenditure towards Māori outcomes

Initiatives (\$millions)	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
Iwi engagement on Watercare projects	1.4	1.3	1.3	1.4	1.4

Other financial information

Current value of assets	The current value of Watercare's assets as 30 June 2021 was \$12.6 billion as disclosed in the audited financial statements.				
Accounting policies	Watercare's accounting policies are consistent with Auckland Council's group policies, except in relation to capitalised interest.				
Financial reporting	Watercare's financial reporting to Auckland Council will be in accordance with the requirements of the group.				
	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
Asset sales (\$million)	10.0	8.0	8.0	8.0	8.0
Shareholder equity ratio	65%	63%	76%	75%	73%

Detailed capital expenditure list

Detailed Capital Expenditure List (\$million)	2020/21 Actual	2021/22 Annual Plan	2022/23 Revised LTP*	2023/24 Revised LTP*	2024/25 Revised LTP*
Capital Expenditure (excluding capitalised interest)	764.0	746.2	714.7	772.8	930.2
Water Sources					
Additional water sources	26.4	24.5	-	-	-
Water sources other programmes	5.9	3.3	0.2	5.4	10.3
Water TRL and KO Programme	6.1	-	-	19.7	24.1
Waikato 50 and Waikato A water treatment plant	123.8	20.9	1.9	41.7	86.0
Wellsford water supply	0.1	1.6	-	1.4	10.5
Water treatment other programmes	8.2	6.2	3.6	33.2	45.5
Local water network renewals	21.7	34.2	14.2	23.3	54.9
North Harbour 2 watermain	0.9	-	-	9.4	22.6
Other water networks	70.9	81.7	35.1	62.6	155.6
Huia 1 watermain replacement	14.0	36.4	32.3	0.2	-
North Shore boost pumping	13.0	7.5	1.9	-	-
Other water projects	1.8	27.0	22.3	21.0	9.2
Total Water	292.8	243.3	111.5	217.9	418.7
Wastewater Networks					
Central interceptor	149.0	240.3	280.7	144.0	77.4
Local sewer network renewals	18.1	7.6	7.2	9.3	11.4
Northern interceptor	20.6	25.0	47.0	50.2	6.0
Southern interceptor augmentation	-	6.2	26.1	19.5	0.1
Western isthmus programme	3.5	12.3	26.2	57.8	57.7
Wastewater network other programmes	38.3	44.4	41.1	51.4	105.8
Otara catchment upgrades	0.2	9.9	15.1	0.7	-
North Shore trunk sewer and pump station upgrades	11.5	24.1	22.1	23.2	27.9
North East Sub-regional wastewater servicing	33.6	42.7	60.4	61.4	13.3
South West Sub-regional wastewater servicing	14.1	6.6	9.9	59.5	59.5
Rosedale WWTP upgrade	13.3	6.2	2.1	4.8	40.2
Pukekohe WWTP upgrades	45.6	6.2	0.3	-	-
Waste water treatment other	8.2	40.0	28.5	24.7	59.7
Pukekohe trunk sewer upgrades	53.8	2.4	14.8	11.9	2.9
Other wastewater projects	47.4	1.5	2.7	7.1	32.2
Total Wastewater	457.2	475.4	584.2	525.5	494.1
Shared Service					
Shared Service Programmes	14.0	27.5	19.0	29.4	17.3
Capital Expenditure (excluding capitalised interest)	764.0	746.2	714.7	772.8	930.2

Appendix A – Our legislative framework

As a CCO, we have principal objectives under Section 59 of the **Local Government Act 2002** in carrying out our activities and functions, including to:

- Achieve the objectives of Auckland Council, both commercial and non-commercial, as specified in this Statement of Intent (SOI)
- Be a good employer (as defined in Clause 36 of Schedule 7 of the Local Government Act 2002)
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which we operate and by endeavouring to accommodate or encourage these interests when we are able to do so.

Our obligations to deliver water and wastewater services for Auckland are established under Part 5, Section 57(1), of the **Local Government (Auckland Council) Act 2009**, which stipulates that an Auckland water organisation:

- 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
- Must not pay any dividend or distribute any surplus in any way, directly or indirectly, to any owner or shareholder
- Is not required to comply with Section 68(b) of the Local Government Act 2002 (avoiding the requirement to pay a dividend)
- Must have regard for public safety (eg safety of children in urban areas) in relation to its structures.

