

WATERCARE SERVICES LIMITED

AGENDA	BOARD MEETING	Tuesday 30 October 2018
Venue	Watercare Services Limited, Level 3, 73 Remuera Road, Newmarket	
Time	8.30am	

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material
1 Apologies	Chair	Record apologies	
2 Minutes of Meeting	Chair	Approve Board Meeting Minutes 26 September 2018	Board Minutes 26 September 2018
3 Disclosure of Directors' Interests	Chair	For noting	Report
4 For discussion			
4.1 Safety Moment	All	For sharing	Nil
4.2 Chief Executive's Report	R Jaduram	For discussion	Report
4.3 Board Committee Updates	Committee Chairs	For discussion	Nil
5 For information			
5.1 Our performance under the 2017/2018 statement of intent	E McBride	For information	Report and presentation
5.2 Public deputations	Members of the public	For information	Nil
5.3 Strategic business plan update	Senior Executive	For information	Presentation
6 Directors' Corporate Governance Items			
6.1 Board Planner	Chair	For noting	Report
6.2 Disclosure of Senior Executives' Interests	Chair	For noting	Report
6.3 Directors' Appointment Terms and Committee Memberships	Chair	For noting	Report
7 General Business	Chair	For discussion	Nil
Date of next meeting	Wednesday 28 November 2018		
Venue	Watercare Services Limited, Level 3, 73 Remuera Road, Newmarket		

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	26 September 2018
TIME	9.00am
STATUS	Public Session

	Present: M Devlin (Chair) J Hoare (Deputy Chair) N Crauford B Green C Harland Hon Dame A King D Thomas	In Attendance: R Jaduram (CE) R Chenery J Glennon S Webster S Morgan D Hawkins M Bridge R Fisher E McBride R Klein – Start until end of item 4.3 C Thurston – Start until end of item 4.3	Members of the Public: Nil
1.	Apologies There were no apologies.		
2.	Minutes of Previous Meetings The Board resolved that the minutes of the public section of the Board meeting held on 31 August 2018 be confirmed as true and correct.		
3.	Review Disclosure of Directors' Interests <ul style="list-style-type: none"> - D Thomas declared his conflict of interest given his position in the Fletcher Group. The Fletcher Group is a member of one of the four consortia bidding for the Central Interceptor (CI). Over the coming months, there will be confidential, commercially sensitive information that will be brought to the attention of the Board, which is unlikely to be shared with all four consortia. D Thomas is not to receive any sensitive information that would cause a conflict of interest and will excuse himself from the meeting for any agenda item that concerns such sensitive information. - C Harland is no longer a member of the Water Allocation Technical Advisory Group, as the work of this group has ended. - C Harland has been invited by the Ministry for the Environment to participate as a Member, Urban Planning Pillar Critical Friends. - A King is no longer a member of the Appropriations Review Committee of the New Zealand Parliament. - A King is no longer Chair of Primary Health Aotearoa New Zealand's Establishment Board. 		

4.

For Discussion**4.1 Safety Moment**

There were three safety moments:

- D Hawkins, Chief Corporate Affairs Officer, relayed the story of a staff member who was recently involved in a car accident with her family on Fathers' Day. The staff member had completed a first aid course through her work at Watercare. After the accident, her training immediately kicked in and she provided first aid to the motorbike rider who drove into her car, called the ambulance and other emergency services, and also undertook traffic control around the crash site until Police arrived.
- J Hoare and CE, R Jaduram attended an Institute of Directors (IoD) event that focussed on Health and Safety. Attendees learnt about the cards signed by Watercare's CE, which are provided to each staff member when they begin work with Watercare. One side of the card features "My Commitment to you" signed by the CE. The other has a "Zero Harm" confirmation, which staff members sign to confirm that they understand that they are authorised to stop work if they feel a situation is unsafe. The cards were very well received by attendees at the IoD event.



- A video was also shown featuring many of our staff members encouraging each other to look after themselves, as well as each other, in order to ensure everyone goes home safe to their families.

4.2 Chief Executive's Report

Senior Executives took questions from the Board.

Health and Safety (page 12 of Boardbooks)

- The sub-contractor involved in the near-miss involving a delivery truck is not on our list of contactors. They were a supplier to the contractor. All of our contractors have been informed that this sub-contractor company is banned from doing any Watercare work.
- A near-miss, involving a gantry crane pendant, occurred after the contractor's staff member left their "look-out" post. Watercare is implementing additional procedures to those of the contractors to ensure all workers are safe.
- After the near miss at Army Bay in July 2018, our Project Managers will include checks of lifting equipment as part of their routine audit.

SOI measures (page 16-20 of Boardbooks)

- The gross average drinking water consumption per day per resident (12 month rolling average) is still above the target level. We have no definitive residency figures, and therefore we may be overestimating this usage figure. Confirmed census numbers in 2019 will help us more accurately calculate this figure. Granular analysis is being done via the Strategic Transformation Programme (STP) to identify consumption rates in sub-zones of Auckland.
- The Percentage of Real Water Loss from the network (12 month rolling average) is climbing. Theft may be a factor. This is being investigated, with us focusing on specific areas, as well as randomly selected areas. When theft is proven, a claim is made for the stolen amount of water. Often, thefts involve developers using water during construction. While there are warnings on the website, Management confirmed they would make these more prominent. It was noted that comparatively, Watercare's water loss is higher than newer cities, such as Tokyo, which reports 3% (but could be around 8-10%) and cities in Germany, with newer, post WWII networks. However, Watercare's percentage is much lower than older cities, such as those in Ireland, where rates are around 30%. In Auckland, newer parts of the city, such as Manukau, have lower rates of loss than the older sections of the city.
- The NPS figure last week was 32.
- Management confirmed they would review the information provided on the Discover Water UK website, and identify information that could be used for reporting by Watercare.

Consenting Made Easy (page 22 of Boardbooks)

- This is a Council-led initiative. Watercare is assisting Council to identify areas where the consenting could be improved.

1080 Drop (page 26 of Boardbooks)

- The first drop of 1080 occurred last week.
- No 1080 has been detected in any water samples.
- The second drop is scheduled for 27/28 September 2018.

Resource Management Act Compliance (page 28 of Boardbooks)

- The Company Secretary confirmed that the non-compliant consent at the Helensville Wastewater Treatment Plant does not pose any risk to marine life. Works are currently about to start to ensure compliance with the consent. Council is being kept informed.

4.3 Our Climate Change Adaptation and Mitigation Strategy

R Klein, Head of Water Value, spoke to the paper.

- R Klein introduced C Thurston, Watercare's new Head of Sustainability, who will be taking over responsibility for this work.
- The Climate Change adaptation and mitigation strategy, whilst not a technology project, will be delivered using an agile approach. The implementation of the strategy using agile is suitable because there is much uncertainty around climate change and how it will evolve. It will therefore be important that we are flexible and adaptable.

- In response to a question, R Klein explained that “avoiding carbon lock in solutions” refers to avoiding solutions that use significant amounts of carbon. For example, one way to deal with sea level rise would be to build a concrete wall. However, this could use a significant amount of carbon, compared with other solutions.
- Watercare continues to work with Council to ensure our strategy is not misaligned with the Council’s climate change strategy. Watercare’s climate change mitigation and adaptation strategy and policy have the flexibility to work with the direction taken by Council and the Government in this area.

4.4 Board Committee Updates

Strategic Transformation Programme Committee

- A King, Committee Chair, reported that the STPC had held a meeting on 25 September 2018.
- The Committee is pleased with the risk reporting and programme is on budget
- The next meeting is yet to be scheduled, but is likely to be in November 2018.

PRAC Committee

- C Harland, Committee Chair, confirmed that the Committee had made a confidential resolution relating to the Chief Executive’s STI performance and payment since their last meeting. The next PRAC meeting is scheduled for 30 October 2018.

Audit and Risk Committee

- J Hoare, Committee Chair, attended an Audit and Risk Committee meeting of Auckland Council on 13 September 2018, together with Watercare’s M Bridge (CFO), J Stewart (Financial Controller) and J Davies (Head of Internal Audit).
- Watercare provided Council with an update on Watercare’s FY18 financial performance, the end of year audit, internal audit matters, and Watercare’s work around Integrated Reporting.

AMP & Major Capex Committee

- The next meeting of the AMCC is on 9 November 2018.

5.

For Information

5.1 Strategic Business Plan Update

S Morgan, Chief Operations Officer, spoke to the presentation.

The following was noted/discussed:

- **eBilling:** The communications team are working on programmes to increase migration to eBilling, including a flyer to be included with a paper invoice, and use of information kiosks at shopping malls.
- **Talent Matrix:** The People and Capability team’s talent matrix is now in full effect. It identifies key talent, their development capabilities and retention plans.
- **Climate Change:** Olivia Philpott, Watercare’s Sustainability Advisor, won the Young Author of the Year award for her paper on climate change at the Water New Zealand Conference last week.
- **Efficiency targets:** This year, we have identified savings of around \$600K (chemical costs), but we are diligently identifying opportunities to achieve our \$7m target.

	<ul style="list-style-type: none"> - Carbon initiatives: Watercare now has two solar pilot systems underway at Pukekohe and Wellsford. - Thermal Hydrolysis: This design is proceeding at Rosedale. We are now investigating opportunities at Mangere for use of this technology. - Assets and Infrastructure: We are working on Capex and Opex Asset Management Plans. It was noted that the company is not trying to “reduce” Totex, but rather “optimise” it. - Community and Stakeholders: The NPS score is moving in the right direction. The Customer team is conducting Customer Journey Mapping to help improve the score.
6.	<p>Directors’ Corporate Governance Items</p> <p>6.1 Board Planner</p> <p>The report was noted.</p> <p>6.2 Review Executive Management Disclosure of Interests</p> <p>The report was noted.</p> <p>6.3 Director Appointment Terms and Committee Memberships</p> <p>The report was noted.</p> <ul style="list-style-type: none"> - Advertisements for Board interns had been placed. - B Green has volunteered to mentor the intern and will be involved in the recruitment process.
7.	<p>General Business</p> <p><i>Governing Body workshop – 25 September 2018</i></p> <ul style="list-style-type: none"> - The Board thanked Management for running a successful workshop with the Governing Body at Newmarket on 25 September 2018. - The Councillors and the Board found the presentation by Richard Ward, Partnership Director from DIA, very informative. Richard’s presentation summarised the work being done by the DIA in relation to the three waters review at a central government level. - A number of Councillors and Council staff toured the STP area and were impressed with the work being done by Watercare. <p>Water New Zealand Conference</p> <ul style="list-style-type: none"> - The Chair, Chief Executive and a number of staff attended the Water New Zealand Conference in Hamilton last week. <p>Award wins</p> <ul style="list-style-type: none"> - The Board congratulated the following winners at the recent Water New Zealand Conference awards and the Project Management Institute Awards.




	<ul style="list-style-type: none"> - <i>Water NZ Conference</i> <ul style="list-style-type: none"> ○ Paper of the Year Award - Laurence Jenner and Lupe Suniula, for their paper on “Innovative Energy Opportunities for Water Utilities” ○ Young Author of the Year - Olivia Philpott, for her paper on Responding to Challenges Facing the Delivery of Water and Wastewater due to Climate Change ○ Project Award of the Year - Sven Harlos, Mangere BNR ○ Operations Excellence of the Year - Sharon Danks, Triangle Road Commissioning ○ Presentation of the Year Award - Octavio Perez Garcia, for his presentation on “A Utilities Guide to Starting up Anammox “. ○ Health & Safety Innovation Award - MSN team, for their technical training centre - <i>Project Management Institute NZ</i> <ul style="list-style-type: none"> ○ Project of the Year - Watercare, Mangere BNR
	The meeting closed at 10.30am.

CERTIFIED AS A TRUE AND CORRECT RECORD

Margaret Devlin
Chair

Report to the Board of Watercare Services Limited
 Prepared for the 30 October 2018 Board meeting

Disclosure of Directors' interests

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

1. Purpose and context

s140 Companies Act 1993 requires all companies to keep an Interests Register, which must be disclosed to the Board of the company.

2. The details

Watercare Services Limited's Directors' Interests Register is set out below.

Director	Interest
Margaret Devlin	<ul style="list-style-type: none"> • Chair, Harrison Grierson Limited • Director, Meteorological Services of NZ Limited • Director, Waikato Regional Airport • Chair, Titanium Park (wholly owned subsidiary of Waikato Regional Airport) • Director, IT Partners Group • Director, Aurora Energy • Independent Chair of Audit and Risk Committee, Waikato District Council • Chair, Women in Infrastructure Network • Councillor, WINTEC • Councillor, The University of Waikato Council • Member, Audit and Risk Committee of The University of Waikato • Director and Chair Elect, Lyttleton Port Company Limited (Chair effective 9 October 2018) • Director, Infrastructure New Zealand • Chartered Fellow, Institute of Directors • Member, Institute of Directors, Waikato Branch Committee • Member, National Infrastructure Advisory Board
Catherine Harland	<ul style="list-style-type: none"> • Director, McHar Investments Limited • Director, Interface Partners Limited • Trustee, One Tree Hill Jubilee Educational Trust • Member, Auckland Regional Amenities Funding Board • Member, Urban Planning Pillar Critical Friends

Director	Interest
Julia Hoare	<ul style="list-style-type: none"> • Director, AWF Madison Group Limited • Director, New Zealand Post Limited • Deputy Chair, The a2 Milk Company Limited • Director, The a2 Milk Company (New Zealand) Limited • Director, Port of Tauranga Limited • Director, Auckland International Airport Limited • Chair, Auckland Committee, Institute of Directors • Member, Advisory Panel to External Reporting Board • Member, Institute of Directors National Council
Nicola Crauford	<ul style="list-style-type: none"> • Director, Environmental Protection Authority (EPA) • Member of EPA decision making committee relating to OMV's application for a discharge consent • Member of Electoral Authority, Cooperative Bank Limited • Specialist Advisor, WorleyParsons New Zealand Limited • Director and Shareholder - Riposte Consulting Limited • Director, Wellington Water Limited • Director, Orion New Zealand Limited • Chair, GNS Science Limited • Deputy Chair, Fire and Emergency New Zealand
David Thomas	<ul style="list-style-type: none"> • Chair, Ngāti Whakaue Tribal Lands Inc. • Chair, Gypsum Board Manufacturers of Australasia • Shareholder / Employee, Fletcher Building Limited • Director, New Zealand Ceiling & Drywall Supplies Limited • Chair, Altus NZ Limited • Director, Delcon Holdings (No.8) Limited • Director, Fletcher Building Products Limited • Director, Fletcher Concrete and Infrastructure Limited • Director, Home&Dry Limited • Director, Iplex Pipelines NZ Limited • Director, Pinkfit Limited • Director, Tasman Insulation New Zealand Limited • Director, Winstone Wallboards Limited
Brendon Green	<ul style="list-style-type: none"> • Director, Kaitiaki Advisory Limited • Director, Tainui Kawhia Incorporation • Director, Peak2Peak • Executive Director, Bay Dairy Limited • Executive Director, Advanced Biotech NZ • Executive, Te Rūnanganui o Ngāti Hikairo • Management contract, Tainui Kawhia Minerals • Representative of Waipapa Marae, Kawhia, Te Whakakitenga o Waikato Tainui. • Consultant to Trility (Australian water infrastructure company)
Hon Dame Annette King	<ul style="list-style-type: none"> • Chair, Life Flight Trust Wellington. • Interim Chair, Earthquake Commission (EQC)

Chief Executive's report for September 2018

HIGHLIGHTS AND LOWLIGHTS

1. **Health and Safety:** We had three Watercare worker injuries and no contractor injuries in September 2018. There were two near misses by staff at our Rosedale and Warkworth water treatment plants. Investigations are underway at Rosedale to determine how the near miss could be avoided in the future. The near miss at Warkworth has resulted in us adopting a new Standard of Work for this type of lifting company-wide.
2. **SOI measures:** Four SOI measures are not being met - the real water loss, NPS, water consumption and wet weather overflows. The real water loss figure is improving as we have located at least one bulk supply point that was overstating supply. Our other bulk supply points are now being checked.
3. **Financial Summary:**
 - We published our first integrated Annual Report 2018 on 28 September 2018. Copies are available at <https://watercareannualreport.co.nz/>. This report is the first step in our journey towards integrated thinking; it enables us to make the connection between our resources, activities and the value we deliver to the stakeholders and communities we serve. It highlights the link between our performance and purpose.
 - September revenue was \$0.7m unfavourable to budget, with IGC and vested asset revenue making up the majority of this variance.
 - Controllable costs were \$0.3m favourable to budget, primarily due to lower than budgeted planned maintenance and other operating costs.
 - The Balance Sheet and Profit and Loss Statement is appended as Appendix A.
4. **People, Capability and Learning:** In September we welcomed several new senior leaders. We also celebrated Māori Language Week with various activities. A number of Watercare staff attended and presented at the Water New Zealand Conference in September.

5. Customer service:

- Complaint resolution was 100% in September 2018
- The Net Promoter Score for September was 32
- 44% of customers now receive their bills by email (up 2% from last month)
- 44% of all interactions in September were self-serve, the highest in the past 15 months
- The Water Utility Consumer Assistance Trust continues to provide relief to customers experiencing hardship

6. Community and stakeholder relationships:

- Māori engagement has become “BAU”. In September, we attended several Auckland Council meetings and events, and also strengthened our relationships with a number of Iwi throughout Auckland.
- A workshop was held with the Hibiscus & Bays Local Board regarding the Mairangi Bay pump station. We also shared information with Rodney Local Board around the Warkworth wastewater treatment plant.
- Our Trade Waste Review continues. A Panel will be formed shortly to meet with Local Board, Manua Whenua, large trade waste customers and the public to discuss proposed changes to the By-Law.
- The Chief Executive attended an Institute of Directors forum, where he shared Watercare’s health and safety journey.
- We have had discussion with the Waikato District Council regarding a partnership with Watercare, where we would deliver the District’s water, wastewater and stormwater services.
- Our Environmental Advisory Group is continuing to meet, advise, support and challenge our approach to sustainability and environmental matters.
- We launched a Watercare Facebook page to build brand awareness and trust in our customers and communities (www.facebook.com/WatercareNZ/).

7. 1080 drop in the Hunua ranges: The injunction sought by Friends of Sherwood Trust against Auckland Council was lifted. Auckland Council subsequently conducted two drops of 1080 in the Hunua Ranges. Our water-testing programme has confirmed that no 1080 is present in the water and our two dams in this area were returned to service.

8. Resource Management Act compliance: There were no non-compliant Category 3 or 4 consents in September.

9. Digital update: Our Strategic Transformation Programme is now entering Release 4 of 6 after achieving the goals set for Release 3.

10. Assets, infrastructure and sustainability:

- The Central Interceptor remains on schedule. Four proposals were submitted on 14 September 2018. We are now assessing the four tenders and we will make a recommendation to the Board in November 2018. The successful bidder will be publicly announced in February 2019.

11. Awards: Our people and projects won a number of significant awards over the month. Award winners are proudly profiled at the end of this report.

