

Wellington Water Strategic Outcome 1: Wellington Water is a strong and capable organisation ready to fold into a new asset-owning entity

We will enhance organisational capability in the lead-up to the new entity.

Objective	Forecast progress rating Overall objective	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome1.1: We will enhance organisational capability in the lead-up to the new entity				
1.1a: Update and develop technology systems and increase capability - Technology Systems Investment Programme	Partially achieved	Request for Proposal to market	Information Management Request for Proposal (IMRFP) is complete, now entering contract negotiation with the preferred supplier. The Request for Proposal (RFP) for all other capability in scope closed on September 2, is now in evaluation phase. We continue to engage further resource for the Technology Systems Investment Programme to enable planning for the first phase of delivery (Dec 25).	Achieved/exceeded objective
1.1b: Prepare an Interim Capability Roadmap (numbers, process, systems) to de-risk our financial reporting	Largely achieved	Financial systems scoping as part of the Technology Systems Investment	Finance system scoping, including supply chain and billing, has been completed and included in the Technology Systems Request for Proposal.	Achieved/exceeded objective
1.1c: As required, support the development of the Water Services Delivery Plan in preparation for the new entity	Achieved/exceeded objective	As required to support transition timelines	The councils submitted their joint Water Service Delivery Plan for the metro Wellington region to the Department of Internal Affairs ahead of its 3 September deadline. Wellington Water is now engaging with the establishment team on the activities we will be required to support as they move into implementation.	Achieved/exceeded objective
1.1d: Create and implement a change framework for coordinated and systematic delivery of changes	Partially achieved	Define how we positively influence transition through the improvement plan	Developing transition plan and resource requirements to align with the Metro Water Establishment team workstreams. Collating and prioritising change programme elements to supplement the Culture and Value for Money Improvement Plan, such as the Asset Management Framework process implementation which aligns with the structure changes and ensures accountability for the process and information flows across the organisation. Working on Technology Systems Investment change plan given it is in effect a major change programme in its own right.	Partially achieved
1.1e: Engage with Watercare specifically to identify and convert practical future synergies	Partially achieved	Explore opportunities	Watercare asked to provide SME input to the Technology Systems Investment (billing) tower, but could not provide resources - a sign of the challenging work environment for everyone at present. Watercare have engaged with the transition team finance workstream to explore information sharing opportunities. Also engaged with Watercare over water metering issues (eg. types of meters, boxes, etc)	Partially achieved

### Wellington Water Strategic Outcome 2: Water services are affordable and provide value

*Strengthened mechanisms for demonstrating value for money, strengthen the control and oversight of our suppliers and strengthen commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money.*

Objective	Forecast progress rating <i>Overall objective</i>	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 2.1: Strengthen mechanisms for demonstrating value for money				
<b>2.1a:</b> Create healthy competition and establish clear benchmarks for what jobs should cost in the open market through putting more projects and contracts out to competitive bidding	Largely achieved	Make an assessment of the percentage of work that will be tendered through the panel versus open market	On-track. Projects and contracts in quarter 1 have been subject to commercial tension, with open and closed tenders issued via GETS in line with our procurement principles and policy.	Partially achieved
Outcome 2.2: Strengthen the control and oversight of our suppliers				
<b>2.2a:</b> Implement value-focused performance metrics and regular reviews of performance against these for consultants and contractors	Largely achieved	Commence	Traditional contract agreements continue to govern our engagements with consultants and contractors, with performance measured against the established contract conditions and payment terms. The value metrics and deliverables remain clearly defined within the contract agreements and are being effectively realised through ongoing delivery. Since last quarter, there has been notable maturity in programme development. Despite this increased maturity, the overall status remains consistent with previous reporting, progress is steady, and all aspects are on track.	Partially achieved
<b>2.2b:</b> Implement a value-focussed performance framework for the Operations and Maintenance Alliance that also includes pain/gain sharing	Achieved/exceeded objective	Performance of the Alliance is published and briefed to the Wellington Water Board	Alliance performance to be briefed to the Wellington Water Board in this quarter and from there briefed to the Wellington Water Committee. This will complete this objective.	Achieved/exceeded objective
Outcome 2.3: Strengthen commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money				
<b>2.3a:</b> Strengthen the Commercial and Procurement competency and functions for Wellington Water	Largely achieved	Deliver training in the Procurement Policy and associated processes to staff with financial delegations. Front load our procurement with external advisers e.g. Quantity Surveying and value engineering.	<p><b>Procurement Training Programme Update:</b> Programme remains on track for organisation-wide delivery, with slides and documentation suite now complete and MBIE-aligned. Focus group sessions held with key personnel across the business to refine content and approach. Full rollout to commence following final refinements from focus group insights.</p> <p><b>Quantity Surveyor Procurement:</b> Two suppliers have been selected with Master Services Agreements now executed: WT Partnership Limited (preferred supplier, effective 18 August 2025) and Alta (secondary supplier, effective 8 August 2025). These Master Services Agreements provide WWL with flexible access to expert Quantity Surveyor resources across all project phases - from early feasibility costing and value engineering through to construction monitoring, financial management, and final cost reconciliation. This arrangement ensures WWL can efficiently engage skilled cost managers for major and critical water infrastructure projects, enabling proactive cost planning and control across the entire capital works programme.</p>	Largely achieved