Also, under the legislative framework:

- We must give effect to the relevant aspects of the Council's Long-term Plan, act consistently with other specified plans and strategies of the Council and ensure compliance at all times with Sections 57 and 58 of the Local Government (Auckland Council) Act 2009.
- At least two board meetings a year are required to be held in public: one before 30 June to consider the Council's comments on the draft SOI for the upcoming financial year, and one after 1 July to consider our performance under the SOI for the previous financial year. In practice, all our board meetings are open to the members of the public (with our constitution and Section 7 of the **Local Government Official Information and Meetings Act 1987** permitting certain private matters to be dealt with in private).
- Our financial statements, the SOI and specified long-term plans must be audited by the Auditor-General, or by an auditor acting on behalf of the Auditor-General.
- The Auditor-General is the auditor of Watercare's financial statements. The Auditor-General has appointed Brett Tomkins, using the staff and resources of Deloitte, to undertake the external audit work on behalf of the Auditor-General, in accordance with the Auditor-General's Audit Standards, which incorporate New Zealand Auditing Standards. Deloitte must satisfy the independence requirements of the Auditor-General and External Reporting Board.

Further legislative requirements include:

Taumata Arowai – the Water Services Regulator Act 2020: Under this legislation the principal regulators for water quality include Auckland Council, Waikato Regional Council, and Taumata Arowai.

Water Services Act 2021: This Act requires all persons who perform or exercise functions, powers, and duties under the legislation to give effect to Te Mana o te Wai. This parallels requirements imposed on local authorities under the National Policy Statement for Freshwater Management, and on Taumata Arowai under the Taumata Arowai – the Water Services Regulator Act. In particular, the purpose of the Act is to ensure that drinking water suppliers provide safe drinking water to consumers. New Drinking Water Standards, new Drinking Water Aesthetic Values and new Drinking Water Quality Assurance Rules come into effect on 14 November 2022, Watercare will ensure its operations are set up to comply with the new Standards and Values.

As part of its governance arrangements, Taumata Arowai has Te Puna -Māori Advisory Group that is charged with advising on Māori interests and knowledge as they relate to the objectives, functions, and principles of Taumata Arowai. This includes—

- developing and maintaining a framework that provides advice and guidance on how to interpret and give effect to Te Mana o te Wai:
- providing advice on how to enable mātauranga Māori, tikanga Māori, and kaitiakitanga to be exercised.

The Health Act 1956 Schedule 1AA includes transitional provisions relating to fluoridation of Drinking Water.

Health Act 1956: aims to protect public health by improving the quality of drinking-water provided to communities.

Health and Safety at Work Act 2015: Sets out the principles, duties and rights in relation to workplace health and safety. A guiding principle is that workers and others need to be given the highest level of protection from workplace health and safety risks, as is reasonable.

Climate Change Response Act 2020: Section 5ZW(2) creates an obligation for Watercare if the Minister or the Commission makes a request for information as provided for at subsection (1).

Resource Management Act 1991: Focuses on the health of the environment.



Floating solar array, Rosedale Wastewater Treatment Plant

Appendix B - 14 x Department of Internal Affairs non-financial measures^ and 1 x Auckland Plan Measure

No.	Capital	Measure	2020/21 Actual	2021/22 Target	2022/23	2023/24	2024/2025
1		Compliance with the territorial authority's resource consents for discharge from our sewerage system measured by the number of: (a) abatement notices (b) infringement notices (c) enforcement orders (d) convictions received by Watercare in relation to those resource consents	(a) 0 (b) 0 (c) 0 (d) 0	(a) ≤2 (b) ≤2 (c) ≤2 (d) 0			
2		The average consumption of drinking water per day per resident within the territorial authority district (*litres plus/minus 2.5%) (12-month rolling average)	245.6	260 litres*	258 litres*	256 litres*	254 litres*
3		The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%	100%
4		The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%	100%
5		Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (minutes)	56 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
6		Median response time for resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (hours)	2.8hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
7		Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (days)	1.0 day	≤5 days	≤5 days	≤5 days	≤5 days
8		Median response time for resolution of non-urgent 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)	1.3 days	≤6 days	≤6 days	≤6 days	≤6 days
9		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) Watercare's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	9	≤10	≤10	≤10	≤10
10		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)	51	≤60 mins	≤60 mins	≤60 mins	≤60 mins
11		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)	2.5 hours	≤ 5 hours	≤ 5 hours	≤ 5 hours	≤ 5 hours

No.	Capital	Measure	2020/21 Actual	2021/22 Target	2022/23	2023/24	2024/2025
12		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 Watercare's sewerage system	29.5	≤50	≤50	≤50	≤50
13		The percentage of real water loss from the territorial authority's networked reticulation system (12-month rolling average)	13.7%	≤13%	≤13%	<13%	<13%
14		The number of dry-weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0.86	≤5	≤5	≤5	≤5
15		Average number of wet-weather overflows per engineered overflow point per discharge location (12-month rolling average)	0.5	≤2 overflows per year			

^ Measures 1-14 are Long-term Plan measures

* Measures 5-11. Watercare has deferred a portion of our enhanced network asset renewals programme. This deferral could impact the number of faults on our network assets, therefore impacting the ability to meet the SOI targets in future years. We have held the targets at the 2020/21 levels, but realise there is a risk to the delivery to these targets and have agreed with council to jointly monitor and review the targets over the coming year



The moon over Watercare's Central Interceptor Tunnel Boring Machine, named Hiwa-i-te-rangi. The TBM was named after one of the Matariki stars to which Māori would send their dreams or aspirations for the new year.