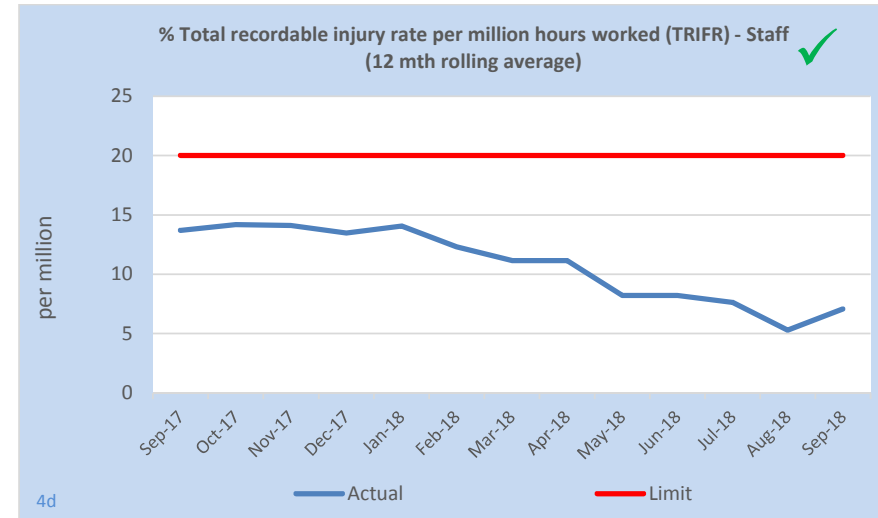
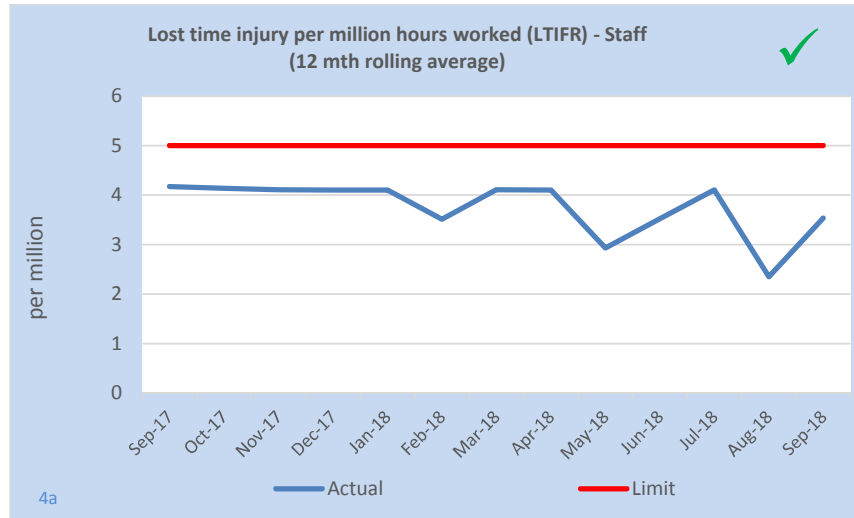
FUTURE OUTLOOK

- On 17 October, we officially opened our MSN Training facility at Māngere. A full update will appear in next month's CEs report.
- The final Watercare Board meeting for 2018 will be on 26 November 2018. The first Board meeting for 2019 is scheduled for 29 January 2019.
- Officers from Auckland Council will be attending the November 2018 Board meeting to discuss the new Accountability Policy and the Auckland Plan 2050.



Raveen Jaduram
Chief Executive

1. HEALTH & SAFETY UPDATE



THERE WERE THREE WATERCARE WORKER INJURIES IN SEPTEMBER

1. A laboratory technician experienced shoulder pain throughout the course of the work day. Following the weekend the technician called in sick. It was not made clear at that time that the issue was potentially due to a workplace injury. Subsequently they visited their GP who assessed the technician as being fully unfit for work for a period of three days. Following a visit to the company doctor, a two week restricted duties return to work plan was implemented. In the meantime, occupational injury prevention training has been arranged for laboratory staff. Additionally, potential modifications to the analyser the technician was working with are being investigated to reduce handling requirements.
2. A serviceman pricked his thumb, through his glove, on a shard of metal whilst removing a fan guard. He thought nothing of the very minor injury at the time. However, several days later the injury was showing signs of infection. When medical advice was sought, antibiotics and anti-viral medication were prescribed. The need to get injuries treated promptly has been reinforced with the MSO team.

HEALTH & SAFETY UPDATE continued

WATERCARE WORKER INJURIES CONTINUED

3. An instrument technician tripped on a retaining wall, bending his toes back, resulting in ligament strain. The injury was assessed and the technician was given one day off to recover. In the meantime, the area where the injury took place has been mowed and vegetation cut back, the top of the retaining wall has been painted yellow to improve visibility and the asset owner will look at further possible modifications to improve access.

THERE WERE NO CONTRACTOR WORKER INJURIES IN SEPTEMBER

There were no Lost Time Injuries (LTI) or Medical Treatment Injuries (MTI) involving contractors during September.

THERE WERE TWO NEAR MISSES IN SEPTEMBER

1. There was a near miss at the Warkworth/Wells water treatment plant. Whilst loading large 1 tonne bags of crushed granite into a filter tank, telehandler forks cut through one of the bag straps, causing the load to move, breaking the remaining straps. The bag fell approximately 2.5 metres to the ground, hitting the telehandler and breaking the front window. The telehandler operator was not harmed.
 - a. **Learnings:** The selection and use of equipment was incorrect and the change of lifting plan was not risk assessed or recorded. The historic tank filling methodology was unsuitable for new plant design.
 - b. **Actions:** Work stopped and a new Job Safety Analysis (JSA) developed including fork protectors and half loads (500kgs). The incident was communicated to all contractor staff with on-going follow-up monitoring and supervision of safety improvements. We engaged with our contractors to critically evaluate current filling methodology to eliminate suspended loads, manual handling and work at height risks. A new Standard Operating Procedure (SOP) has been developed.
2. There was a near miss at the Rosedale wastewater treatment plant. A Process Controller was cleaning the washpactor screw on a screw conveyor on the washpactor #2, which is located after the screens process. The guarding cover was open with the safety interlock activated. Concurrently the bin scales tripped (which is a known issue). This triggered an automatic flush and started all of the screws whilst the Process Controller's hand was in the screw conveyor. There is no e-stop on top of washpactor. Fortunately, the Process Controller managed to get his hand out of the way in time. If his hand had become trapped, he would not have been able to stop the screws by himself, as the e-stop is located some distance away. Washpactor #1 has the same design and its e-stop is also located some distance away.

Actions: To determine why guarding safety interlock does not prevent the screws starting up on auto flush. An investigation is also being conducted to establish whether the screw at washpactor #1 will start up when the guarding cover is open, while flushing. We are also investigating relocation of e-stops to an area at the top of washpactors #1 and #2.

HEALTH & SAFETY UPDATE continued

Q1 FY19 - SUMMARY OF INJURIES

Watercare Injuries per Business Unit

Month	Business Unit	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI)
Jul-18	MSO	1	1	2
	Total	1	1	2
Aug-18	Nil			
Sep-18	Laboratory Services	0	1	1
	MSO	1	1	2
	Total	1	2	3
1st Quarter Total (Watercare Employees)		2	3	5
Total YTD		2	3	5

Contractor Injuries per company

Month	Project	Medical Treatment Injury (MTI)	Lost Time Injury (LTI)	Total Recordable Injuries (MTI+LTI)
Jul-18	Pipeline & Civil (Albany-Pinehill project)	1	0	1
	Northern Electrical Services (Huia WTP)	1	0	1
	Total	2	0	2
Aug-18	Cassidy Construction (Huia WTP)	0	1	1
	A.D. Riley (Meter reader)	0	1	1
	Total	0	2	2
Sep-18	Nil			
1st Quarter Total (Contractors)		2	2	4
Total YTD		2	2	4

HEALTH & SAFETY UPDATE CONTINUED...**INSPECTIONS**

- Many business units are ahead of an expected inspection completion rate of 25%, with Watercare House the only area of concern.
- The Health and Safety team are working to eliminate the use of the manual inspection tracker in favour of Synergi to enable better use of data to identify trends and areas for improvement.
- Targets were set with business units for Health and Safety Inspections for the 2017-2018 financial year. In part, this was done to identify new hazards and risk, but also as a way of embedding a culture of enquiry and vigilance around safety.

Business Unit	Sept-18	Total	Target for 2018-19	% Complete	YTD progress
Watercare House	0	0	6	0	
Customer					
Laboratories	9	24	110	22	
MSN	34	108	180	41	
Total	43	132	290	47	
Infrastructure Delivery					
Construction	17	56	230	24	
Developer Services	21	87	130	67	
Total	38	143	360	40	
Operations					
Asset Efficiency	1	4	20	20	
Maintenance Delivery	24	62	138	45	
Production	23	64	324	20	
Service Delivery	20	72	250	29	
Water Value	2	9	20	45	
Total	70	211	752	28	
Watercare Total	151	486	1408	35	

HEALTH & SAFETY UPDATE CONTINUED...**CONTRACTOR LEAD INDICATOR STATISTICS**

- The table shows contractor statistics for the last three months on a selection of four construction project sites.
- The final row shows September lead indicators for all contractors.
- As previously reported, each contractor has their own Health and Safety system, so some lead indicators do not match exactly with our definitions (e.g. Audits reported as Inspections at the Army Bay site).
- The number of safety meetings indicates good communication on site.

The Health and Safety team will work with Project Managers to ensure a consistent understanding of hazard identification and the close-out of corrective actions. There has been one hazard raised from 104 identified and 72 have been closed out.

2018	Hours Worked	Audits	Inspections	Hazards Identified	Corrective Actions – Raised	Corrective Actions – Completed	Safe Behaviour	Safety Meetings held
North Shore Trunk Sewer 8 Upgrade								
July	6061	4	9	0	3	3	51	109
August	5900	4	8	0	1	1	45	96
September	4389	3	9	0	1	1	42	60
Albany-Pinehill Watermain								
July	6790	3	0	0	0	7	0	59
August	5348	2	2	19	0	9	6	70
September	7986	3	2	15	0	2	2	42
Rosedale Expansion Project								
July	1989	6	2	0	0	6	10	22
August	1755	5	7	0	0	3	8	26
September	2820	1	15	20	0	5	20	25
Army Bay WWTP Outfall Upgrade								
July	24048	0	4	62	6	62	2	83
August	17316	0	4	32	0	38	4	83
September	12000	0	4	44	0	44	4	62
Sub-total of above projects – September								
	27195	7	30	79	1	52	68	189
All projects – September								
	40987	11	76	104	1	72	82	299

HEALTH & SAFETY UPDATE continued

PERMIT TO WORK

- The PTW (Permit to Work) system documentation has been finalised.
- Operators at other sites are meeting with the Ardmore team prior to 31 October to strengthen their understanding of the system.
- PTW training and system roll-out will commence in November.

H&S TEAM RESTRUCTURE

- We are currently reviewing the way we engage with staff and deliver the Health and Safety programme at Watercare.
- The review will focus on improving the way the team provides Health and Wellness training and support. It is scheduled to be complete by the end of November.

ACC PARTNERSHIP REVIEW

- Product options have been reviewed and we are preparing a proposal document regarding registration for the Approved Employer Programme.
- Audit criteria are under review.
- A decision will be made by the end of the year.

INDEPENDENT AUDIT REVIEWS

- The Headworks audit was conducted on 6 September 2018. No non-compliances were noted.
- The auditor made some recommendations for improvement and was complimentary of the Headworks team.

HEALTH AND SAFETY TRAINING

- The 'Basic Hazard and Risk Management' and Permit to Work (PTW) training packages are in the final stages of development with delivery dates planned for November.
- An in-house Safety Leadership workshop is in development with a pilot proposed prior to Christmas.

HEALTH & SAFETY UPDATE CONTINUED...**HEALTH AND SAFETY – Q1 UPDATE ON PROGRESS AGAINST OUR HEALTH AND SAFETY PLAN**

Watercare's 2017-2018 Health and Safety plan includes a number of programmes to reduce operational risks, develop leadership and management capability, and to develop a company-wide health and safety system for implementation. The 2018-2019 Health and Safety plan is being developed, with the ongoing programmes from last year included in the new plan.

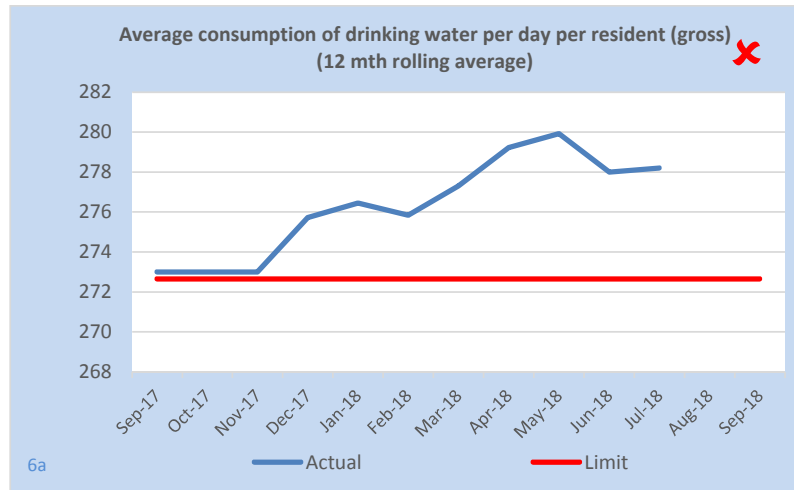
Outcomes for Quarter One are summarised below:

Summary of outcomes for Q1, FY19	
<p>Strategic Objective 1</p> <p>To enhance Safety Leadership Capabilities among officers and managers to enable the promotion of a proactive Health and Safety culture.</p>	<p>● Programme 1: Develop an organisational culture that supports industry-best health and safety performance</p> <p>A corporate programme to supplement training previously delivered to executives and managers is in development. This will accommodate the recent organisational structure changes and ensure all leaders are informed and aware of their proactive health and safety responsibilities. This programme will be piloted prior to Christmas.</p> <p>The current round of Contractor Management training has been completed. Training will be scheduled in the future suite of Contractor training.</p>
<p>Strategic Objective 2</p> <p>To manage our operations to reduce the risk of injury with a focus on serious or fatal injuries.</p>	<p>● Programme 1: Improvement of process safety management</p> <p>On 19 September, WorkSafe conducted a site visit as part of its review of the Safety Case for our Major Hazard Facility at the Ardmore Water Treatment Plant. We will receive formal feedback in October. However, we have been advised there are areas (such as the installation of a scrubber, etc) that will need further work prior to the Safety Case being accepted.</p> <p>Programme 2: Reducing Risks from other critical hazards</p> <p>A team from WaterCare Operational Group will meet with the Ardmore team 18 October to conduct a Q&A around the Permit to Work (PTW) system. This session will allow the roll-out training to be finalised.</p> <p>Training and roll-out to commence in November.</p>

Summary of outcomes for Q1, FY19	
	<p>Confined Space Key Requirement is currently being formatted for release.</p> <p>Ongoing independent audit reviews are being conducted as set out in the audit schedule appended to the annual plan, focusing on;</p> <ul style="list-style-type: none"> • Working in confined spaces: • Working at height • Working on or around water bodies • Working in excavations • Working around suspended loads <p>An external audit review was conducted on 6 September at Headworks.</p> <ul style="list-style-type: none"> • The Audit was conducted by Advisian. There were no non-conformances noted. While the auditor made some recommendations for improvement, they were complimentary of the Headworks team. We await the audit report. <p>The next external audit reviewing working in confined spaces is on 12 and 13 November covering Networks, Water and Waste Water Transmission.</p>
<p>Strategic Objective 3</p> <p>To engage with our workers through programmes that reduce Health and Safety risks, and support their physical and psychological health.</p>	<p>● Programme 1: Reducing safety risks arising from impairment from Fatigue, Drugs and Alcohol</p> <p>Fatigue Management has been implemented and is now BAU.</p> <p>The Drug and Alcohol Policy has been piloted with feedback incorporated and discussions on revisions underway with unions.</p> <p>Protect Health have completed their review of WaterCare’s Health Management systems and documentation. H&S Manager and Occupational Health Nurses to develop a timeline for document finalisation and implementation.</p> <p>M&S Manager is currently in discussion with Chief People Officer regarding development of the Health and Wellness strategy for the business. This will encompass addressing the critical health and Wellness risks, the Partnership Programme, Injury Management and Return to Work as well as health monitoring and occupational hygiene.</p>

Summary of outcomes for Q1, FY19	
<p>Strategic Objective 4</p> <p>To implement and further improve systems and resources that enable continual improvement of Health and Safety performance by enabling leaders, managers and workers to effectively meet their Health and Safety responsibilities.</p>	<p>Programme 1: Integrate Health and Safety Responsibilities into the roles of operational staff</p> <p>Health and Safety leadership skills, competencies and responsibilities have been incorporated in the Organisational Development competency framework and have been included in the ongoing programme of competency development.</p> <p>Programme 2: Complete and fully implement the Health and Safety Management System</p> <p>The revised Permit to Work system has been finalised.</p> <p>Health and Safety is working with the Infrastructure Delivery Team to improve and align contractor management documentation.</p> <p>System configuration is required for Synergi Life following recent organisational structure changes. System training will be run for the Health and Safety team prior to Christmas with a view to having clean Synergi data in January.</p> <p>We propose using a Business Analyst to determine the business' needs from the Synergi system with the view of improving reporting outcomes and system engagement.</p> <p>Along with IS, Health and Safety are preparing a business case to upgrade to the most recent version of Synergi because our current version is becoming obsolete.</p>

2. SOI MEASURES – 2017-2018 - Natural environment



- The drinking water consumption per day, per resident remains above our target after the long, hot summer.
- Consumption increased by 5% from late spring to early autumn during the 2017/18 year compared to the same period in 2016/17.
- This measure is a 12-month rolling average. The highest ever use during the previous summer will continue to affect the results for a further six months.
- We are escalating programmes in our Water Efficiency Strategy to increase Auckland’s water efficiency.