### Wellington Water Strategic Outcome 3: Communities receive reliable three waters services

*Orthodox organisational model with clear purpose and lines of accountability, a strengthened culture of raising issues and overall awareness of controls, and strengthened governance oversight and assurance internally and externally.*

Objective	Forecast progress rating <i>Overall objective</i>	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 3.1: Orthodox organisational model with clear purpose and lines of accountability				
<b>3.1a:</b> Implement improvements to asset management practice with a no-regrets basis covering the following: - Implementation of asset management framework - Supporting Technology Systems Investment - Data quality	Partially achieved	Deliver against action plan	No substantial change since last reported. Work is underway on improvements to refresh the Strategic Asset Management Plan commencing with the Asset Management Policy, expected to be endorsed late quarter 1/ early quarter 2. We have ensured the requirements for the TSI Programme have clearly articulated the Asset Management framework needs for the organisation. Inputs to the TSI Towers RFP for the Asset Management Information Systems (AMIS) Tower have been completed with the RFP now in the market. Data quality improvements to build asset planning capability is being focused on in preparation for AMIS.	Partially achieved
<b>3.1b:</b> Document a process and control framework that outlines the key elements and workflows that are involved in running a water services organisation and implement changes to critical assurance and control processes identified through internal audit	Partially achieved	Commence critical process improvements	No substantial change since last reported. Process and control framework to be delivered by end of Quarter 1. Process and control framework will firstly be implemented into the existing internal policy and process-controlled system to ensure that we have functional accountability alignment with activity. Areas for process improvements already identified are: financial; asset management; and technology systems. Continuing to work with TSI Programme and Head of Transformation on change, to ensure critical assurance and control processes are focused on.	Partially achieved
<b>3.1c:</b> Develop and implement group purpose statements	Achieved/ exceeded objective	Implement through group business plans	The objective has been achieved, with group purpose statements developed and embedded into FY26 business plans to support an organisational model with clear accountability; the focus now shifts to monitoring how these statements drive alignment, performance, and impact over time.	Achieved/ exceeded objective
<b>3.1d:</b> Implement good practice approaches for recognising and rewarding values-based staff actions	Achieved/ exceeded objective	Revise the Internal Communication Strategy and incorporate methods to recognise and reinforce values-based actions	We continue to reference our organisational values (mana, whānau, and tangata tiaki) and other behaviours we want to see such as clarity, accountability, and good decision-making in our communications to staff. We have formalised mechanisms for Executive Leadership Team members to regularly acknowledge staff contributions in their written communications and wider Groups engagement, in order to recognise values-based actions	Achieved/ exceeded objective

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Objective	Forecast progress rating Overall objective	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 3.2: Strengthened culture of raising issues and overall awareness of controls				
3.2a: Communicate with staff through staff meetings and messages the importance of speaking up and raising risks early	Achieved/ exceeded objective	Initiate a set of staff workshops	Ongoing communications from the Chief Executive and Executive Leadership Team continue to reinforce and encourage staff to speak up and raise risks early. In August, we updated the Protected Disclosures Policy and the updated policy has been communicated to all staff as part of the roll out.	Achieved/ exceeded objective
3.2b: The Code of Conduct is reviewed to include positive, value-reinforcing behaviours across the organisation	Achieved/ exceeded objective	No further action required	A review of the Code of Conduct was undertaken in quarter 4 2024/25. The revised code of conduct is now adopted into the onboarding and induction of new staff. No further action required.	Achieved/ exceeded objective
3.2c: Review the existing Protected Disclosures ‘Speak Up’ Policy, including disclosure requirements that extend beyond just staff, and the Items of Significance Policy to ensure they are easily understood and have mechanisms in place to use	Largely achieved	Review policies	Protected Disclosures: Policy has been approved and released to staff on our internal intranet and through internal newsletter, along with a quiz to encourage engagement. The Items of Significance Policy is scheduled for review in September 2025.	Largely achieved