Appendix C – Auckland Water Strategy – Strategic Framework

Water Strategy Strategic Framework									
Our Vision	Te mauri o te wai, the life-sustaining capacity of Auckland’s water, is protected and enhanced								
Our Treaty Context	The Council and mana whenua must take a partnership approach to the protection, management and enhancement of water								
Our Over-arching Challenges	<ol style="list-style-type: none"> 1. Protecting and enhancing the health of waterbodies and their ecosystems 2. Delivering 3-waters services at the right time, in the right place, at the right scale, as the city grows 3. Having enough water for people now and in the future 4. Reducing exposure to water-related natural hazard risk over time. 5. Affordability for Aucklanders 6. Improving how the council works with its treaty partners 7. Improving how the council organises itself 								
Our Cross-cutting Themes	<p>Equity and Affordability: Equitable access to essential services and affordable investment</p> <p>Climate Change: Mitigating and adapting to the impacts of climate change</p>								
Our Strategic Shifts	<table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 50%; padding: 5px;"> 1 Te Tiriti Partnership The council and mana whenua working together in agreed ways on agreed things </td> <td style="width: 50%; padding: 5px;"> 2 Empowered Aucklanders The council working with Aucklanders for better water outcomes </td> </tr> <tr> <td style="padding: 5px;"> 3 Sustainable Allocation and Equitable Access Prioritising mauri when using water, to sustain the environment and people in the long term </td> <td style="padding: 5px;"> 4 Regenerative Water Infrastructure Ensuring Auckland’s water infrastructure is regenerative, resilient, low carbon, and increases the mauri of water. It should be seen and understood by Aucklanders </td> </tr> <tr> <td style="padding: 5px;"> 5 Water Security Creating water abundance and security for a growing population through efficient use and diverse sources </td> <td style="padding: 5px;"> 6 Integrated Land Use and Water Planning Integrating land use and water planning at a regional, catchment and site scale </td> </tr> <tr> <td style="padding: 5px;"> 7 Restoring and Enhancing Water Ecosystems Taking catchment-based approaches to the health of water ecosystems </td> <td style="padding: 5px;"> 8 Pooling Knowledge Fostering a shared understanding enabling better decisions for our water future </td> </tr> </tbody> </table>	1 Te Tiriti Partnership The council and mana whenua working together in agreed ways on agreed things	2 Empowered Aucklanders The council working with Aucklanders for better water outcomes	3 Sustainable Allocation and Equitable Access Prioritising mauri when using water, to sustain the environment and people in the long term	4 Regenerative Water Infrastructure Ensuring Auckland’s water infrastructure is regenerative, resilient, low carbon, and increases the mauri of water. It should be seen and understood by Aucklanders	5 Water Security Creating water abundance and security for a growing population through efficient use and diverse sources	6 Integrated Land Use and Water Planning Integrating land use and water planning at a regional, catchment and site scale	7 Restoring and Enhancing Water Ecosystems Taking catchment-based approaches to the health of water ecosystems	8 Pooling Knowledge Fostering a shared understanding enabling better decisions for our water future
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7 Restoring and Enhancing Water Ecosystems Taking catchment-based approaches to the health of water ecosystems	8 Pooling Knowledge Fostering a shared understanding enabling better decisions for our water future								
Our Implementation	Co-ordination, Capacity and Capability across the Council Group								



Attachment 2



Watercare Services Limited

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www.watercare.co.nz

10 June 2022

Mayor Phil Goff
Mayor of Auckland
Private Bag 92300
Victoria Street West
Auckland 1142

By email

Tēnā koe Mayor Goff,

Watercare's greenhouse gas emission profile and short-term emission trend

Under our no surprises policy, I am writing to you to provide an update regarding changes to the reported greenhouse gas (GHG) emissions for Watercare Services Limited as well as the annual performance trajectory that we are including in the Statement of Intent 2022-2025.

Watercare emissions reduction targets

Watercare has three established targets for reducing GHG emissions in line with keeping global warming within 1.5 degrees Celsius and the direction set by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

- Reduce construction emissions by 40% by 2025
- Reduce operational emissions by 50% by 2030
- Net zero emissions by 2050

Update to operational GHG emissions profile

The measurement and reporting of greenhouse gas emissions is a vital step in meeting climate targets. Watercare has been reporting its emissions for over 10 years. Over that time there have been several improvements in the methodology used as emissions factors change and reporting standards are updated. There have also been changes to Watercare's operations to update.

We have recently adopted new methodology for measuring wastewater emissions (which is now our most significant source of emissions). This methodology is globally recognised by the IPCC and has been refined for adoption in New Zealand through the WaterNZ Climate Change Special Interest Group. Details of this best practice methodology are set out in Appendix A.