0.37

✓

Dry Weather overflows from sewerage system per 1000 connections (same as June)
(Target = ≤10)

2c

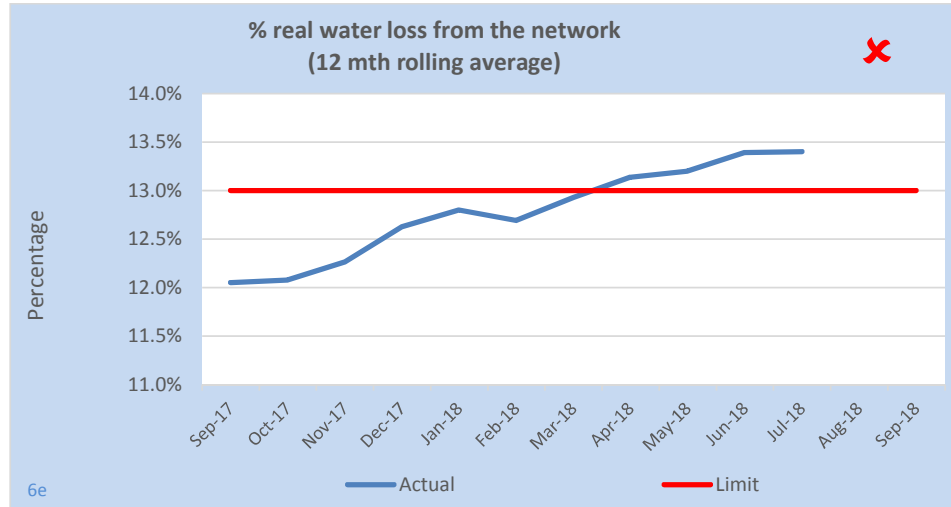
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✓

Non-compliance with RMA consents measured by number of abatements notices etc

2d

SOI MEASURES – 2017-2018 - Assets and Infrastructure



100% ✓

Compliance with Part 4 of the Drinking Water Standards (bacterial)

1a

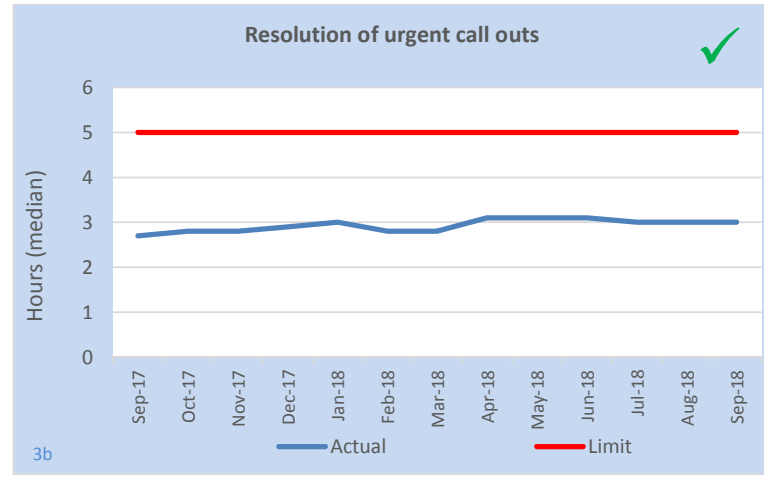
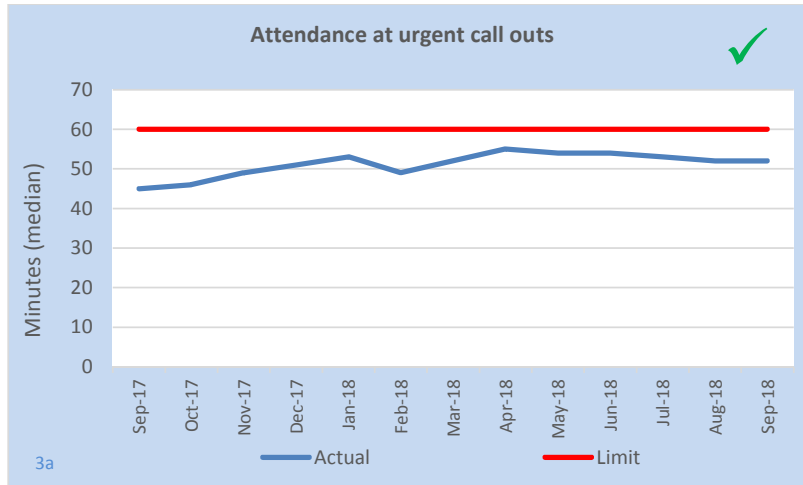
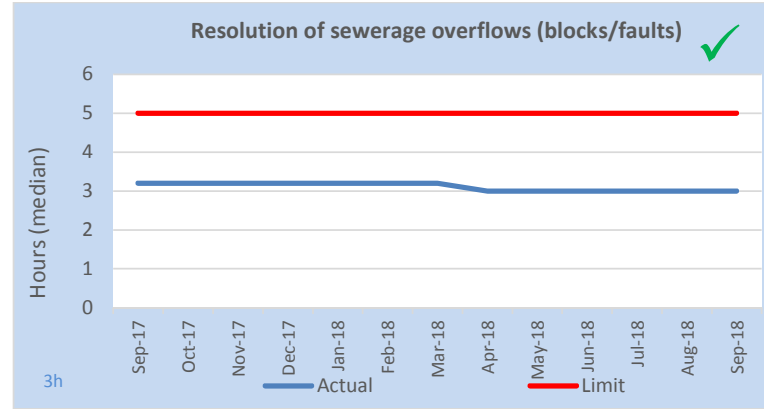
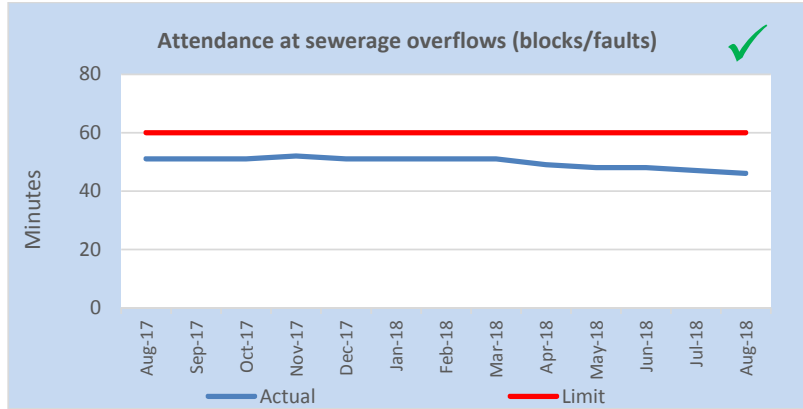
- We have recently identified that some of our Bulk Supply Point (BSP) meters may be overstating supply, resulting in a higher real loss figure.
- As BSP flows and production values are reported for the year-end, the supply correction will be included from July 2018 onwards. The correction may result in a reduction in the real loss percentage.
- Further work will continue on reviewing all BSPs.

100% ✓

Compliance with Part 5 of the Drinking Water Standards (protozoal)

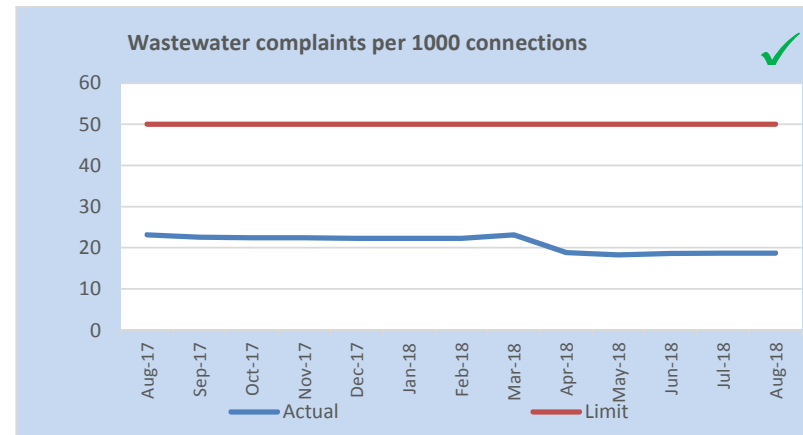
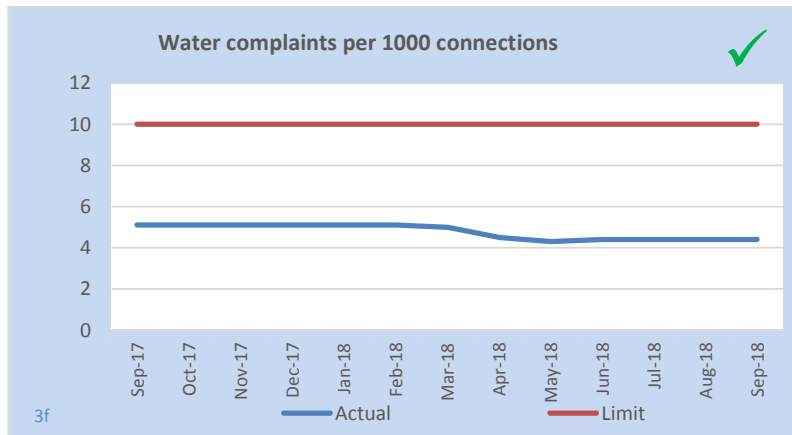
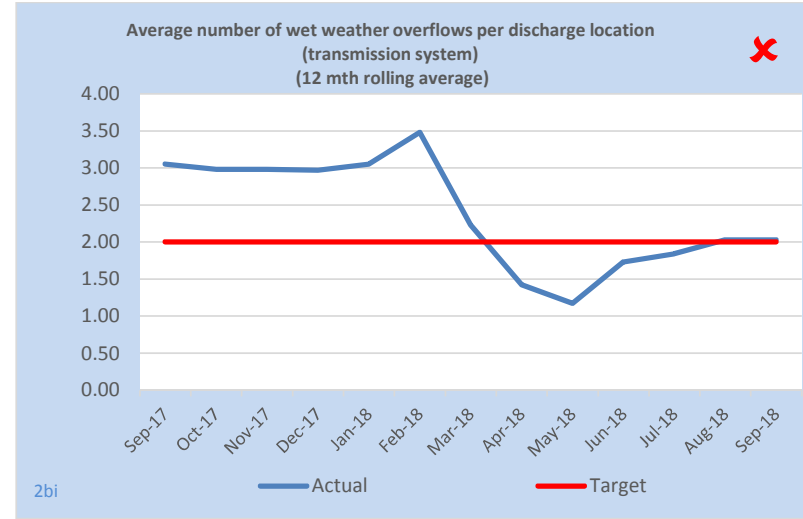
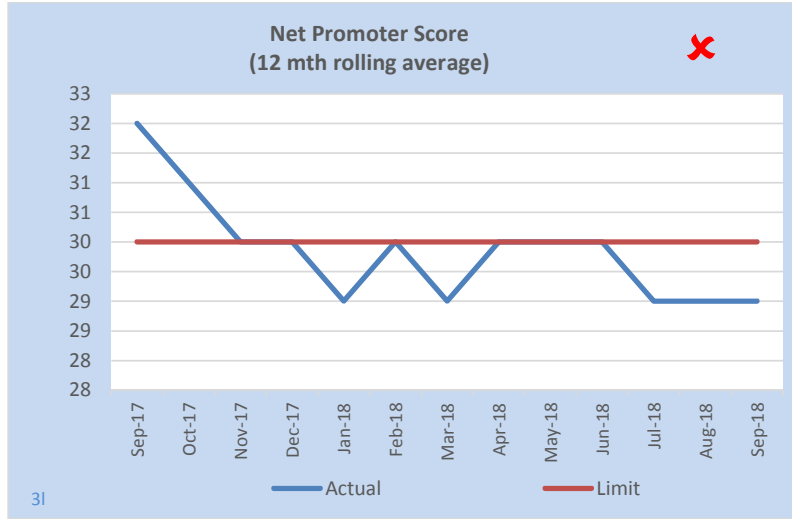
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SOI MEASURES – 2017-2018 - Community and Stakeholder relationships



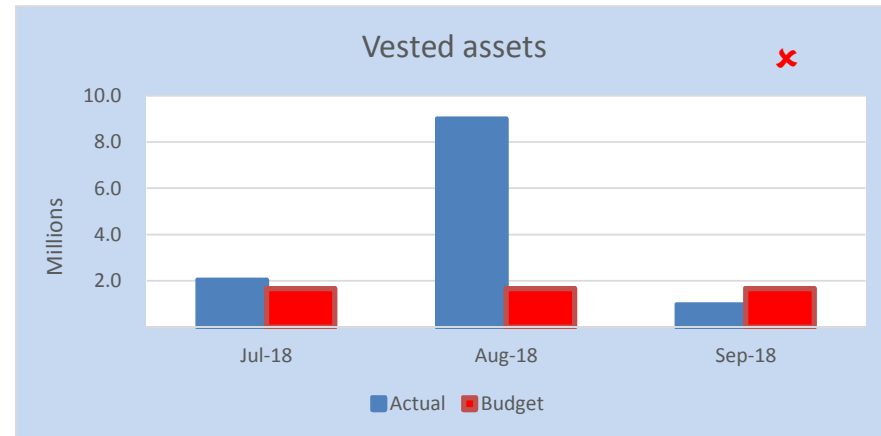
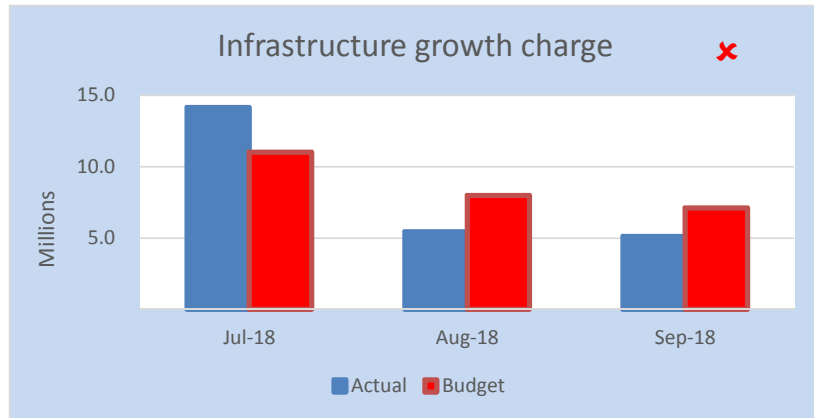
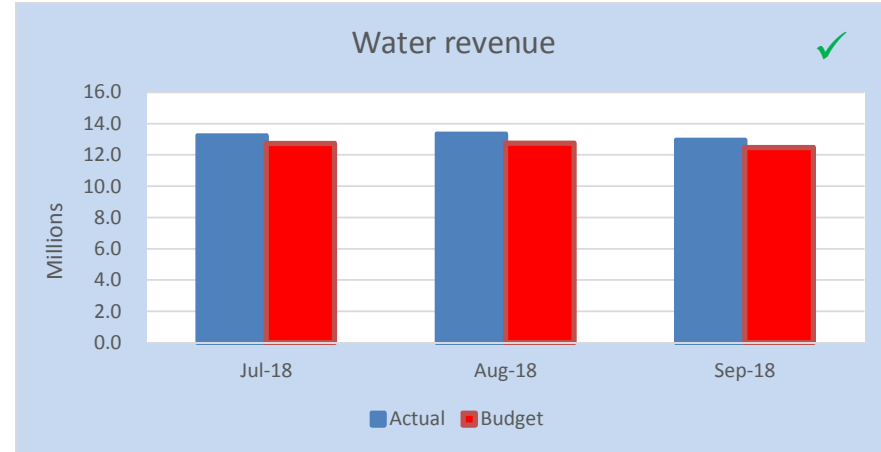
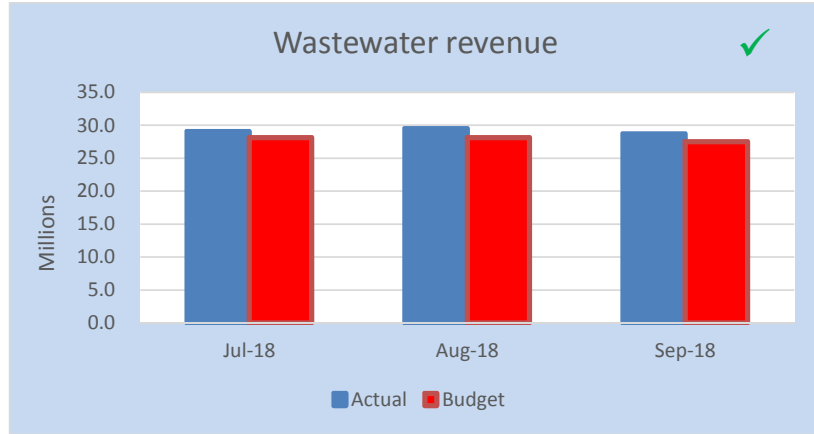