The new methodology has resulted in a significant increase on the total reported volume of emissions. We note that Watercare's actual emissions have not changed – rather the method of calculating our emissions has been updated and now reflects global best practice.

Watercare's reported carbon footprint baseline (FY2018) has increased from 27,152 tCO₂e to 68,499 tCO₂e for scope 1 and 2 emissions. Accordingly, this is the value that Watercare is now using for our target setting. The significant increase associated with this new measurement is in the wastewater emission arena. Therefore, we are focussing most of our efforts and investments in our wastewater production facilities. We remain steadfastly committed, in light of the climate emergency, to meeting the above targets by 2030 and 2050.

Our future work to further validate the figures

We note that the emissions factors provided still have a degree of uncertainty with them as they are based on a combination of global research and monitoring from similar plants overseas. Wastewater is a biological process and will be different for each plant. Watercare has agreed a priority action to further improve the understanding of the specific emissions from each of our treatment plants through direct monitoring as part of

our climate response. This is a first for New Zealand and considered leading in the water industry globally. Please note that this will lead to further refinement of our reported emissions footprint and the potential need for re-baselining our wastewater emissions as well as future SOI targets as direct measurement information is received.

Puketutu is not included

This update does not include emissions relating to biosolid disposal at Puketutu Island. The international guidance does not accommodate for this unique environment and a more detailed investigation of the complex reporting process for this emission source has been initiated. We aim to include this emission source in future reporting and SOI targets once we have confidence in the figures. This approach will be verified through our greenhouse gas audit firm Toitu Envirocare.

Emissions trend for next three years (SOI performance) and beyond

Watercare plans to include an annual performance target for the first time as part of the SOI 2022-2025. The targets for the SOI period follow our proposed emission reduction roadmap towards meeting the goal of 50% reduction in emissions by 2030. Refer to table below. Appendix B details the breakdown of these targets.

	2021	2022 (forecasted)	2023 SOI	2024 SOI	2025 SOI
tCO ₂ e	73,459	72,503	73,200	73,600	73,900
Annual change		-1%	+1%	+0.5%	+0.5%

Based on our calculations, for the next three years a steadying of emissions and even a slight increase is anticipated before large decreases start from 2025 (not shown in the above table).

Without intervention we would expect to see emissions steadily increase. However, in line with our Climate Action Plan and Asset Management Plan, Watercare is already working on various projects that will result in decreasing emissions towards 2030 (i.e., upgrades of biogas engines to no longer need natural gas) and will be ensuring our upgrades and renewals also support our climate targets.

Conclusion

We recognise that the emissions trajectory over the next three years is not an ideal situation. However, to ensure there are no-surprises, we wanted to provide you with a detailed background to our emissions planning before the SOI 2022-2025 emissions targets are published publicly in late June (one week prior to our 5 July 2022 public board meeting).

Watercare also wishes to re-emphasise our commitment to climate leadership and meeting the targets established in Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

If you have any questions in respect of our update, please let me know.

Yours sincerely



Margaret Devlin

Chair

Watercare Services Limited

Copy to: Deputy Mayor Bill Cashmore
Councillor Linda Cooper, Watercare Liaison
Councillor Richard Hills, Chair Environment and Climate Change Committee
Councillor Desley Simpson, Chair Finance and Performance Committee
Jim Stabback, Chief Executive, Auckland Council
Matthew Blaikie, Chief Sustainability Officer, Auckland Council

Appendix A: Background to the new emissions methodology now used by Watercare to calculate Scope 1 from wastewater:

- The change in methodology stems from the 2019 Refinement to the 2006 IPCC Guidelines on National Greenhouse Gas Inventories (2019 Refinement) and have a focus on methane and nitrous oxide, two potent GHGs.
 - https://www.ipcc-nggip.iges.or.jp/public/2019rf/pdf/5_Volume5/19R_V5_6_Ch06_Wastewater.pdf
- This guidance has since had additional refinement and adoption in New Zealand through the WaterNZ Climate Change Special Interest Group (SIG) publication of Carbon Accounting Guidelines for Wastewater Treatment: CH₄ and N₂O in 2021.
 - https://www.waternz.org.nz/Article?Action=View&Article_id=2078
- Through annual greenhouse gas verification in 2020 and 2021 our audit partner Toitu Envirocare has identified these new standards and recommended that we adopt them for our reporting.

Appendix B: Emissions pathway (proposed SOI targets for 2023-2025), including breakdown behind the figures

	2021	2022 (forecasted)	2023 SOI	2024 SOI	2025 SOI
tCO ₂ e	73,459	72,503	73,200	73,600	73,900
Annual change		-1%	+1%	+0.5%	+0.5%

The above projection has been based on the following breakdown

- Natural gas remains constant over the three years. This is balanced between operator optimisation and increasing treatment plant loads.
- Fuel consumption decreases by 25% over three years based on fleet rationalisation and ongoing purchase of BEV/PHEV and hybrid vehicles
- Wastewater process emissions increase by 4% based on roadmap projection, mainly driven by population increase
- Electricity emissions decrease by 4% based on a combination of increases due to population growth minus emission reductions from projects such as new solar arrays.