SOI MEASURES – 2017-2018 - Community and Stakeholder relationships continued

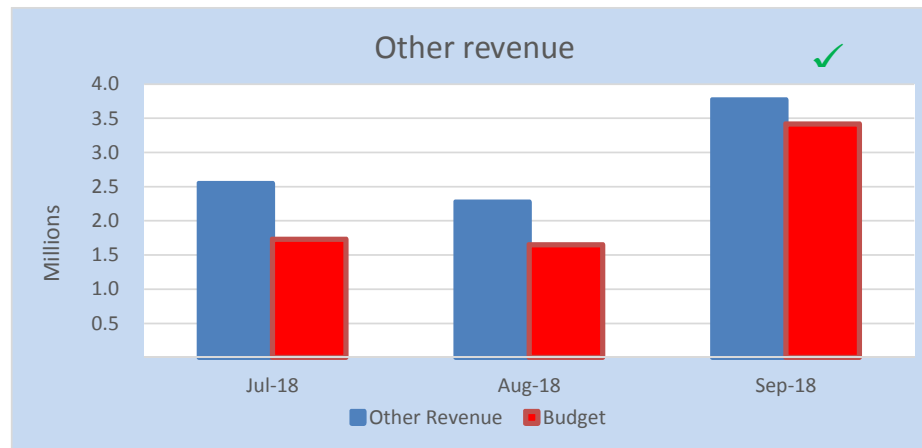


3. FINANCIAL SUMMARY \$

REVENUE



FINANCIAL SUMMARY continued



Revenue for the month of \$51.5m was \$0.7m unfavourable to budget

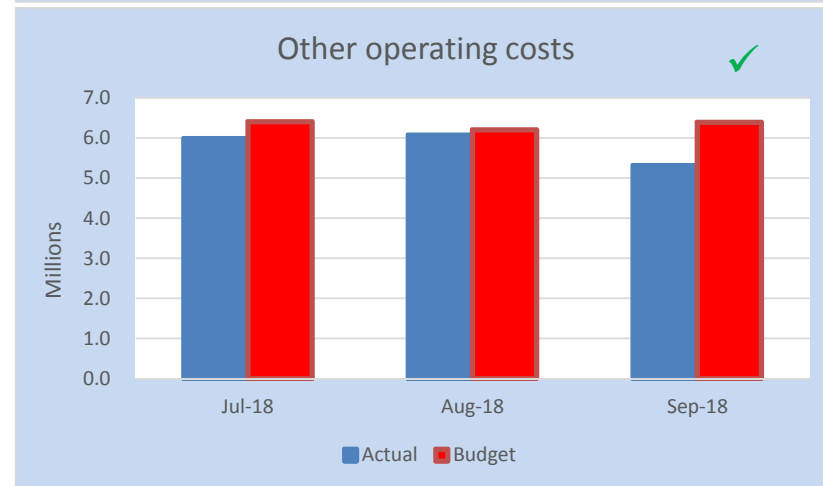
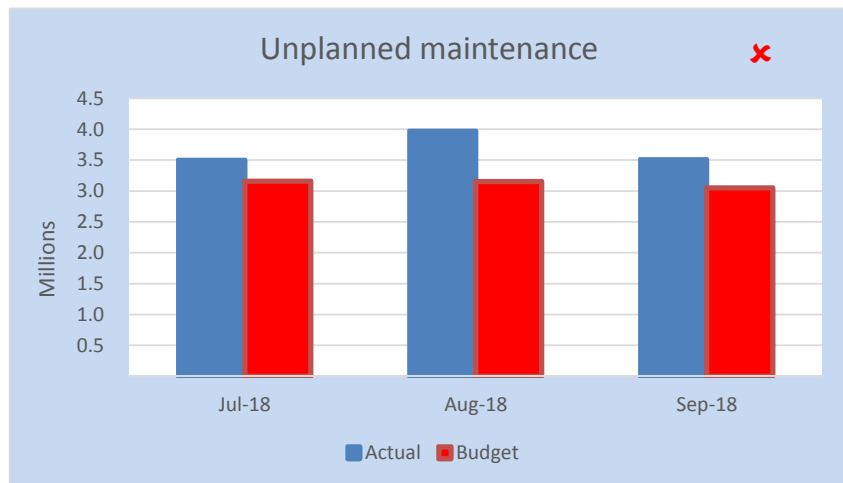
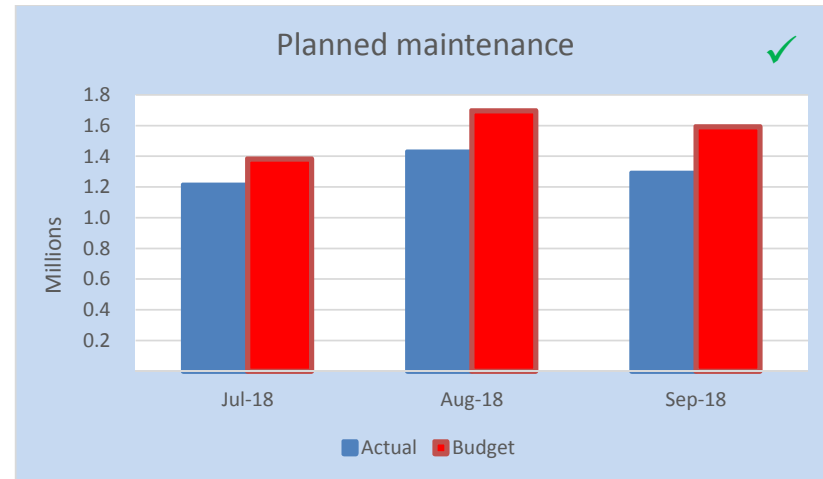
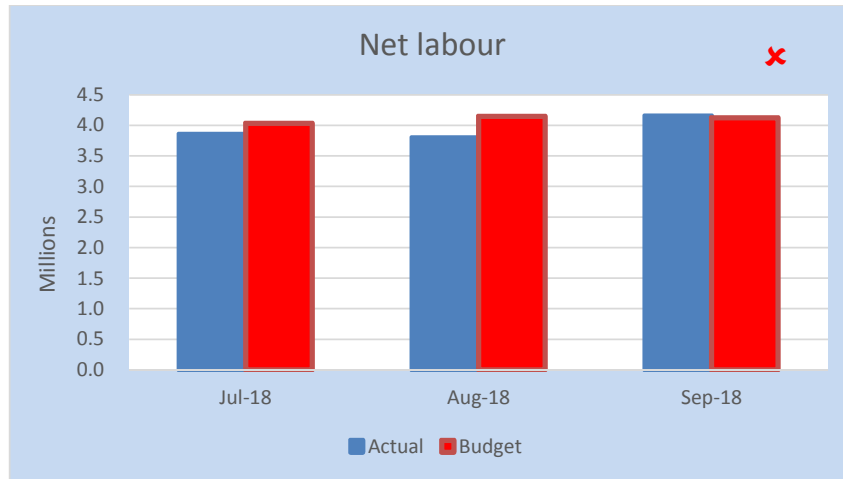
- Wastewater revenue of \$28.7m was \$1.2m favourable to budget.
- Water revenue of \$12.9m was \$0.5m favourable to budget.
- Water volumes were at an average of 596 mld, 5.18% higher than budget.
- IGC revenue of \$5.1m was \$2.0m unfavourable to budget.
- Vested asset revenue of \$1.1m was \$0.6m unfavourable to budget.
- Other revenue of \$3.7m was \$0.2m favourable to budget.

YTD Revenue of \$172.0m is \$12.4m favourable to budget

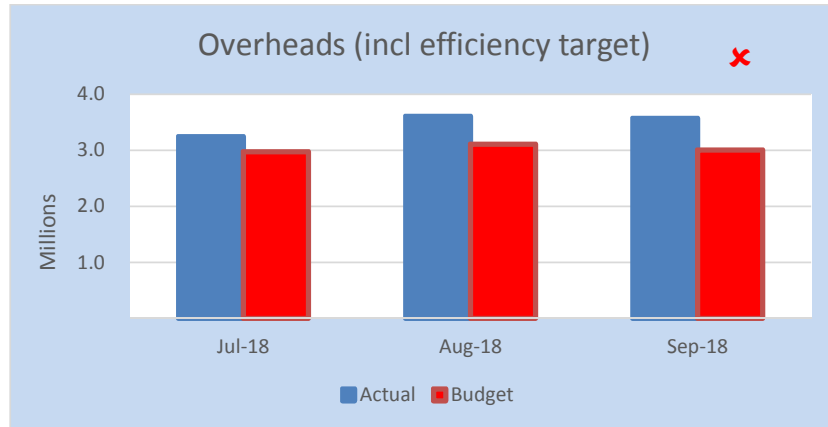
- Wastewater revenue of \$87.2m is \$3.5m favourable to budget.
- Water revenue of \$39.5m is \$1.6m favourable to budget.
- IGC revenue of \$24.7m is \$1.4m unfavourable to budget
- Vested asset revenue of \$12.1m was \$7.1m favourable to budget.
- Other revenue of \$8.5m was \$1.6m favourable to budget.

FINANCIAL SUMMARY continued

CONTROLLABLE COSTS



FINANCIAL SUMMARY continued



Controllable costs for the month of \$17.8m was \$0.3m favourable to budget (including efficiency target).

- Net labour of \$4.1m was near budget.
- Planned Maintenance costs of \$1.3m were \$0.3m favourable to budget:
 - Critical major assets of \$1.0m were \$0.4m favourable to budget due to the unavailability of internal and Maintenance Delivery resources (majority of work done by 3rd party suppliers).
 - Retail assets of \$0.3m were \$0.1m unfavourable to budget.
- Unplanned Maintenance costs of \$3.5m were \$0.5m unfavourable to budget:
 - Critical major assets of \$0.7m were on budget
 - Retail assets of \$2.8m were \$0.5m unfavourable to budget (See YTD for further comment)
- Other operating costs of \$5.3m were \$1.1m favourable to budget.
- Overheads of \$3.6m was on budget (excluding efficiency target).
- August controllable costs include a budgeted *efficiency target* of \$0.6m.

FINANCIAL SUMMARY continued

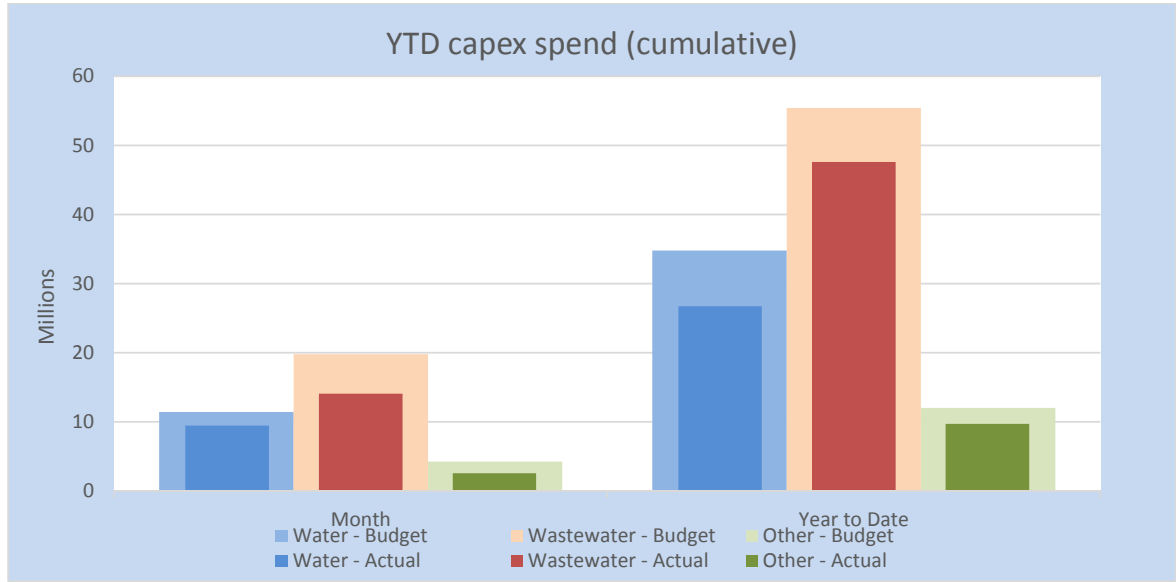
YTD Controllable Costs of \$54.5m are just above budget by \$0.1m (including the efficiency target)

- Net Labour of \$11.8m is \$0.5m favourable to budget.
- Planned Maintenance of \$3.9m is \$0.7m favourable to budget:
 - Critical major assets of \$3.0m were \$0.7m favourable to budget.
 - Retail assets of \$0.9m were on budget.
- Unplanned Maintenance of \$11.0m is \$1.6m unfavourable to budget:
 - Critical major assets of \$3.0m were \$0.5m unfavourable to budget. YTD \$0.2m over in Māngere which is due more to the age of infrastructure rather than missed planned maintenance activities. Remaining overspend is mainly in South Regional WWTP's and Ardmore on various items.
 - Retail assets of \$8.0m were \$1.1m unfavourable to budget. Up \$1.2m from LY YTD, a 17.8% increase. Also up 3.4% in job volume (est. impact \$0.2m). Other factors include a \$0.2m catch up on Water reinstatement jobs from previous FY, and an estimated \$0.8m increase in price to complete maintenance jobs. We were advised by all suppliers that costs would be going up this year for things like labour, concrete and traffic management but chose to hold budget costs in line with last year as 2018 had already shown a large price increase.
- Other Operating Costs of \$17.4m are \$1.6m favourable to budget.
- Overheads of \$10.4m are \$0.5m favourable to budget.

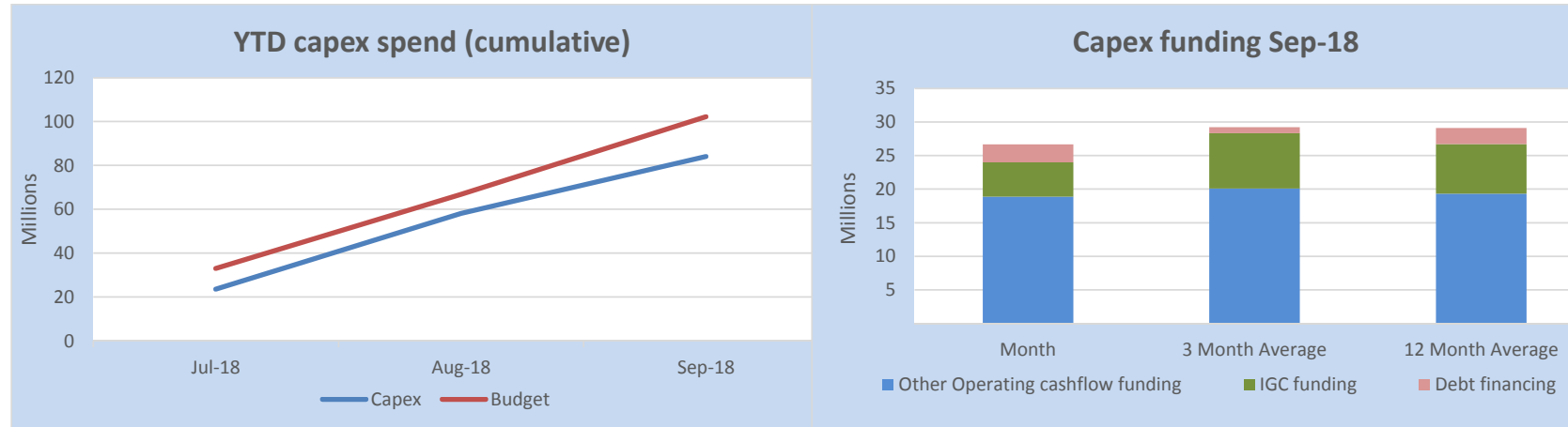
September YTD controllable costs include a budgeted *efficiency target* of \$1.8m.

FINANCIAL SUMMARY continued

CAPEX/DEBT



FINANCIAL SUMMARY continued

**Capital expenditure**

- September capital expenditure of \$26m was \$9.4m **below** budget. YTD capital expenditure is \$18.2m **below** budget.

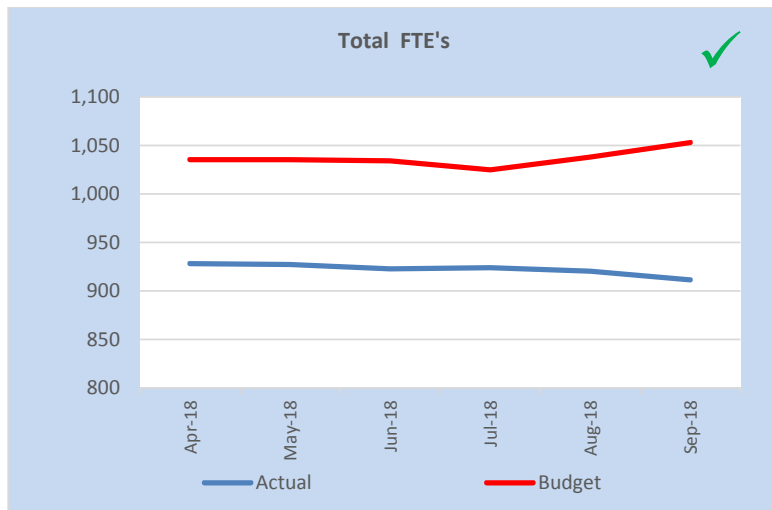
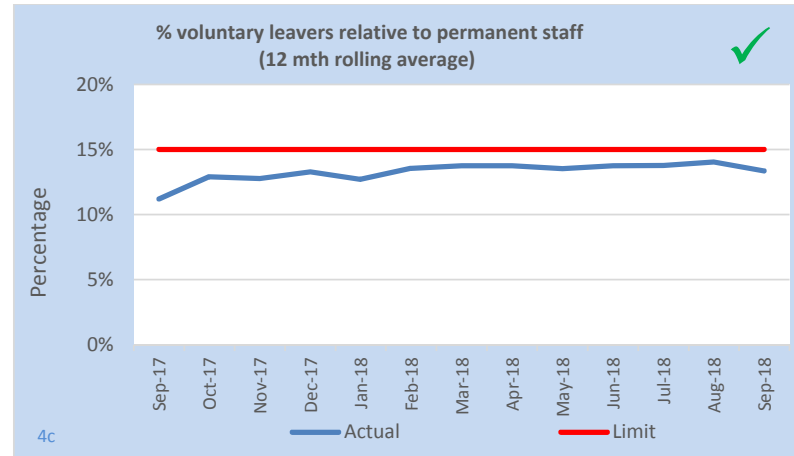
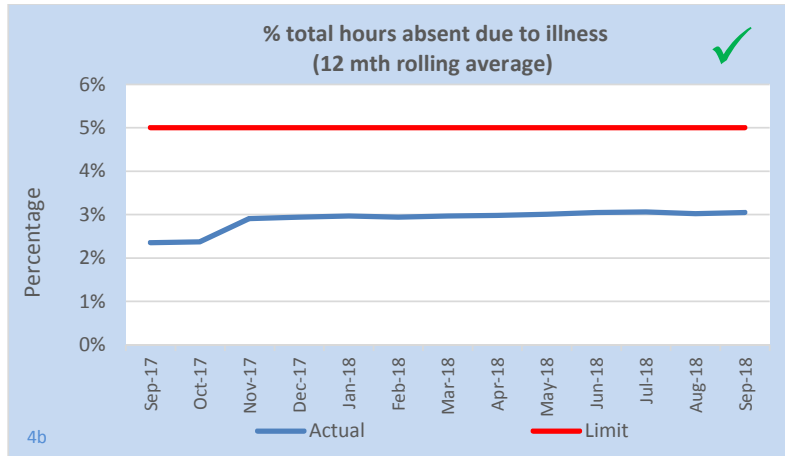
Capex funding

- September's cashflow from operating activities (\$24.0m) funded most of the month's capital expenditure requirement (\$26.7m). The collection of water and wastewater revenue was lower than the previous 2 months, necessitating the need for additional new debt of \$2.7m to cover the month's funding shortfall.

Debt

- Watercare debt/asset ratio: **16%** (16%: August 18)
- Total debt balance as at the end of September: **\$1,620m**, an increase of **\$9.5m** from August.
 - This is primarily driven by the monthly capitalisation of Auckland Council interest to debt: \$6.8m (non-cash) and new Council borrowings of \$2.7m (cash).

4. PEOPLE, CAPABILITY AND LEARNING



- The realignment of our operating model is complete at a senior level.
- We have welcomed several new people into key leadership roles, in particular a new Head of Sustainability and a new Head of Customer Insights.
- Activity is continuing on building the company’s Capability Framework. The leadership program is being split into modules, which will be more focussed on each groups specific learning requirements
- We are developing our revised learning management solution. This will launch in the first half of 2019.
- Next year, we will optimise our physical working environment. We are working and talking with our staff to discover what types of working environments are likely to promote more productivity and efficiency, collaboration between teams and the breaking down of silos.

PEOPLE, CAPABILITY AND LEARNING continued

WATER NEW ZEALAND CONFERENCE SEPTEMBER 2018

Watercare was a premier sponsor of the Water NZ Conference, held in Hamilton 19-21 September 2018. The event was opened by Hon Minister Nanaia Mahuta, Minister of Local Government.

Eight Watercare staff from across the business presented papers and demonstrated Watercare's thought leadership on a range of topics. This included presentations on "Sand removal during the water treatment process" and "Migratory bird management on the Manukau".

A number of our people and projects were recognised at Water New Zealand Awards.

Award winners are set out at point 11 of this report.

MĀORI LANGUAGE WEEK

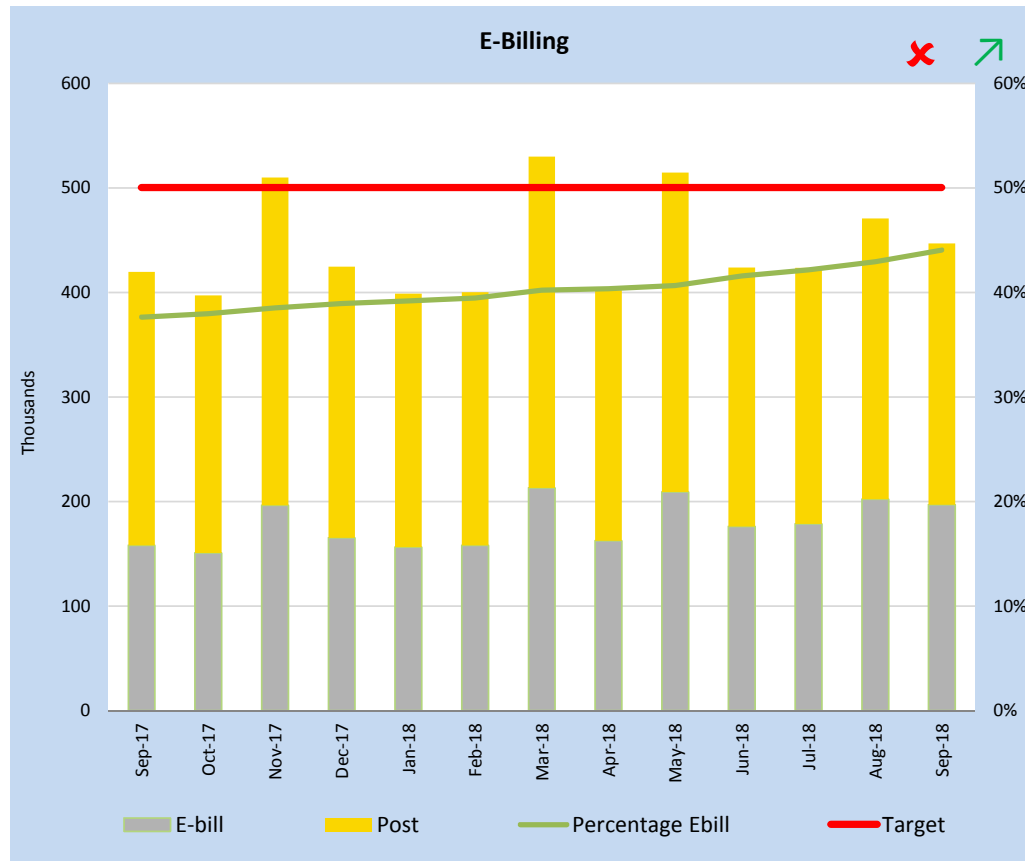
In September, we celebrated Māori Language Week. This year's theme was "Kia Kaha te Reo Māori: Let's make the Māori language strong".