Attachment 3



Watercare Services Limited

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www.watercare.co.nz

29 July 2022

Mayor Phil Goff
Mayor of Auckland and Chair of the CCO Oversight Committee
Private Bag 92300
Victoria Street West
Auckland 1142

BY EMAIL

Tene koe Mayor Goff

Watercare's response to the shareholder's comments on the draft Statement of Intent 2022-2025

On behalf of the Board of Watercare Services Limited (Watercare), I would like to thank you for the shareholder comments on our draft Statement of Intent 2022–2025 (SOI) set out in your letter of 18 May 2022.

I am pleased to **attach** a revised version of Watercare's SOI. This updated version of our SOI addresses the shareholder comments.

The revised SOI:

- Provides greater alignment and reference to the Auckland Water Strategy vision, shifts actions as noted in the report that went to the CCO Oversight Committee on 26 April 2022.
- Provides clarity on how Watercare will meet and report on the Waikato River consent conditions as they relate to both investigating options for the reduction of reliance on the Waikato River and the required governance arrangements to investigate this.
- Notes that our Watercare's Te Rua Whetū – Māori Outcomes & Relationships Unit, has strong relationships with their counterpart teams at Council and other CCOs, and is committed to explore opportunities to improve the consistency between CCOs in how they contribute to Kia Ora Tāmaki Makaurau.
- Notes that Watercare will work alongside Council's Ngā Mātārae and the Māori Outcomes Steering Group to achieve stronger alignment with Kia ora Tāmaki Makaurau regarding:
 - a) rangatahi/ intern opportunities; and
 - b) key performance indicators relating to Māori outcomes.
- Includes an SOI Performance measure relating to procurement sourced through Māori owned business.
- Strongly supports the implementation of actions identified in in Te Tāruke-ā-Tāwhiri.
- Confirms that Watercare will participate in the annual infrastructure strategic alignment process by providing updated AMP information to Council at the end of June every year.

- Includes updated financials where the measures and targets reflect agreed Long-term Plan measures and targets, with agreed variances from these being clearly identified.
- Includes support for Auckland Water Strategy's commitment to achieve the vision of Te Mauri o te Wai in each of the water strategy shifts.
- Includes a commitment to comply with Taumata Arowai's New Drinking Water Standards and Drinking Water Aesthetic Values come into effect on 1 July 2022.
- Reinstates the Economic Development Action Plan action: 5.2.1 Investigate water-use precincts co-located alongside wastewater reuse opportunities.
- More explicitly outlines the areas of work that we expect to undertake over the coming year to meet the timeframes and obligations expected from the water reform.

With regard to the request for a back calculation for the Economic Level of Leakage (ELL), we note that the economic level of leakage is a detailed model including a complex set of inputs including the costs of water, leak detection, pressure management and renewals. These models are down to a catchment level and require a significant amount of data. As a result, Watercare will focus resource on updating the ELL for the future, to determine a new target, as opposed to calculating what the ELL would have been in the past. For periods prior to 2022, Watercare will continue to report using the historical methodology (percentage lost) consistent with the 2021 SOI. I trust you are comfortable with this approach.

This SOI also includes an annual performance measure for greenhouse gas emissions. Further to our "no surprises" letter to you of 10 June 2022, we note that the targets for the SOI period follow our proposed emission reduction roadmap towards meeting the goal of 50% reduction in emissions by 2030. Based on our calculations, for the next three years a steadying of emissions and even a slight increase is anticipated before large decreases start from 2025. Without intervention we would expect to see emissions steadily increase. However, in line with our Climate Action Plan and Asset Management Plan, Watercare is already working on various projects that will result in decreasing emissions towards 2030 (ie upgrades of biogas engines to no longer need natural gas) and will be ensuring our upgrades and renewals also support our climate targets.

If you have any questions in respect of our response, please let me know.

Ngā mihi
Margaret Devlin
Chair
Watercare Services Limited

Copy to: Deputy Mayor Bill Cashmore
Councillor Linda Cooper, Watercare Liaison
Councillor Desley Simpson, Chair Finance and Performance Committee
Councillor Chris Darby, Chair Planning Committee
Councillor Alf Filipaina, Chair Parks, Arts, Community and Events Committee
Councillor Richard Hills, Chair Environment and Climate Change Committee
Jim Stabback, Chief Executive, Auckland Council

Board - Public Session - Board planner

		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	
Meetings	Board	5-Jul	2-Aug	6-Sep	4-Oct (Board Planning Day) A condensed CE's report with financials	1-Nov (Statutory Public Meeting)	6-Dec (Board check-in) A condensed CE's report with financials	A condensed CE's report with financials	8-Feb	7-Mar	4-Apr	9-May (Board planning day) A condensed CE's report with financials	13-Jun	
	Audit and Risk Committee		15-Aug 29-Aug			22-Nov			3-Feb			23-May		
Running the Business	Financial	Auckland Council and Watercare to review 30 June Treasury Interest rates	Approve 2021/22 accounts, Delegate final sign off of Annual Report 2022 Approve Auckland Council Reporting Pack			Auckland Council Draft Annual Plan - approve Watercare input			Approve half year accounts	Approve financials for Draft SOI including projected 23/24 price increases Approve long term financials for Auckland Council modelling			Board approval of insurance proposal Board approval of 2023/2024 Budget and updated SOI financials	
	Statement of intent	Final 2022-2025 SOI issued to shareholder by 31 July 2022	Final 2022-2025 SOI adopted by Auckland Council Q4 Performance Report to Council - due to Council by 31 August 2022			2021/2022 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received. Q1 Performance Report to Council (Date TBC)	2023/24 Letter of Expectations to be received		Q2 Performance Report to Council (Date TBC)	Draft 2023-2026 SOI for Board's approval - to be sent to Council by 1 April 2023	Q3 Performance Report to Council (Date TBC)		Present shareholder SOI feedback at public meeting.	
	HSW Deep Dives	Critical risk - deep dives on Digging and working in excavations (includes tunnelling) HSW legal obligations presentation	Critical risk - deep dives on Working with flammables or in explosive/flammable areas	Critical risk - deep dives on Working at Height (moved from May)		Critical risk - deep dives on mental wellbeing			Critical risk - deep dives	Critical risk - deep dives	Critical risk - deep dives			Critical risk - deep dives
	Community and Stakeholder Relationships	Stakeholder	Iwi	Stakeholder		Iwi			Stakeholder	Iwi	Stakeholder			Iwi
	Governance	Fraud & Corruption Policy Enterprise Risk Report (Board then Council)	Q4 Statutory compliance	Our commitment to health, safety and wellness Board Delegations to CE		Good Employer Policy Enterprise Risk Report (Board then Council) Q1 Statutory compliance			Enterprise Risk Report Q2 Statutory compliance		Enterprise Risk Report Q3 Statutory compliance			Corporate Governance charter
	Karakia	Hinerangi Raumati-Tū'ua	Graham Darlow	Julian Smith	Wi Pere Mita	Frances Valintine	Margaret Devlin		Nicola Crauford	Dave Chambers	Brendon Green	Hinerangi Raumati-Tū'ua	Graham Darlow	
Deliver the future	Aligned to the Six Pillars	We have a resilient water supply - Graham Darlow and Mark Bourne	Our communities trust and respect us - Julian Smith and Amanda Singleton		We educate, innovate, and collaborate for future generations - Frances Valintine and Apra Boyle Gotla			Te Ao Māori is embedded throughout our organisation Achieving Māori outcomes - Board member and Executive TBC	We value our People & Culture - Board member and Executive TBC	We are fully sustainable - Board member and Executive TBC			We have a resilient water supply - Board member and Executive TBC	
Confidential		Approval of CE's KPIs for FY23	A year end progress update for CE's KPIs Capex Approvals			CE's KPIs Capex approvals			CE's KPIs Capex approvals	Capex approvals			CE's KPIs Capex approvals	

Board - Public Session - Board planner

		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Audit & Risk Committee			Auckland Council FY22 Reporting Pack (15 August meeting) Approval of Financial Statements FY22 (29 August meeting) Tax Risk Management Policy Conflict of Interest Policy Board Delegations to CE						Approve FY23 half year accounts			Present plan for Year end to A&R A&R Approve Insurance Proposal Approval of 2023/24 Budget & updated SOI Financials	
									Half-yearly performance report				
Lutra Limited	Performance report		End of financial year performance report										
	Statement of intent	Final 2022-2025 SOI to be sent to Council	Final 2022-2025 SOI adopted by Auckland Council			2021/2022 SOI Results to be presented to Board at Public Meeting. Public Deputations to be received.					Draft SOI 2023-2026 to be presented to the Watercare Board		



Board meeting | 5 July 2022
Public session

Directors' meeting attendances

For information

Te pou whenua tuhinga / Document ownership

Prepared by

Jacky Simperingham and Emma McBride
Co-Heads of Governance

Recommended by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūtohunga / Recommendation

We recommend that the Board notes this report outlining meeting attendances.

2. Take matua / Key points

- This report details directors' attendance at the Board and Audit and Risk Committee meetings.
- This information is included in Watercare's Annual Reports.