We designed our celebrations to increase awareness of Māori language revitalisation and to ensure it is *visible, heard, spoken and learnt*.

Staff organised or attended a number of events across various locations:

- a 'Te Waiata Off', hosted by Auckland Council
- a celebration of Te Reo Māori at MSN in Penrose, which included a Hāngi lunch
- a Hīkoia te reo Māori, Auckland Central Māori Language Week Parade, which was a council family event
- a hāngi at Māngere wastewater treatment plant.

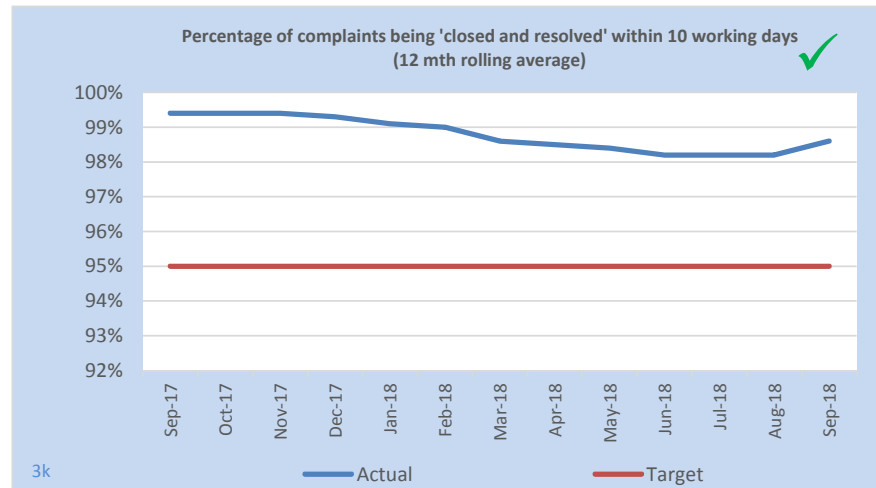
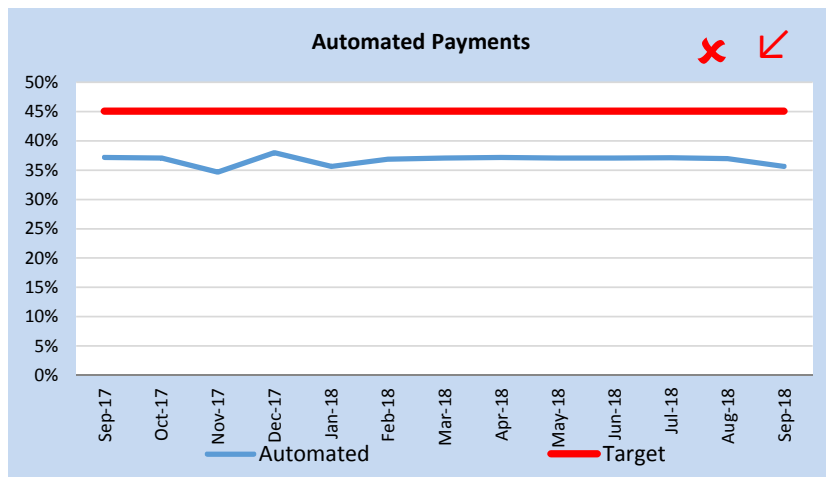
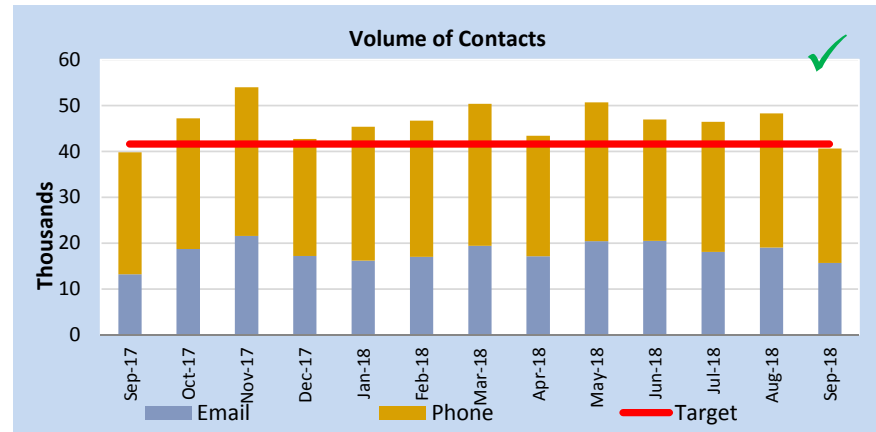
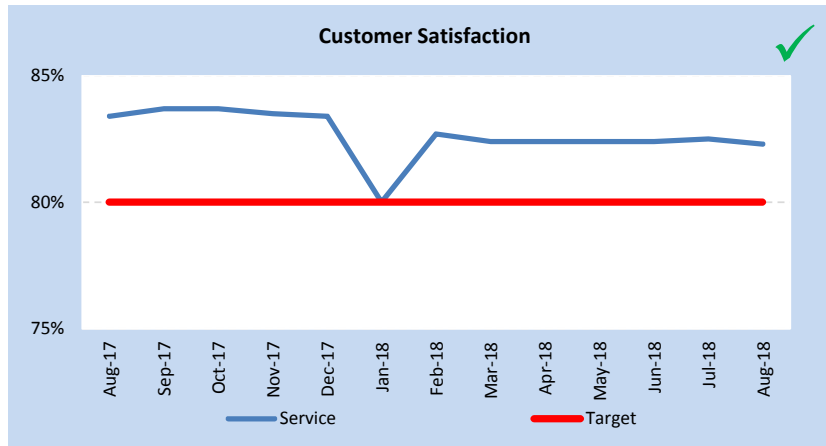
5. CUSTOMER SERVICE



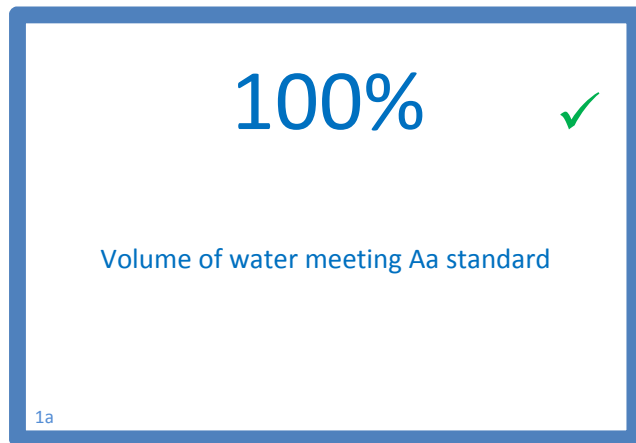
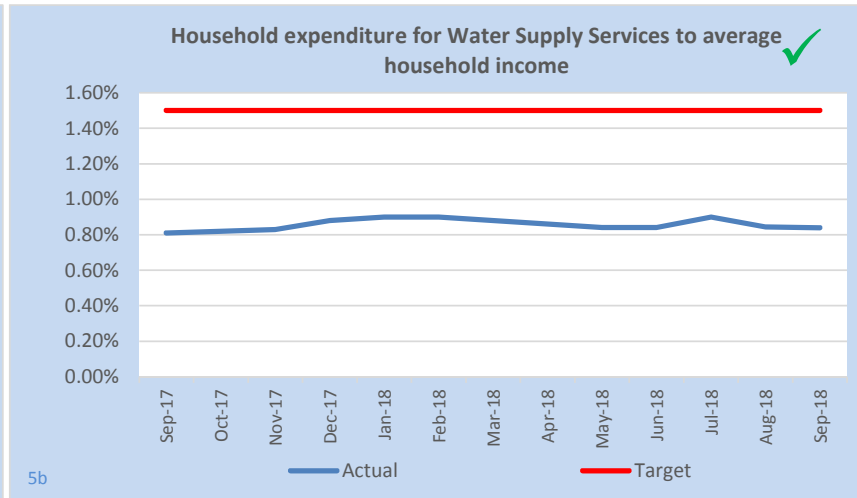
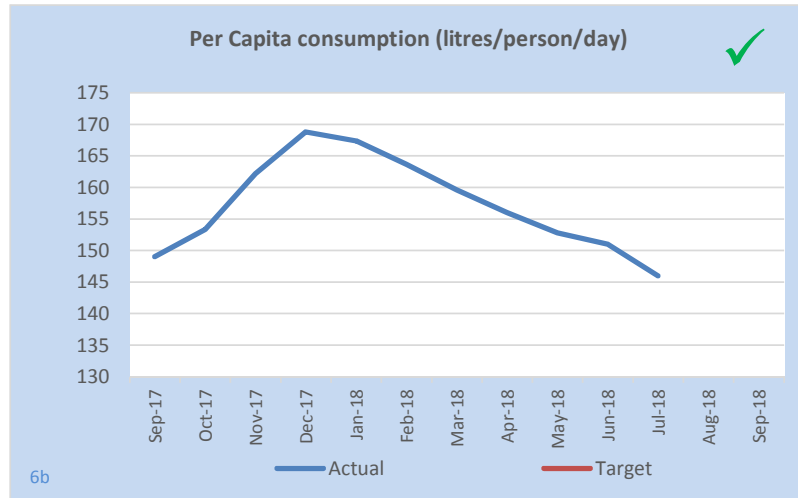
e-BILLING CAMPAIGN

- The e-billing campaign is making good progress, with adopting of e-Billing by customers trending upwards by 2% (from 42 to 44%) in September.
- The graph represents volume by month based on weekly production batches. November 2017 was a 5 week month where the production batch for the first week included 30 and 31 October and the last week included 1 December. Therefore, we sent more bills in November than we did in October or December.

CUSTOMER SERVICE continued

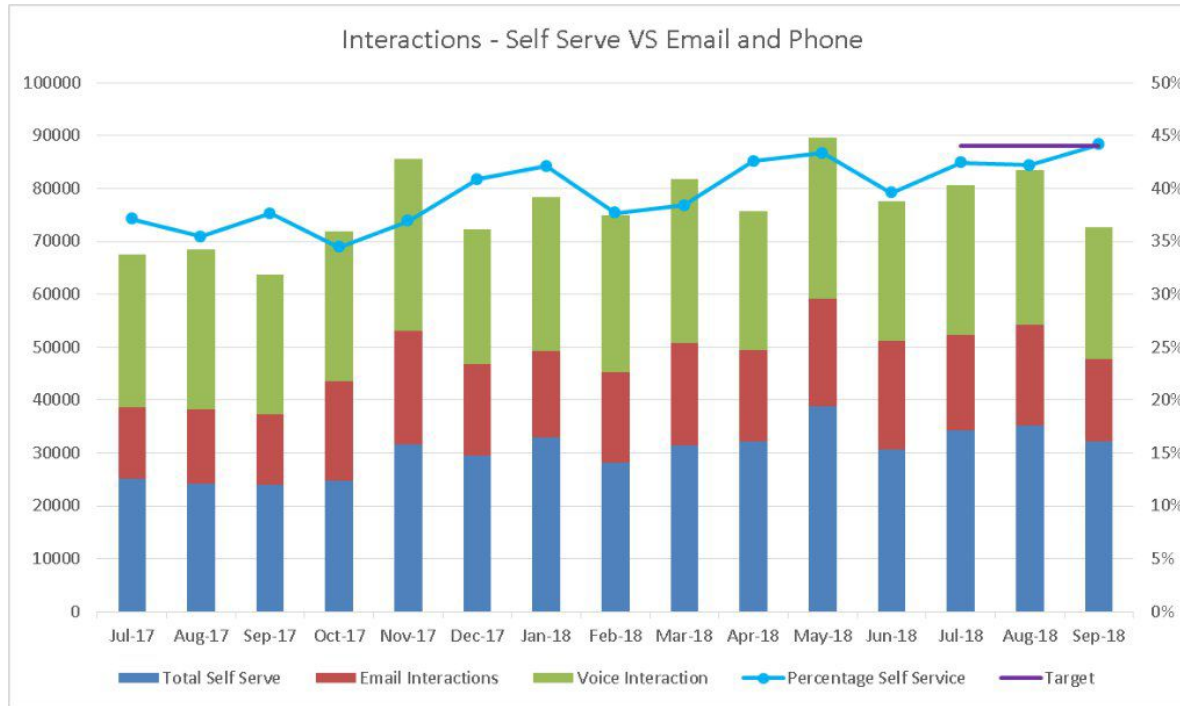


CUSTOMER SERVICE continued



CUSTOMER SERVICE continued

SELF SERVICE INTERACTIONS ARE INCREASING



44% of all interactions in September were self-serve, the highest since the start of FY18.

The focus on reducing customer effort saw the deployment of 2 changes to the IVR in September:

- Payment functionality is now 24/7 (previously only available during business hours). While this will save approximately 240 hours of staff effort annually, the key benefit is that customers are able to self-serve outside of office hours.
- To assist call flows, we recorded an audio clip of Watercare’s direct debit terms and conditions for easy playback to customers. This ensures consistency and reduces our handling time by 1:45 minutes per call.

CUSTOMER SERVICE continued

WATER UTILITY CONSUMER ASSISTANCE TRUST (WUCAT) UPDATE – THREE MONTHLY UPDATE

Customers experiencing hardship may be eligible to apply to WUCAT for assistance with their water bills.

At the last three WUCAT meetings, 25 applicants successfully completed the budget process with \$25,000 of hardship relief approved by the Trust.

Over the last year, we have increased training to Watercare’s customer-facing teams to enable better assistance and referrals of customers in hardship to WUCAT. The number of applications lodged and the amount of relief granted in the 2018 financial year increased on the 2017 financial year.

Customers experiencing hardship are given shower timers by WUCAT in collaboration with EcoMatters (our water efficiency programme delivery partner). Customers are also provided with information on how to carry out a leak test. These are given to households with high bills for the number of occupants, or those who may think they have a leak.

Customers working with WUCAT are sometimes recommended for a Watercare water audit with the objective of reducing water demand and therefore reducing cost for the customer.

WUCAT ROUND TABLE

During the quarter, WUCAT initiated and hosted a round-table meeting at Watercare’s offices. Other community organisations, who offer assistance to households in hardship attended, including representatives from:

- Mercury Energy
- Habitat for Humanity
- Salvation Army Loan Scheme
- Nga Tangata Micro Finance (debt consolidation)
- Eco Matters Trust
- The Fono (medical and dental organisation)
- Auckland Council (Rates Rebate and Rates Postponement)
- Kainga Ora Healthy Homes Initiative

The workshop allowed each of the organisations to see each other’s “tools in the toolbox”. Often, customers in hardship are facing a number of issues, so knowing what other assistance programmes are available means the various administrators can utilise each other’s services to achieve better outcomes for customers in hardship.

UPDATE ON RESTRICTIONS AS 30 SEPTEMBER 2018

- 11 domestic restrictions on vacant properties
- 40 domestic restrictions on occupied properties
- 16 non-domestic properties

We are communicating with all of these customers to try to find a resolution.



6. COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE

MĀORI ENGAGEMENT

Māori engagement is now part of “BAU”. Activity over the quarter included the following:

- Attended the Hikoia Te Reo Māori Kaupapa, Auckland Council. This was a whanau collaborative approach to celebrating Te Wiki o Te Reo Māori
- Attended meetings with Auckland Council Te Toa Takitini portfolio
- Mana whenua forum Co Chairs Patience Te Ao and Ngarimu Blair were provided strategic advice on the Central Interceptor Project
- Met with Ngāti Te Ata Chief Executive, Roimata Minhinnick, regarding the Hunua restoration programme and discussed Ngāti Te Ata values and aspirations.
- Engagement with Paul Majurey (Chief Negotiator, Ngāti Maru) regarding the Army Bay wastewater treatment plant consent.
- There was also engagement with Ngai Tai ki Tāmaki, Ngāti Whanaunga, Ngāti Manuhiri and Te Kawerau ā Maki kaitiaki.
- Provided support and advice to Ngāti Tamaoho Chair, Dennis Kirkwood regarding wastewater issues at Whātāpaka Marae, Karaka
- Attended Watercare and Ngai Tai ki Tāmaki relationship meeting. Hunua Ranges cultural opportunities for Ngai Tai ki Tāmaki
- Continued to work with Council to implement the Value for Money, s17A, Māori Engagement report recommendations

LOCAL BOARD ENGAGEMENT

- We sent all Local board chairs a digital copy of Watercare’s Annual Report 2018.
- Workshop with the Hibiscus and Bays Local Board to provide an update on the Mairangi Bay pump station planning, including the architectural perspectives. The Local Board was supportive of Watercare’s proposal.
- Chair of Orakei Local Board was briefed on a local wastewater issue in the Purewa Catchment to help understand intense lobbying from a small group of local constituents. The Chair was complimentary of the joint efforts undertaken by Watercare and Healthy Waters and the professional response.
- Information shared with Rodney Local Board on the wastewater upgrades at Warkworth Wastewater Treatment Plant – this included links to social media including Facebook posts and a YouTube video.
- Local Board escalations and requests on a range of water and wastewater issues continue to be responded to in a timely manner.

COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE continued

TRADE WASTE BYLAW REVIEW UPDATE

- Work has commenced on the Statement of Proposal and draft amended Bylaw. We plan to present the Statement of Proposal and draft Bylaw to the Regulatory Committee and Governing Body in February 2019.
- During the Statement of Proposal submission meeting in February 2019, a Panel will be selected by the Regulatory Committee, to meet with Local Boards, Mana Whenua, large trade waste customers and the public over a maximum of two days for a 'consultation event'. The Panel will comprise up to three councillors from the Regulatory Committee, or two councillors and a Watercare Board member.
- The actual time set aside for the 'consultation event' will be finalised during the public consultation period, once we are able to determine the level of interest and registrations, and align the Panel members' diaries. At this stage, it is expected to occur in late March 2019.
- The amended Bylaw is on schedule to come into force mid-2019.

INSTITUTE OF DIRECTORS FORUM – HEALTH AND SAFETY LEARNINGS

- In September, the Chief Executive joined Watercare director, Julia Hoare, at a New Zealand Institute of Directors forum.
- One of the topics of discussion was Health and Safety and where we would like our companies to be four years from now.
- Julia shared with the group highlights from Watercare's Health and Safety journey, including the roll-out of our commitment to safety cards and our on-going drive to embed health and safety in our company DNA. The card gives our people the authority to stop any activity that they consider unsafe.