3. Kōrero pitopito / The details

Table 1: Attendance at Board and committee meetings in 2021 is detailed in the table below:

Attended ✓ Did not attend ✗ Not on the committee ■ Not on the Board ☐	Attendance at Board meetings											Attendance at Audit and Risk Committee meetings					Attendance at AMP & Major Capex Committee meetings				Attendance at Te Tangata Komiti meetings				Attendance at Committee for Climate Action meetings				
	Board 29 January 2021	Board 26 February 2021	Board 30 March 2021	Board 29 April 2021	Board 1 June 2021	Board 5 July 2021	Board 29 July 2021	Board 30 August 2021	Board 30 September 2021	Board 28 October 2021	Board 30 November 2021	A&R 3 February 2021	A&R 26 May 2021	A&R 9 August 2021	A&R 24 August 2021	A&R 28 October 2021	AMCC 18 February 2021	AMCC 16 April 2021	AMCC 20 May 2021	AMCC 11 August 2021	AMCC 18 November 2021	TTK 27 January 2021	TTK 28 April 2021	TTK 19 August 2021	TTK 24 November 2021	CCA 19 February 2021	CCA 24 May 2021	CCA 13 September 2021	CCA 8 December 2021
Margaret Devlin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗ ¹	✓	✓	✓	✗	✓	✓	✓	✓				
Nicki Crauford	✓	✓	✓	✓	✓	✓	✓	✓	✓	#						✓	✓	✓	✓	✓					✓	✓	✓	✓	
Brendon Green	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓												✓	✓	✓	✓
David Thomas	✓	✓	☐	☐	☐	☐	☐	☐	☐	☐	✓	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	✓	☐	☐	☐	☐	☐	☐	☐
Hinerangi Raumati-Tu'ua	✗	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓									
Dave Chambers	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓									✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Frances Valintine	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓						✗						✓	✓	✓	✓	✓	✓	✓	✓
Graham Darlow	☐	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓		✓	✓	✓	✗	✓	☐								

1. Margaret Devlin was absent from this meeting as she was required to attend another meeting as Chair of the Board.

Nicki Crauford was absent from this meeting as her term was extended for a year at Watercare and therefore, she was not expecting to attend this meeting. Due to that the invite for this meeting was not in her diary.

Table 2: Attendance at Board meetings (including the Development Day and the Planning Day) and the Audit and Risk Committee for 2022 is detailed in the table below:

Attended ✓ Did not attend ✕ Not on the committee ■ Not on the Board ☑	Attendance at Board meetings 2022								Attendance at Audit and Risk Committee meetings 2022					Attendance at Board Development Day	Attendance at Board Planning Day
	8 February 2022	1 March 2022	5 April 2022	7 June 2022	5 July 2022	2 August 2022	6 September 2022	1 November 2022	2 February 2022	31 May 2022	10 August 2022	29 August 2022	22 November 2022	3 May 2022	4 October 2022
Margaret Devlin	✓	✓	✓	✓					✓	✓				✓	
Nicki Crauford	✓	✓	✓	✓					■	■	■	■	■	✓	
Brendon Green	✓	✓	✓	✓					✓	✓				✓	
Hinerangi Raumati-Tu'ua	✓	✓	✓	✓					✓	✓				✓	
Dave Chambers	✓	✓	✓	✓					✓	■	■	■	■	✓	
Frances Valintine	✓	✓	✓	✓					■	■	■	■	■	✓	
Graham Darlow	✓	✓	✓	✓					✓	✕				✓	
Julian Smith	✓	✓	✓	✓					■	✓	■	■	■	✓	
Wi Pere Mita (Intern)	✓	✓	✕	✕					■	✓	■	■	■	✓	



Board meeting | 5 July 2022
Public session

Disclosure of Directors' and Executives' interests

For information

Te pou whenua tuinga / Document ownership

Prepared by

Jacky Simperingham and Emma McBride
Co-Heads of Governance

Recommended by

Jamie Sinclair
Chief Corporate Services Officer

Submitted by

Jon Lamonte
Chief Executive Officer

1. Te tūhanga / 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

- All new additions in 2022 are in [Blue](#).
- All deletions in 2022 have been ~~struck out~~.

DIRECTOR	INTEREST
Margaret Devlin	<ul style="list-style-type: none"> • Director and Chair, Lyttleton Port Company Limited • Director, Waikato Regional Airport • Director, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, Waimea Water Limited

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director, IT Partners Group • Chair, Advisory Board Women in Infrastructure Network • Chair, Hospice Waikato • Chair, Infrastructure NZ • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee • Director, Dairy NZ Limited • Member, the Office of the Auditor General, Mid Term Review Panel (term ends on 30 July 2022) • Director, Aurora Energy • Deputy Chair, WINTEC
Nicola Crauford	<ul style="list-style-type: none"> • Chair, GNS Science Limited • Chair, Electricity Authority • Director and Shareholder, Riposte Consulting Limited • Director, CentrePort Limited Group • Trustee, Wellington Regional Stadium Trust
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Hiringa Energy Limited • Director, Hiringa Refueling Investments Limited • Management contract, Tainui Kawhia Minerals • Australia-NZ representative, Wattstock LLC (USA) • Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui • Runanga Manukau Institute of Technology, Te Whakakitenga o Waikato representative • Member, Waikato District Council – Infrastructure Committee • Advisor, Taumata Aronui – Ministry of Education • Adjunct Senior Fellow, University of Canterbury – Department of Chemical Engineering • Co-chair, Waikato Regional Skills Leadership Group • Member, Construction and Infrastructure Workforce Development Council