WAIKATO DISTRICT COUNCIL

- Waikato District Council would like Watercare to deliver its water, wastewater and stormwater services.
- WDC hopes that by partnering with Watercare, it will benefit both financially and non-financially – through Watercare's greater buying power as well as our depth of experience.
- Watercare and WDC are currently carrying out work to understand what type of commercial arrangement we should agree to.
- In the meantime, Watercare is undertaking due diligence to assess WDC's assets and their condition. This includes 18 treatment plants, 78 wastewater pump stations and 30 water reservoirs. The area covers around 16,000 households and businesses, all of which are metered.

AUCKLAND COUNCIL - ANNUAL BUDGET 2019/2020 DIRECTION SETTING

Auckland Council provided all CCOs with a memo setting out the direction for Annual Budget 2019/2020. **Appendix B** is a copy of this memo.

COMMUNITY AND STAKEHOLDER RELATIONSHIPS UPDATE *continued*

OUR ENVIRONMENTAL ADVISORY GROUP ADVISES US ON SUSTAINABILITY AND ENVIRONMENTAL MATTERS

- Watercare’s Environmental Advisory Group (EAG) was established in 2001 and significantly refreshed in 2016.
- The EAG’s purpose is to advise, support and challenge Watercare’s approach to sustainability and environmental matters. The group provides a robust external sounding board for our work, and supports us to be better tomorrow than we are today.
- The EAG meets at least every quarter and also hosts and facilitates special interest workshops when required. For example, the EAG and Watercare staff will participate in a Hunua revegetation workshop in November 2018.
- The EAG most recently met in September 2018. This coincided with their annual letter to the Chief Executive. The EAG said they were impressed with Watercare’s increased communication and have highlighted that they can add the most value when the group is made aware of our various projects at an early stage. For example, the EAG had early input into our integrated reporting and climate change projects, and this has proven to be effective.

THERE ARE SEVEN MEMBERS OF THE EAG

The EAG is independent and comprises seven individuals with interest and expertise in either water, wastewater or both. Current members are

1. Paul Walbran (Chair)
2. Judy Bischoff
3. Dr Daniel Hikuroa
4. Elizabeth Walker
5. Betsy Kettle
6. Madeleine Wright
7. Georgina Hart.

The group’s key contact at Watercare is our Head of Sustainability, Chris Thurston.

COMMUNICATIONS SNAPSHOT



Enabling engaged communities and stakeholders

Media

Media highlights for the month include coverage about our Pukekohe Wastewater Treatment Plant expansion on Stuff and in Franklin County News. Our environmental care manager Sanjay Kumarasingham was interviewed on Radio New Zealand's Panel about our wastewater network and project manager Alan Brooks was interviewed on Radio Live about the Warkworth container wastewater treatment plant.



Corporate

We published our first integrated annual report and an interactive version online.



Enabling safe, happy and empowered teams

Staff

Internally, we promoted the awards won by our staff at the Water NZ 2018 conference, our resilience exercises for staff and raised awareness about fire safety in vehicles with a story and video.



Recognition

Education coordinator Sally Smith's children's book about where drinking water comes from, called Sam and Flo's Amazing Watery Adventure, was a finalist in Best Primary Resource category at Copyright Licensing Education Awards.



Enabling customer trust and value

Customers

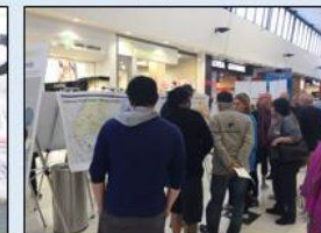
We launched our official Watercare Facebook page which we'll use to build brand awareness and trust in our customers and communities by posting about the cool things we're doing to make a difference, both for them and the environment. We also promoted the 'switch to e-billing' for customers through our monthly bill insert.



Stakeholders

We participated in the 'Engineering the Future' public Expo where we showcased our Central Interceptor project's 2.5m-tall 3D model drop shaft in operation, simulating how the wastewater will enter the tunnel.

We also participated in two open days to support the Growth Alliance consultation for NZTA and AT projects in the northwest and showcased our Northern Interceptor and North Harbour No.2 Watermain projects.



7. 1080 DROP IN THE HUNUA RANGES



AN INJUNCTION WAS IN PLACE UNTIL 21 SEPTEMBER 2018

- In early September 2018, The Friends of Sherwood Trust sought an injunction in the Environment Court to prevent Auckland Council from proceeding with its animal pest control programme in the Hunua Ranges. This involves dropping 1080 pellets (sodium fluoroacetate) in an area where Watercare has four storage dams, which supply 60% of Auckland's water.
- Auckland Council and Watercare were both named as parties to the proceedings. The Court heard the matter on Thursday, 13 September. At the end of the hearing, Watercare was removed as a Respondent, with the applicant's consent. This meant the applicant accepted that the decision to undertake the 1080 drop is for the Council and not Watercare.
- The Court issued an injunction whilst it reserved its decision.

THE 1080 DROP PROCEEDED ONCE THE INJUNCTION WAS LIFTED

- On 21 September, the Environment Court injunction was lifted.
- Auckland Council was then free to conduct the drops of 1080 across two blocks.

AUCKLAND COUNCIL APPLIED THE DROP TO COSSYS AND MANGATANGI DAM (BLOCK ONE) ON 22 SEPTEMBER

- Block one covered the Cosseys and Mangatangi Dam catchments
- Both Cosseys and Mangatangi dams were isolated from supply before 1080 applied.
- Water sampling was undertaken in the Cosseys and Mangatangi reservoirs as soon as possible after the operation.
- Samples were taken from locations within the reservoir (targeting major inflowing tributaries) and the valve tower.
- Over 40 water samples were taken and tested by both Watercare Laboratory Services and Landcare Research - all samples taken showed no detection of 1080 within the reservoir.
- Cosseys and Mangatangi Dams were returned to service following approval from the Medical Officer of Health and the Watercare executive.

AUCKLAND COUNCIL APPLIED THE DROP TO WAIROA AND MANGATAWHIRI (BLOCK 2) FIVE DAYS LATER

- The dams in the affected catchments were isolated before 1080 was applied.
- A similar method of sampling was undertaken (i.e. immediately following the operation, with samples taken from locations within the reservoir (targeting major inflowing tributaries) and the valve tower).
- Over 40 water samples were taken and tested by both Watercare Laboratory Services and Landcare Research - again, all samples taken showed no detection of 1080 within the reservoir.
- Wairoa and Mangatawhiri Dams were returned to service following approval from the Medical Officer of Health and the Watercare executive.

1080 DROP IN HUNUA RANGES continued

WE CONDUCTED EXTRA TESTING AFTER RAINFALL ON 11 OCTOBER 2018

- On the night of 11 October 2018, there was between 30-45mm of rainfall within the Hunua dam catchments.
- As a result, we triggered reactive sampling, which involved water samples being taken from four locations within all four reservoirs, for three consecutive days.
- 48 samples were taken within the reservoirs at inflowing tributaries following the rainfall.
- All samples taken showed no detection of 1080.

WE WILL CONTINUE TO MONITOR THE CATCHMENTS

- Currently we have all four reservoirs back in service supplying Ardmore Water treatment plant.
- We are undertaking weekly sampling from each reservoir. This will continue until 30 October 2018.

THERE WERE NO SECURITY ISSUES

- No event of significance posed a risk to any Watercare staff during the drops.
- Headworks/Watercare staff were only present within the operational area to undertake water sampling
- Auckland Council have reopened the Hunua Ranges Regional Park to public – following approval from the Auckland Regional Public Health Service.

8. RESOURCE MANAGEMENT ACT COMPLIANCE



September 2018 Summary	Compliance proceedings	0	Environmental incidents of significance	0
	Category 4 non-compliant consents	0	Category 3 non-compliant consents	0

9 of our 484 active consents are technically non-compliant, but none are in Category 3 or 4

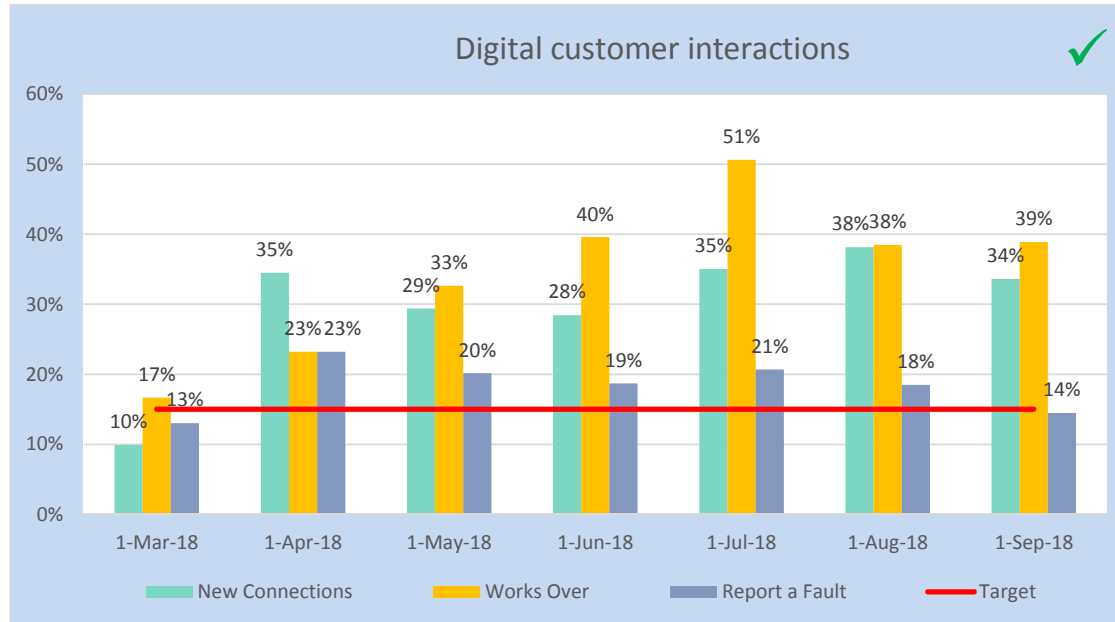
	Apr	May	Jun	Jul	Aug	Sep
Number of total active consents	485	485	483	479	483	484
Number of non-compliant consents ¹	11	9	10	15	10	9
Number of non-compliant category 3 conditions <i>Non-compliance where the result will have or has the potential to have an adverse or significant adverse effect on the environment, or where there has been a repeat of a lower score non-compliance.</i> <i>We would typically receive notification or have warning of a category 4 non-compliance well before we prepare this report.</i>	2	2	3	0	1	0
Number of non-compliant category 1 or 2 conditions <i>Technical non-compliance with no more than minor potential or actual adverse effect to the environment. For example, reports provided after due date.</i>	10	8	10	17	16	12

Notes: 1 – excludes trade waste consents

Non-compliant consents in Category 3 and 4 for September:

There are no Category 3 or 4 non-compliances for the month of September.

9. DIGITAL UPDATE



DIGITAL INTERACTIONS

Year to date figures for FY19 are:

- New connections – 32%
- Works over – 37%
- Report a Fault – 19%

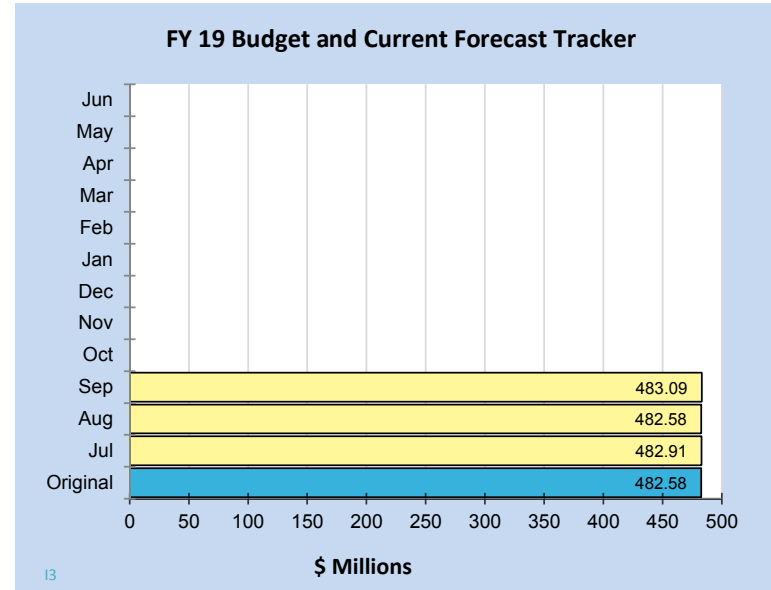
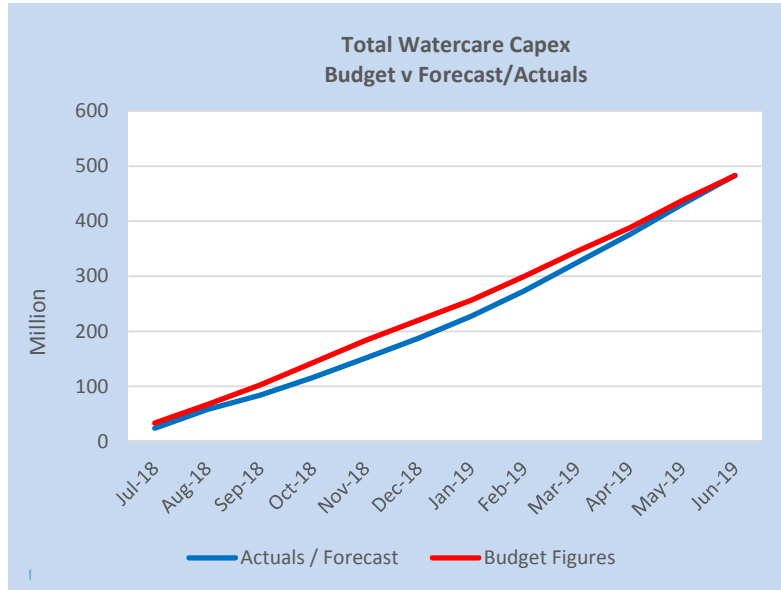
STRATEGIC TRANSFORMATION PROGRAMME (STP) UPDATE

The third three-month release cycle (Release 3) was completed on 16 October and achieved the goals set for the Release which included:

- Delivering a Minimal Viable Product (MVP) of the usage to pay process, providing simple billing capability
- Validation of developer collaboration and new connections improvements using customer focus groups
- Work order scheduling and management against a robust and proven asset hierarchy at the Rosedale wastewater treatment plant
- Continued enhancement of the infrastructure project management capability, including trialling the capability across a number of live infrastructure projects in parallel with existing business processes
- Further development of demand analytics and insights

Release 4 (of 6 Releases) commenced on 17 October 2018 with two days of release planning underway.

10.ASSETS AND INFRASTRUCTURE



CENTRAL INTERCEPTOR UPDATE

- The four contractors submitted their proposals, as planned, on 14 September 2018.
- The review panel (with guidance from external auditors) is now evaluating the proposals and a recommendation on the preferred contractor will be made to the Board in November 2018.
- We expect to announce the successful contractor in February next year, with construction starting a few months later and running through to 2025.

ASSETS AND INFRASTRUCTURE continued

Project / Programme Infrastructure Related Projects (Phase: Design / Execution)	Project Current Forecast	Annual Performance		Project Status	
		Forecast	Budget	Time	Cost
Water Projects >\$15 Million					
Warkworth Wells WTP	20,105	2,370	1,550		
Drewa Number 1 Replacement Stg 3	15,218	3,455	3,700		
Albany Pinehill WM & PS	18,067	6,784	5,733		
North Harbour WM Duplication - GBWD	54,300	11,163	6,493		
Hunua 4 Section 11	71,750	18,718	28,955		
Huia 1 and Nihotupu 1 Replacement	116,569	12,715	16,241		
Huia WTP Upgrade	5,540	1,664	880		
Redoubt Road Reservoir Expansion	47,900	1,066	970		
Ardmore WTP Treated Water Resilience	27,600	9,463	7,535		
Pukekohe East Reservoir	33,254	11,605	11,673		
Waikato 175MLD Expansion Stage Ultimate	32,850	5,671	9,250		
Wastewater Projects >\$15 Million					
Snells Algies W/WTP Ocean Outfall	34,000	3,269	3,630		
Snells W/WTP Upgrade	69,589	5,930	4,910		
Warkworth to Snells Transfer Pipeline	69,613	4,420	5,749		
Army Bay W/WTP Outfall Upgrade	37,951	11,101	11,221		
Rosedale W/WTP Expansion Project	62,500	13,485	13,480		
East Coast Bays Link Sewer Upgrade	62,500	13,485	13,480		
Wairau Wastewater Pump Station	62,500	13,485	13,480		
Northern Interceptor - Stage 1	29,200	7,555	7,550		
Central Interceptor	21,400	1,235	1,200		
Glendowie Branch Sewer Upgrade	96,840	16,844	9,092		
Red Hills Wastewater Upgrade	1,180,900	32,088	32,780		
Mangere W/WTP Solids Stream Upgrade	55,940	7,379	7,200		
Puketutu Island Rehabilitation	64,882	26,071	23,600		
Puketutu Biosolids Facility Cell Wall	29,649	2,427	2,700		
Pukekohe W/WTP Upgrade	34,936	18,592	18,584		
Otara Catchment W/W Capacity Upgrades	66,000	25,597	17,613		
Clevedon Wastewater Servicing	25,475	2,826	600		
Transmission Rising Main Renewals	14,900	2,301	2,300		
Capex Programme (Design / Execution)					
>\$15 Million	2,376,813	273,365	266,080		
>\$2 Million <\$15 Million	188,734	69,187	68,755		
<\$2 Million	29,269	13,984	14,334		
	2,594,816	356,536	349,170		

Traffic light Key:

On target / No adverse Service Delivery impact

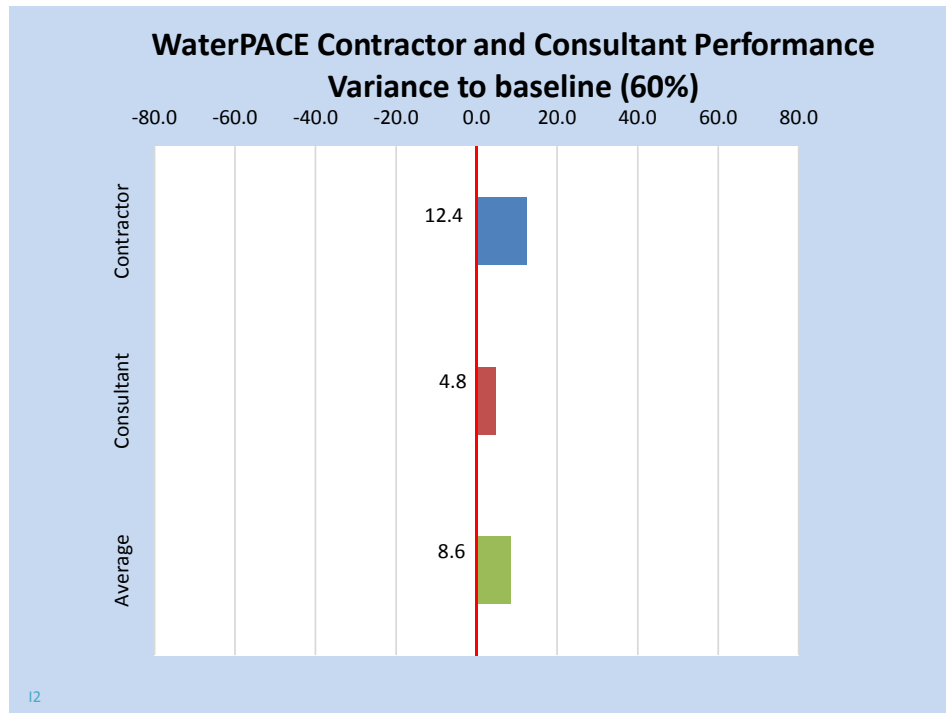
Short to medium term issues that may impact on outcomes or targets / Minor Service Delivery Impacts

Medium to long term issues that are impacting on outcomes or targets / Risk of significant Service Delivery Impact

Underspend on the project approval (-10%)

ASSETS AND INFRASTRUCTURE continued

CONSULTANT AND CONTRACTOR PERFORMANCE



WaterPace measures the performance of our contractors and consultants.

The baseline target for “good performance” is 60%.

Our contractors and consults increased their average performance score from 68.4% to 68.6%, which is over the baseline target and well above our target for FY19 of 66%.

The scores are an average of the scores our Project Managers give the contractors/consultants in areas including:

- Project leadership
- Risk management
- Communication and responsiveness
- Customer focus
- Health and Safety relationships, management and compliance
- Administration, documentation and handling of variations

11. AWARDS WON BY OUR PEOPLE AND PROJECTS IN AUGUST AND SEPTEMBER 2018

ENERGY EFFICIENCY AND CONSERVATION AUTHORITY (EECA) BUSINESS AWARDS

In late September 2018, Watercare's Head of Water Value, Roseline Klein, was recognised for her leadership in energy efficiency and emissions reductions by EECA.

- The EECA Business Awards are held every two years and celebrate people and projects that have achieved stand-out energy and emissions savings for New Zealand's largest energy users.
- Watercare started its energy efficiency journey in 2016. Roseline has steered this initiative and been instrumental in shaping our energy strategy and programme of works for achieving energy gains of 8GWh by 2019 and energy neutrality at our Māngere and Rosedale wastewater treatment plants by 2025.
- With the annual energy week events at Watercare, Roseline has successfully engaged the wider business and made energy-saving a team effort and this has been commended by the judges.
- So far the programmes have produced successful outcomes such as 3.5 GWh in energy savings in 2017/18, our growing fleet of EVs and the introduction of solar panel installations at two of our sites.

PROJECT MANAGEMENT INSTITUTE NZ AWARDS

- The Māngere BNR won the Project of the Year award at the Project Management Institute NZ Awards in September.

WATER NEW ZEALAND CONFERENCE AWARDS

Watercare was a premier sponsor of the Water NZ Conference, held in Hamilton 19-21 September 2018. The event was opened by Hon Minister Nanaia Mahuta, Minister of Local Government. Eight Watercare staff from across the business presented papers and demonstrated Watercare's thought leadership on a range of topics.

The following people and projects were recognised with Award wins at the Conference:

- Paper of the Year Award - Laurence Jenner and Lupe Suniula, for their paper on "Innovative energy opportunities for water utilities"
- Young Author of the Year - Olivia Philpott, for her paper on "Responding to challenges facing the delivery of water and wastewater due to climate change"
- Project Award of the Year - Sven Harlos, Māngere BNR
- Operations Excellence of the Year - Sharon Danks, Triangle Road Commissioning
- Presentation of the Year Award - Octavio Perez Garcia for his paper titled "A utilities guide to starting up Anammox"
- Health & Safety Innovation Award - MSN team, for our technical training centre at Māngere.

ENGINEERING NEW ZEALAND'S AUCKLAND BRANCH CENTENNIAL AWARDS

- In late August, Watercare principal planner, Brendon Harkness, was recognised with a highly commended award for his excellence in humanitarian service for his involvement in a range of community development projects in the Pacific, Thailand and Africa.

DELEGATED AUTHORITY OF THE CHIEF EXECUTIVE

In September 2018, Watercare processed 13 deeds, instruments and documents, executed with the delegated authority provided to the Chief Executive by the Board:

- 7 easements in favour of Watercare
- 1 part X Resource Management Act exemption for subdivision
- 1 approval to transfer land from Watercare
- 1 offer of sale of land from Watercare to former owner
- 2 surrender of Watercare easements
- 1 non-connection deed of covenant protecting Watercare's interest in an IGC Agreement

There were six Capex and Opex contracts, over \$100,000, approved by the CE in accordance with the delegated authority provided to the Chief Executive by the Board:

- Wellsford WWTP Pilot Plant (Filtec Limited)
- Click Software-Licence Renewal (Click Software Australia Pty Ltd)
- Warkworth, Snells Algies and Waiuku Ground water monitoring (Brightwater Engineers Ltd)
- Consultant Engagement - WDC Transition (Dr Change Limited)
- Pukekohe WWTP Principal Engineering Advisor Package 2 (CH2M Beca Ltd)
- Electricity Connection Work Agreement (Vector Ltd)
- Pukekohe East Reservoirs Project (Guaranteed Flow Systems)

There was one Capex approval signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to Capex approvals below a threshold of \$15m.

- Redhills Waste Water Servicing Duplication - \$5,360,000

WATERCARE SERVICES LIMITED								Sep-18
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE								(\$000's)
	Current Month				Year to Date			
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result
Wastewater revenue	28,755	27,593	1,162	✓	87,508	83,985	3,523	✓
Water revenue	12,941	12,469	472	✓	39,498	37,940	1,558	✓
Infrastructure growth charge revenue	5,106	7,110	(2,005)	✗	24,674	26,096	(1,423)	✗
Other revenue	3,790	3,344	446	✓	8,408	6,578	1,830	✓
Revenue from exchange transactions	50,592	50,516	76	✓	160,087	154,599	5,488	✓
Vested assets revenue	869	1,667	(798)	✗	11,886	5,000	6,886	✓
Revenue from non-exchange transactions	869	1,667	(798)	✗	11,886	5,000	6,886	✓
Total revenue	51,461	52,183	(722)	✗	171,974	159,599	12,374	✓
Labour	6,802	7,846	1,044	✓	20,719	23,604	2,885	✓
Contract labour	269	157	(112)	✗	761	506	(255)	✗
Oncosts	341	335	(7)	✗	848	998	151	✓
Labour recoveries	(3,259)	(4,216)	(957)	✗	(10,524)	(12,804)	(2,280)	✗
Net labour	4,152	4,122	(31)	✗	11,803	12,303	500	✓
Materials & cost of sales	175	187	12	✓	618	549	(69)	✗
Planned maintenance	1,290	1,592	303	✓	3,928	4,670	742	✓
Unplanned maintenance	3,505	3,048	(457)	✗	10,968	9,360	(1,608)	✗
Asset operating costs - chemicals	871	976	104	✓	2,370	2,646	276	✓
Asset operating costs - energy	1,510	1,550	39	✓	4,681	4,798	116	✓
Operating costs - other	2,750	3,677	927	✓	9,687	10,996	1,309	✓
Depreciation and amortisation	20,284	20,741	457	✓	61,269	62,197	928	✓
Asset operating costs	30,210	31,584	1,374	✓	92,904	94,667	1,763	✓
Communications	135	139	4	✓	346	368	22	✓
Professional services	976	996	20	✓	2,453	2,743	290	✓
Interest	5,737	6,210	473	✓	16,503	19,136	2,632	✓
General overheads	2,462	1,871	(591)	✗	7,622	5,980	(1,642)	✗
Overheads	9,310	9,216	(94)	✗	26,924	28,227	1,303	✓
Total expenses	43,848	45,108	1,261	✓	132,249	135,746	3,497	✓
Total contribution/(loss)	7,613	7,075	538	✓	39,725	23,853	15,871	✓
(Gain)/loss on disposal of fixed assets and other costs	1,317	781	(535)	✗	4,624	2,022	(2,603)	✗
Non operating costs/(revenue)	1,317	781	(535)	✗	4,624	2,022	(2,603)	✗
Net surplus/(deficit) before tax	6,296	6,294	3	✓	35,100	21,832	13,269	✓
Income Tax Expense/(benefit)	-	-	-	-	-	-	-	-
Deferred tax	4,595	4,822	227	✓	12,831	9,538	(3,293)	✗
Net surplus/(deficit) after tax	1,702	1,472	230	✓	22,269	12,294	9,975	✓
Key: Financial performance result ✓ Favourable variance - actual income on or above budget and actual expenditure on or below budget ✗ Unfavourable variance - actual income below budget and actual expenditure above budget								

WATERCARE SERVICES LIMITED		Sep-18		
STATEMENT OF FINANCIAL POSITION		(\$000's)		
Aug 2018 Actual		September		
		Actual	Budget	Variance
	Current assets			
-	Cash and cash equivalents	89	-	89
45,257	Trade and other receivables from exchange transactions	51,252	50,553	699
26,679	Unbilled revenue accrual	27,051	19,995	7,056
5,142	Prepaid expenses	5,143	1,953	3,191
15,451	Inventories	17,158	13,368	3,790
-	Derivative financial instruments	-	-	-
92,529	Total current assets	100,694	85,869	14,825
	Non-current assets			
9,532,190	Property, plant and equipment	9,547,277	9,691,812	(144,535)
492,126	Construction/work-in-progress	502,116	430,549	71,567
(84,601)	Provision for depreciation	(103,984)	(482,060)	378,077
9,939,715	Total property, plant and equipment	9,945,409	9,640,301	305,108
42,475	Intangible assets	42,060	53,915	(11,855)
23,753	Prepaid expenses	23,599	22,959	639
9,094	Inventories	7,493	11,656	(4,163)
-	Derivative financial instruments	-	-	-
10,015,037	Total non-current assets	10,018,560	9,728,830	289,730
10,107,566	Total assets	10,119,254	9,814,699	304,555
	Current liabilities			
472	Bank Overdraft	-	-	-
-	Bank revolving credit facility	-	-	-
75,000	Bonds (26/10/18)	75,000	75,000	-
50,046	Bonds	50,021	50,122	(101)
-	Auckland council loan	-	735	(735)
125,518	Total debt current	125,021	125,857	(836)
14,933	Trade and other payables for exchange transactions	14,787	20,219	(5,432)
9,218	Interest accrued	9,619	12,258	(2,639)
81,179	Other accrued expenses	77,977	63,072	14,905
8,040	Provision for staff benefits	7,383	8,139	(756)
2,465	Other provisions	2,197	660	1,537
-	Derivative financial instruments	-	-	-
241,353	Total current liabilities	236,984	230,205	6,779
	Non-current liabilities			
1,485,000	Auckland council loan	1,495,000	1,515,883	(20,883)
1,485,000	Total debt non-current	1,495,000	1,515,883	(20,883)
16,301	Other accrued expenses	16,017	14,109	1,908
5,514	Other Provisions	5,577	6,245	(668)
1,717	Provision for staff benefits	1,700	1,473	226
-	Derivative financial instruments	-	-	-
1,370,779	Deferred tax liability	1,375,374	1,307,128	68,246
2,879,312	Total non-current liabilities	2,893,668	2,844,838	48,830
3,120,665	Total liabilities	3,130,652	3,075,043	55,609
	Equity			
260,693	Issued capital	260,693	260,693	-
2,568,000	Revaluation reserve	2,568,455	2,337,581	230,874
4,137,640	Retained earnings	4,137,185	4,129,088	8,097
20,568	Current year earnings after tax	22,269	12,294	9,975
6,986,901	Total equity	6,988,602	6,739,656	248,946
10,107,566	Total equity and liabilities	10,119,254	9,814,699	304,555

MEMORANDUM

TO: Councillors and Local Board Members

COPY: Stephen Town, Matthew Walker, CCO Chairs and Chief Executives

FROM: Mayor Phil Goff

DATE: 5 October 2018

SUBJECT: Annual Budget 2019/20 direction setting

The 10-year Budget 2018-2028 set a significant agenda with a record capital expenditure investment of \$26 billion and increased spending on transport, housing, environment and community initiatives. The decade of transformational investment has begun and is supported by new funding tools, including the regional fuel tax and the water quality and environmental targeted rates.

In the 2019/20 year the focus will be on delivering our substantial capital projects, readying the city for the Americas Cup and APEC in 2021 and continuing to pursue savings, efficiencies and alternative financing opportunities.

The 10-year Budget included the following settings for 2019/20:

- Average general rates rise limited to 2.5%
- A matching increase to the Uniform Annual General Charge of 2.5%
- Continuation of the reduction in the business differential
- Regional Fuel Tax and the related \$4.3 billion transport programme
- The water quality improvement programme funded by the Water Quality Targeted Rate
- The natural environment programme to protect our kauri and other fauna and flora funded by the Natural Environment Targeted Rate

The direction for the Annual Budget 2019/20 should be on delivering this substantial programme of work and embedding the monitoring of it so that we can ensure we deliver the intended outcomes.

The Annual Budget will contain budget updates based on events since the 10-year Budget was set. Only minor changes to rating policy are likely, continuing improvements and standardisation. Approved budget changes will be incorporated as well as updates of capital project costs and timing.

There may be some other initiatives considered for the mayoral proposal and I would welcome the input of councillors (either directly to me, through my office or at the November workshop) and the local boards through the planned advocacy meetings.

The proposed Annual Budget 2019/20 timetable is attached for your information.

Annual Budget 2019/2020 Road Map



Introduction
Early October

Mayors intent communicated for this Annual Budget and provide big picture context

Finalise and adopt
20 Jun

Finalise Local boards agreements, budgets and Annual Budget documentation

Governing body will adopt the Annual Budget 2019/2020 in late June

Local board workshops
19 and 23 Nov

Taking into account the Mayor's intent, local boards present input into the Mayor's Proposal at Finance and Performance Committee.

Deliberations
Apr to May

Local and regional workshops held to discuss consultation feedback

Several Finance & Performance workshops held to discuss budget issues, implications and trade offs

Mayoral proposal
29 Nov

Mayor sets out his proposal which includes issues he would like to consult on

Public Consultation
17 Feb to 17 Mar

Formal public consultation will run from early February to late March. Feedback events will run during this time

Political consideration & decision making
Dec

Local board workshops and decision making for consultation content

Workshops and meetings are held to discuss the Mayor's proposal

Local boards meet to agree on content for consultation

Consultation items are agreed

Adoption for consultation
13 Feb








Governing body meets to adopt a consultation document and supporting information



Report to the Board of Watercare Services Limited
Prepared for the 30 October 2018 Board meeting

5.1

Our performance under the 2017/2018 statement of intent

Purpose			Team		
Information	Discussion	Decision	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

1. Recommendation and key points

That the Board note this report.

Key points

- Watercare Services Limited's Annual Report 2018, which included our performance against the 2017/2018 Statement of Intent (SOI), was published on 28 September 2018.
- An overview of Watercare's performance under the SOI will be presented at the Public meeting.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.

2. Purpose and context

Local Government (Auckland Council) Act 2009 (Act) requires council-controlled organisations (CCOs) of the Auckland Council to nominate two Board meetings per year to be open to the public.

- One meeting must be held before 30 June each year for the purpose of considering comments from shareholders on the organisations draft SOI for the following financial year
- One meeting must be held after 1 July each year for the purpose of considering the CCO's performance under its SOI in the previous financial year.

At each of these meetings, the Board must allocate a reasonable amount of time for members of the public attending the meeting to address the Board in relation to the subject matter of the meeting.

3. The details

The SOI represents Watercare's public expression of activities, intentions and objectives, and the legislative expression of accountability to its shareholder, the Auckland Council.

We have reported on our overall performance against the SOI

- We report to the shareholder, via our Quarterly Reports, on our progress against the SOI.
- Our overall performance against the SOI is also recorded in the Statement of Service Performance that is included in our Annual Report 2018.
- Our Annual Report 2018 was published and distributed on 28 September 2018.

We have distributed copies of our Annual Report 2018

- Hard copies of the Annual Report 2018 will be available in the Watercare Boardroom, level 3, 73 Remuera Road, Newmarket on 30 October 2018 for people attending the October 2018 Board meeting.
- Hard copies have also been sent to the Mayor, Chief Executive and Principal Advisor, CCO Governance and External Partnerships at Auckland Council.
- Auckland Councillors and Local Board Chairs have been sent a link to the online version of the Annual Report 2018 - <https://watercareannualreport.co.nz/>

At the Public Board meeting, an overview of our performance under the SOI will be presented

- A copy of the presentation is appended as **Appendix A**.
- Members of the public will be allocated time to address the Board in relation to our performance under our SOI.

Watercare Services Limited 2017/2018 Performance

Performance Summary

Watercare delivered its first Integrated Annual Report for 2018.

This report recorded not only our financial and non-financial performance, but also a more detailed story about who we are, and how our customers, and their needs are at the heart of what we do.

5.1



SOI Measures – overall performance

19 of 23 Statement of Intent performance measures were achieved

5.1

Median response time for attendance to urgent call-outs	✓
Median response time for resolution of urgent call-outs	✓
Median response time for attendance to non-urgent call-outs	✓
Median response time for resolution of non-urgent call-outs	✓
Total number of complaints received by Watercare 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	✓
Total number of complaints received by Watercare about any of the following: a) Sewage odour b) Sewerage system faults c) Sewerage system blockages	✓
Attendance at sewage overflows resulting from blockages or other faults – median response time for attendance	✓
Attendance at sewage overflows resulting from blockages or other faults – median response time for resolution	✓
Percentage of customers satisfied with Watercare’s delivery of water and wastewater services	✓
Percentage of complaints ‘resolved and closed’ within 10 working days	✓
Minimum fund flow from operations (FFO) to interest cover ratio before any price adjustment	✓

SOI Measures – overall performance cont.

19 of 23 Statement of Intent performance measures were achieved

5.1

Percentage of household expenditure on water supply services relative to the average household income	✓
Number of dry-weather overflows from Watercare’s sewerage system, expressed per 1000 sewerage connections to that sewerage system	✓
The extent to which Watercare’s drinking water supply complies with part 4 of the drinking water standards (Bacterial Compliance Criteria)	✓
The extent to which Watercare’s drinking water supply complies with part 5 of the drinking water standards (Protozoal Compliance Criteria)	✓
Compliance with Watercare’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 Watercare in relation to those consents	✓
Average number of wet-weather overflows per discharge location	✓
Total recordable injury frequency rate, per million hours worked	✓
Lost time injury frequency rate, per million hours worked	✓

SOI measures – not achieved

Four measures were not achieved:

5.1

1. Percentage of voluntary leavers relative to permanent staff

- Result: 13.8%. Target: $\leq 12\%$.
- This reflects the overall trends in the labour market and competition for the same limited pool of talent, which has challenged retention across all industries. The national average rate for attrition is 18.8%.

2. The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)

- Result: 278. Target: 268 +/- 2.5%
- This was due to the long, hot and dry summer and a prolonged period of high water demand from network customers, as well as customers who normally depend on rainwater tanks.
- Consumption increased 5% from late spring to early autumn compared to the same time last year.
- Internally, we're streamlining delivery of our Water Efficiency Strategy to make a meaningful impact.
- We suspect there are more consumers - confirmed population data from the recent Census will help us more accurately calculate this figure.