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Director, Scion Research Institute registered as New Zealand Forest Research Institute Limited • Executive Director, Advanced Biotech NZ Limited
Hinerangi Raumati-Tu'ua	<ul style="list-style-type: none"> • Chair, Te Rere O Kapuni Limited • Chair, Ngā Miro Trust • Director, Taranaki Iwi Holdings Management Limited • Director, Te Puia Tapapa GP Limited • Chair, Tainui Group Holdings Limited • Executive Member, Te Whakakitenga O Waikato • Director, Genesis Energy Limited • Chair, Nga Kai Tautoko Limited • Chair, Te Kiwai Maui o Ngaruahine Limited • Trustee, PKW Trust • Chair, Aotearoa Fisheries Limited • Director, Sealord Group Limited • Director, Port Nicholson Fisheries GP Limited • Chair, Parininihi Ki Waitotara Incorporated
Dave Chambers	<ul style="list-style-type: none"> • Director, Paper Plus New Zealand Limited • Director, Living Clean NZ Limited • Director, Turners and Growers Fresh Limited
Frances Valintine	<ul style="list-style-type: none"> • Director and CEO, The Mind Lab Limited • Director and CEO, Tech Futures Lab Limited • Director, Harcourt Jasper Limited • Director, Pointed Tangram Limited • Director, Harper Lilley Limited • Director, On Being Bold Limited • Director, Sandell Trustees Limited • Selection Advisor, Edmund Hillary Fellowship • Board of Trustee, University of Silicon Valley

DIRECTOR	INTEREST
	<ul style="list-style-type: none"> • Trustee, Dilworth Trust Board
Graham Darlow	<ul style="list-style-type: none"> • Business Executive, Acciona Infrastructure NZ Limited • Director and Shareholder, Brockway Consulting Limited • Chair, Frequency NZ Limited • Director, Hick Bros. Civil Construction Limited • Director, Hick Bros. Infrastructure Limited • Chair, Holmes GP Structure Limited • Director, Tainui Auckland Airport Hotel GP (No.2) Limited • Director, Hick Bros. Heavy Haulage Limited • Director, Hick Bros. Holdings Limited • Chair, The Piritahi Alliance Board
Julian Smith	<ul style="list-style-type: none"> • Board Trustee – Auckland Philharmonia Orchestra • Advisory Board Member – Vadacom Limited • Board Trustee – Look Good Feel Better Trust
Wi Pere Mita (Board intern)	<ul style="list-style-type: none"> • Chairperson, Copyright Tribunal • Director, Trust Tairāwhiti Trustee Limited • Director, Prime SPV Limited • Director, Te Runanganui o Ngāti Porou - Toitu Ngāti Porou Trustee Limited • Director, Resolution Institute NZ & Australia • Trustee, SkyCity Entertainment Group (SkyCity Auckland Community Trust) • Director and Shareholder, Laidlaw Law and Consultancy Limited • Māori Advisory Board member, New Zealand Police, Counties Manukau East • Member, Community Law Centres o Aotearoa Incorporated • Member, Wayfinding civil access to justice – Advisory Group

3.2 Watercare's Executives' Interests Register

All new additions in 2022 are in [Blue](#).

EXECUTIVES	INTEREST
Jon Lamonte	<ul style="list-style-type: none"> • Director, Water Services Association of Australia • Member, Water Workforce Development Strategy Steering Group • Chair, Audit and Risk Committee of Water Services Association of Australia • Member, Department of Civil and Environmental Engineering Advisory Board
Marlon Bridge	<ul style="list-style-type: none"> • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust • Director, WCS Limited • The Department of Internal Affairs
Jamie Sinclair	<ul style="list-style-type: none"> • Director and Shareholder, Sinclair Consulting Group Ltd • Chair, Lutra Limited
Shayne Cunis	<ul style="list-style-type: none"> • Director, The Water Research Foundation (USA) • Director, Lutra Limited
Amanda Singleton	<ul style="list-style-type: none"> • Director, Die Weskusplek Pty Ltd (South Africa) • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Nigel Toms	<ul style="list-style-type: none"> • Director, TRN Risk & Resilience Consulting
Steve Webster	<ul style="list-style-type: none"> • Director, Howick Swimgym Limited
Mark Bourne	<ul style="list-style-type: none"> • Trustee, Watercare Harbour Clean Up Trust • Trustee, Te Motu a Hiaroa (Puketutu Island) Governance Trust
Andrew Chin	Nil