3. The percentage of real water loss from Watercare's networked reticulation system (rolling 12 month average)

- Result: 13.1%. Target: $\leq 13.0\%$.
- Watercare substantially met this target.
- This figure is calculated using Bulk Supply Points. A review has identified that some BSPs are overestimating supply, which overstates real losses by as much as 0.8%. Improved checking procedures have been implemented to ensure these errors are corrected in FY19.

SOI measures not achieved, cont.

4. The percentage of the 19 Iwi groups throughout Auckland that Watercare has entered into a Memorandum of Understanding (MoU) with

- Result: 32%. Target: 60%. The level of engagement with the 19 Iwi groups is significant. Our focus remains on maintaining and enhancing our relationships, which over the year, have strengthened.
- The number of MoUs signed has doubled. As drafted, strength of relationship appears to be measured by the number of MOUs. We know, (Iwi tell us) that this is not the case.

5.1



Local resident and Maungakiekie-Tamaki Local Board member Chris Makoare joined Watercare staff and contractors for the Glen Innes wastewater upgrade project site blessing. Richard Waiwai, Watercare's Poutiaki, Tikanga Māori /Principal Advisor, leads the blessing.

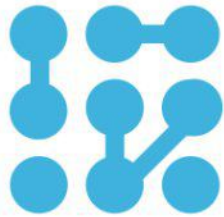


ASSETS AND infrastructure

5.1

Highlights

- We delivered a \$340m capex programme.
- Watercare's total asset value is now \$10.1billion, up from \$1.2b from 2016/2017.
- We opened Māngere's Biological Nutrient Removal (BNR) Facility on time and on budget. This is a \$141m project that increases the plant's capacity for 250,000 additional Aucklanders.
- We also opened Takapuna's Fred Thomas Drive wastewater facility, which will cater for Takapuna's expanding population for the next 50 years.
- All Central Interceptor procurement milestone dates have been met.
- We established an engineering professional services panel - these 4 suppliers partner with us to deliver infrastructure services, which minimizes the cost of going to market for every project. It also results in stronger, more collaborative relationships.
- We launched our Inflow and Infiltration Programme to identify illegal connections, with defects being remedied in conjunction with Auckland Council.



INTELLECTUAL capital

5.1

Highlights

- We simplified digital engagements with our customers, including reporting of faults.
 - Fault reporting online = 23% uptake since March 2018 launch
 - Applications to connect online = 29% uptake since March 2018 launch.
- We continued our Strategic Transformation Programme – we’ve made significant changes to our operating model and adopted more agile ways of working.
- More than 200 people received training in Agile Fundamentals, and learned to work iteratively, to establish a minimum viable product hypothesis, test it and refine it. The new capability is a vehicle for continuous improvement.
- We have 5 “Bots” working automating a number of manual business systems, reducing processing times, and increasing processing volumes, efficiency and accuracy.
- Our new mobile-friendly website went live.



PEOPLE AND *culture*

5.1

Highlights

- We met all SOI targets related to H&S. Our Total Recordable Injury Frequency Rate (TRIFR) reduced by 35% compared with 2016/17.
- We completed a major rearrangement of the way our business units and teams are organised.
- 120 of our people leaders completed our leadership and mentoring programme.
 - Training cost per staff member is \$1,473
- Our staff engagement score rose 2 points to 67%.
- Māngere now has a purpose built training facility that provides realistic environment in which water and wastewater scenarios can be simulated.
- Gender diversity in Management roles is now 27.6%, up 10% from 2016/2017.
- We adopted a Good Employer Policy and a Sensitive Expenditure Policy.



Customer AND STAKEHOLDER relationships

5.1

Highlights

- We supplied 'Aa' graded water, at all times.
- We met all SOI targets relating to attendance and resolution of water and wastewater issues such as outages, blockages and other faults.
- We actively collaborate with all members of the council whānau, iwi leaders, central government and other interest groups to ensure we deliver great collective outcomes for Aucklanders.
- Our Net Promoter Score (NPS) is 30 – this means significantly more customers talk positively about us than the number who do not (other utilities can score negatively).
- At Huia, we sought to determine the best strategy to replace the aging water treatment plant. The Community Liaison Group continues to meet regularly to focus on ecological surveys and the plant layout.
- Continuity of service was maintained to all customers during the 10 April 2018 Big Wind event. Since then, we have identified a number of learnings and improvements, which will allow us to continue to strengthen our resilience and increase our preparedness for future extreme weather events.



FINANCIAL CAPITAL *and resources*

5.1

Highlights

- We delivered our first Integrated Annual Report for FY18.
- We met the SOI target relating to funds flow from operations to interest cover (FFO) before any price adjustment.
- We achieved revenue of \$641.6m, which is an increase of \$10.6m compared to the previous year, and was \$24m favourable to budget.
- Our total assets grew from \$8.95b to \$10.09b.
- Net debt increased \$9.2m, which was lower than budget, reflecting better operating cash flows, proceeds from the sale of surplus land, and lower capital expenditure in FY18.
- We worked with the Value for Money team at Auckland Council with the s17A reviews into Three Waters, Communications & Engagement, Procurement, Customer Services and ICT.
- We worked with the Auckland Council taskforce set up to determine the viability of alternative financing and funding mechanisms.



NATURAL environment

5.1

Highlights

- We are enhancing our Ardmore water supply plant with additional treatments.
- Māngere and Rosedale produced 56% and 74% of their power needs respectively; and we are committed to both plants being energy neutral by 2025.
- We achieved 3.5GWh of Energy savings through process optimization.
- 82% of waste was re-used from treatment processes (up 2% from 2016/2017)
- We have started re-vegetation of 1,900 hectares of the Hūnua Ranges to improve slope stability and water quality. This will involve planting 5m+ trees over 30 years.
- We are developing our climate change strategy to be completed in late 2018. It will provide a road-map for Watercare to achieve Net Zero Carbon by 2050 (mitigation). It will also assess the actions we need to take in relation to our physical assets, to ensure these remain fit for purpose in a changing climate over the next decades (adaptation).

Strategic Business Plan update

Board meeting – 30 October 2018



Intellectual capital

5.3

Goal	2018/2019 Target	Progress to date
Customer - Enhanced digital enablement for customers	<p>Increase uptake of e-billing (Target – 50%)</p> <p>Channel migration from assisted to unassisted – 5% increase per year</p> <p>Proactive vs Reactive customer engagement split: 15/85</p>	<ul style="list-style-type: none"> Over the last month, ebilling has increased by 2% to 44%. The volume of unassisted interactions as a % of total interactions was the highest since the start of FY18.
Efficiency - Implement robotic process automation (RPA) to drive back office efficiencies	8 in total	<ul style="list-style-type: none"> 6 bots are in operation. Business case assessment underway for Number 7.



People and Culture

5.3

Goal	2018/2019 Target	Progress to date
Employee engagement	69% Develop and establish an Employee NPS (employer of choice measure)	To be measured in April 2019. More regular Pulse surveys focusing on Watercare as an employer planned in meantime. Employee NSP survey will be distributed in November.
Talent Optimisation	A Talent Development Programme has been developed and implemented (capability matrix as the base of this project)	Activity continuing on building the company's Capability Framework.
Learning and Development	All employees have access to learning and development programs	Learning Management System is being tested prior to roll-out to all staff. A cross section of the business are providing input into the system. Launch is in the first half of 2019.



Financial capital and resources

Goal	2018/2019 Target	Progress to date
Assist Council to review its debt challenges	Comprehensive review evaluating options for Watercare to alleviate Council's debt to revenue issue.	Discussions continuing regarding SPVs. CEO & CFO met with Treasury to reinforce commitment. Treasury to meet with Rating agencies to approve approach.
Assist Council with its debt to revenue challenges	Business cases to the Board in respect of the Waikato District Council three waters management and one other opportunity.	Met with WDC re scope of service. Project governance in place, project manager appointed, workstream plan in place and a commercially scoping workshop held with WDC
Ensure Watercare is 'future-fit' for a potential industry restructure	Identify and influence regulatory model and potential legislative changes. Prepare for any impending changes.	We are providing information to DIA when requested. No information requested this month.
Assist council with debt to revenue challenges	Achieve \$7m savings target set in 2018/2019 budget.	Efficiency savings are challenging but on track. \$1.8m realised to date.

5.3



Natural environment

5.3

Goal	2018/2019 Target	Progress to date
We are preparing for climate change	<p>We will create and implement a Climate Change and Mitigation and Adaptation Strategy and associated Sustainability statement. Strategy released.</p> <p>We will collaborate with Auckland Council, Government agencies and other utilities to implement agreed plans and meet climate change targets.</p>	<ul style="list-style-type: none"> • Climate change update provided to the Board in September 2018 • Final strategy to be presented to Board in December 2018 • Hosted visit from Anglian Water's Energy and Carbon Manager to inform our thinking • Renewed focus on impacts of infrastructure carbon
We will deliver on carbon and energy initiatives that create value to our business	We continue to work on the roadmap for Energy Neutrality at Mangere and Rosedale, saving 37 Gwhr/annum by 2025.	<ul style="list-style-type: none"> • Thermal hydrolysis design at Rosedale is proceeding to construction. Delivery partner has been identified. • Energy efficiency, companywide, continues. First solar scheme is underway at Pukekohe and Wellsford.
We will create financially beneficial value added biosolids products from our wastes	We will create the understanding of a range of biosolids 'products' to access markets	<ul style="list-style-type: none"> • We are exploring opportunities with third parties around beneficial reuse of biosolids.



Assets and Infrastructure

5.3

Goal	2018/2019 Target	Progress to date
We are increasing our preparedness to deal with extreme and unforeseeable events	We will introduce a Resilience Policy and develop an action plan.	<ul style="list-style-type: none"> Resiliency development pathway Board paper submitted in September 2018. Staff awareness of Resiliency is the theme of the current series of business Expo's circulating all of Watercare's sites.
We will deliver the Central Interceptor	Successfully negotiate and award the CI construction contract.	<ul style="list-style-type: none"> Tenders received. Evaluation underway with award scheduled for February 2019.
We will reduce our infrastructure capital TOTEX (total expenditure approach to build and operate water assets).	We will implement two new initiatives to reduce our TOTEX.	<ul style="list-style-type: none"> An integrated construction partnering strategy has been developed. A market sounding was held with senior construction industry leaders. Feedback from industry is due the week of 23 October 2018. Go-live for the new model is planned for 3 June 2018. Value engineering and sustainability framework being developed, which will be linked to our existing savings register.
We will improve consultant and contractor performance	We will improve the overall WaterPace score by 10%.	<ul style="list-style-type: none"> Monthly reviews being undertaken. Current performance score tracking ahead of baseline.
We will deliver our capital programme efficiently and effectively	Reduce project cost and time overruns by 10%.	<ul style="list-style-type: none"> Schedule is on track and being monitored.



Community and stakeholder

5.3

Goal	2018/2019 Target	Progress to date
Customer - Improved Net Promoter Score (NPS) (16/17 baseline = 27)	NPS \geq 30	<ul style="list-style-type: none"> Draft customer strategy has been completed and we're in the process of getting input from all other functional areas.
We are engaged with our stakeholder	We will progress the conversation on the value of water and link this to our brand identity.	<ul style="list-style-type: none"> The Brand Strategy has been completed. The first Senior Executive Steering Meeting has been held. The Branding Strategy is being communicated and rolled out to all staff. Social media (Facebook) was launched on 1 October 2018.

Board - Public Session - Directors' Corporate Governance Items

Board Planner 2018/2019

	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	
Meetings	Board	30-Oct Newmarket*	28-Nov	No meeting.	29-Jan	26-Feb	28-Mar	30-Apr	28-May	25 June (NB: Strategy day on 24 June as well, with Board dinner)	29-Jul	30-Aug	24-Sep	30 Oct (with Board dinner on the 29th)	26-Nov	17 Dec (Teleconference)
	Audit and risk committee		28-Nov (after Board meeting)		29-Jan (before Board Meeting)				27 May (3pm-5pm)		29 July (before Board meeting)	23 Aug (9-11am)		29 Oct (3-5pm)		
	People, Remuneration and appointments committee	30-Oct (after Board meeting)			29 Jan (after Board meeting)			30 Apr (after Board Meeting)		25 Jun (after Board Meeting)	Week starting 15 July - exact date TBC.	30 Aug (after Board Meeting)		29 Oct (1-3pm)		
	STP Committee															
	AMP & Major Capex Committee		9 Nov (10-12noon)													
Governance	Charter reviews	PRAC charter					AMCC Terms of Reference	STP Terms of Reference	A&R Charter					PRAC charter		
	Policy reviews		Our commitment to H&S Policy					2020 - Good Employer Policy)	2020 - Sensitive Expenditure Policy) 2020 - IGCs)			Tax Risk Management Policy		Fraud Policy		
	Delegations								Annual review of board delegations to CE							
	Quarterly risk reviews	Risk report			Risk report			Risk report			Risk report			Risk report		
	Compliance	Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance			Statutory compliance		
	Shareholder interaction	Q4 briefing to F&P Committee 17 October (M Devlin) Q1 quarterly report due 26 Oct	Q1 briefing to F&P Committee 14 Nov (M Devlin)			Q2 quarterly report due on 1 March 2019 (to be approved by Board at February meeting)	Q2 briefing to F&P Committee 20 March 2019 (M Devlin) Governing Body Workshop - 21 March at 1.30pm		Q3 quarterly report due 31 May 2019 (to be approved by the Board on 28 May)	Q3 briefing to F&P Committee 19 June 2019 (J Hoare)	Q4 quarterly report due 23 August (to be approved by Board at July meeting, subject to final sign off)	Governing Body Workshop - 29 August at 9.30am	Q4 briefing to F&P Committee 11 September 2019 (M Devlin) Auckland Council's A&R Committee Date TBC	Q1 quarterly report due TBA		Q1 briefing to F&P Committee TBA
Site Visits		Site Visit (after Board Meeting)			Site Visit (after Board Meeting)		Site Visit (after Board Meeting)			Site Visit (after Board Meeting)		Site Visit (after Board Meeting)	Date TBC	Site Visit (after Board Meeting)		
H&S Quarterly report	Jul-Sept 18 Report			Oct-Dec 18 Report			Jan-Mar 19 Report			Apr-Jun 19 Report			Jul-Sept 19 Report			
Business strategy	Board training & development	25 October, 2-4pm - Board Risk Workshop						H&S Board Update								
	Strategic planning			17 December teleconference pre-Christmas catch up					Strategy Workshop 24 June followed by Board Dinner							
Business planning	Key finance and business decisions	Update from WUCAT			Approve half year accounts Draft Auckland Council Annual Plan - approve Watercare input? Approval of CI Contract AMP <i>December financials in confidential</i> <i>January financials in confidential</i>	a) approve financials for Draft SOI including projected 19/20 price increases, b) approve long term financials for Auckland Council modelling Approval of CI Contract AMP <i>January financials in confidential</i>	Auckland Council to notify Watercare of Group Treasury Interest Rate by 30 April	Present plan for Year End to A&R Approve Insurance Proposal Auckland Council and Watercare to review Treasury Interest rate by 31 May	Approval of 2019/20 Budget Mayor's Treasury Guarantee Letter due by 30 June	Approve Auckland Council Reporting Pack <i>June financials in confidential</i>	a) approve 2019/20 accounts, b) delegate final sign off of 2019/20 Annual Report <i>July financials in confidential</i>	Update from WUCAT <i>August financials in confidential</i>	AMP		Auckland Council Draft Annual Plan - approve Watercare input*	
	Statement of intent	2017/2018 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2019/20 Letter of Expectation to be received	Draft 2019-2022 SOI for Board's review	Approval of Draft 2019-2022 SOI		Present shareholder SOI feedback at public meeting. Public Deputations received.	Final 2019-2022 SOI approved and issued to shareholder		Final 2019/2022 SOI approved by Auckland Council		2018/2019 SOI Results to be presented to Board at Public Meeting. Public Deputations received.		2020/21 Letter of Expectation to be received	




* Statutory public Board meeting - deputations invited

^ Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

Report to the Board of Watercare Services Limited
Prepared for the 30 October 2018 Board meeting

Disclosure of senior executives' interests

6.2

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

1. Purpose and context

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 (as required by law), but also voluntarily maintains an Interests Register for our senior executives.

2. The details




Watercare Services Limited's senior executives' Interests Register is set out below.

Senior Executive	Interest
Raveen Jaduram	<ul style="list-style-type: none"> • Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust • Steering Committee Member – Business Leaders' Health and Safety Forum • Board Member – Committee for Auckland • Director – J N Jaduram Corporation Limited (Fiji)
Rob Fisher	<ul style="list-style-type: none"> • Deputy Chair – Middlemore Foundation • President – Auckland University Rugby Football Club • Trustee – Watercare Harbour Clean Up Trust • Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust
Steve Webster	<ul style="list-style-type: none"> • Director – Howick Swimgym Limited
Marlon Bridge	<ul style="list-style-type: none"> • Trustee – Te Motu a Hiaroa (Puketutu Island) Governance Trust • Director – Hunua Forests Ltd
Rebecca Chenery	<ul style="list-style-type: none"> • Director – Chenery Consulting Services Limited
David Hawkins	<ul style="list-style-type: none"> • Nil
Jason Glennon	<ul style="list-style-type: none"> • Director - Michaels Ave Investments Limited
Amanda Singleton	<ul style="list-style-type: none"> • Director – Die Weskusplek Pty Ltd (South Africa)
Shane Morgan	<ul style="list-style-type: none"> • Nil
Shayne Cunis	<ul style="list-style-type: none"> • Director – The Water Research Foundation

Report to the Board of Watercare Services Limited
Prepared for the 30 October 2018 Board meeting

Directors' appointment terms and committee memberships

6.3

Purpose			Team		
Information	Discussion	Approval	Prepared	Recommended	Submitted
			E McBride Governance Manager	R Fisher Company Secretary	R Jaduram Chief Executive
Intellectual capital	People and culture	Community and stakeholder relationships	Financial capital & resources	Natural environment	Assets and Infrastructure
					

1. Purpose and context

This paper provides an update on:

- the tenure of the seven directors of Watercare Services Limited
- details of the committees each director is a member of.

2. The details

Table 1: We have seven directors, with five directors' terms ending simultaneously on 31 October 2019

Our directors are appointed by Auckland Council

Director	Original appointment date	End of term
Margaret Devlin (Chair)	1 November 2016	31 October 2019
Julia Hoare (Deputy Chair)	1 November 2013	31 October 2019
Catherine Harland	21 April 2011	31 October 2019
Nicola Crauford	1 April 2014	31 October 2019
David Thomas	1 November 2014	31 October 2020
Brendon Green	1 November 2016	31 October 2019
Hon Dame Annette King	1 November 2017	31 October 2020

Table 2: We have four committees to assist the Board in its corporate governance

Our four committees assist in the process of corporate governance

Committee Chairs and members are appointed by the Chair

Director	Audit and Risk	People, Remuneration & Appointments	Strategic Transformation Programme	AMP & Major Capex
Margaret Devlin (Chair)	*	*		✓
Julia Hoare (Deputy Chair)	Committee Chair			✓
Catherine Harland		Committee Chair		✓
Nicola Crauford			✓	Committee Chair
David Thomas	✓	✓		
Brendon Green	✓		✓	
Hon Dame Annette King		✓	Committee Chair	

*Board Chair attends in ex-officio capacity