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Objective	Forecast progress rating Overall objective	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 3.3: Strengthen governance oversight and assurance internally and externally				
3.3a: Improve assurance through improving the quality and content of information provided to, and reporting products from, the Risk and Assurance function	Largely achieved	Assurance provided to Wellington Water Board over the implementation of the Improvement Plan	Improvement Plan performance and assurance process implemented. Reporting of plan and performance provided to the Wellington Water Board and Wellington Water Committee. Additional assurance provided through the internal audit programme with a focus on corporate financial transactions and controls, Alliance financial cost, procurement and purchasing, contract management, fraud and sensitive expenditure, and capital project management. Internal audit programme on track delivering assurance and performance insight to the Audit committee.	Largely achieved
3.3b: Report on the implementation of the Improvement Plan	Achieved/ exceeded objective	Performance is published and briefed to the Wellington Water Board and Water Committee	Performance has been reported to the Water Committee on 25 July and the Wellington Water Board on 15 August. The Water Committee papers are available via Hutt City Council website. Performance will be published on Wellington Water website by the end of quarter 1.	Achieved/ exceeded objective
3.3c: Meet the Foundational Information Disclosure Requirements from the Commerce Commission	Largely achieved	Establish reporting	Engaged with the Commerce Commissions consultation process. Provided submissions. Reporting accountabilities allocated. Final determination made by the Commerce Commission on 12th August 2025. Implementation started and on track for delivery against Commerce Commission determination. First formal submission due by 31st October 2025.	Largely achieved
3.3d: Simplify the internal management framework by reviewing existing Management Committee Framework and implement changes	Partially achieved	Further streamline	No further work as at the 4 September	Partially achieved

Wellington Water Strategic Outcome 4: Services delivered by Wellington Water are compliant

Maintain a relentless focus on effective fluoridation in both the short and long term, strengthen the control and oversight of our suppliers, and strengthened financial controls that protect the integrity of financial transactions.

Objective	Forecast progress rating Overall objective	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 4.1: Maintain a relentless focus on effective fluoridation in both the short and long term				
4.1a: The 2022 Phase 1 response focused on restoring full fluoridation to the Wellington region's drinking water supply with containerised solutions with a lifespan of 7 years. This has given time for Phase 2 to be well planned and invested in through the LTP. The objective is to establish permanent fluoride dosing systems at all four Drinking Water Treatment Plants, ensuring they are safe for operators and capable of consistently meeting WWL's fluoride performance targets.	Partially achieved	Develop a multi-year programme of work and associated business case	The Indicative Business Case is being drafted to articulate the strategic case for regional improvements and investment in fluoridation infrastructure and practices. A Programme Manager has been appointed to lead this work forward and plan the multi-year programme of work, utilising the completed Activity Brief.	Largely achieved
Outcome 4.2: Strengthen the control and oversight of our suppliers				
4.2a: Improve Wastewater Treatment Plant compliance	Partially achieved	Provide assurance to Board that the compliance projects are on track	Compliance projects are tracked though the capital delivery dashboard reporting and are monitored through the Treatment Plant Steering Committee Currently, three of the four metropolitan Wastewater Treatment Plants (WWTPs) are achieving compliance. Moa Point is non-compliant for air discharge. The primary cause of non-compliance across the network is the condition of ageing assets. Significant renewal and upgrade projects are underway; however, achieving consistent compliance will take several years. Enhancing operational performance remains a key focus, with our contractor, Veolia, actively engaged. We are leveraging contract mechanisms to drive improvements and are working closely with Veolia to deliver better operational outcomes. To strengthen oversight and drive performance improvements, the wastewater contract team has been expanded with two new roles, and recruitment is currently underway (appointments pending). These changes are aimed at enhancing our ability to monitor and support Veolia's performance more effectively. SWDC WWTPs: Two out of four WWTPs are currently non-compliant. Without significant upgrades, these plants will not be able to achieve compliance. As of July 2025, SWDC has taken over responsibility for planning and implementing capital projects.	Partially achieved

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Objective	Forecast progress rating Overall objective	Q1 action	Progress made this quarter	Progress rating Q1 Action
Outcome 4.3: Strengthened financial controls that protect the integrity of financial transactions				
4.3a: Strengthen financial controls including large purchase orders, automatic payments of invoices, approvals for spending and payment (including Alliance statement of claim), financial system access, stop disclosing operational and capital budget information	Largely achieved	Financial system access resolved to enable implementation of delegations.  Implement good practice financial management practices training.	External party access to financial system (TechOne) has been removed, with a check that all users have a Wellington Water email address. New delegations have been rolled out along with training on how they should be applied. Training focused on good financial practices management through clarifying individual responsibilities, strengthening controls and how these must be applied. Consultant Statements of Claim have ceased effective 1 July 2025.	Achieved/ exceeded objective
4.3b: Reduce the conflicts of interest in key roles associated with the consultant panel through building internal project management capacity and ensuring client project managers are independent from the panel	Largely achieved	Recruit internal project managers and ensure project managers are sourced from outside of the panel	We are strengthening our internal project management capability through the recruitment of a Head of Internal Project Management within Capital Delivery. In parallel, we are assessing proposals from external project management suppliers to maintain project independence and delivery continuity while we recruit and onboard our in-house project management team. Work is also underway in building a centre of excellence for project management.	Partially achieved
4.3c: Implement a comprehensive set of company wide delegations	Achieved/ exceeded objective	Delegations communicated to all delegation holders via formal letters of delegation	The implementation of this workstream is completed for finance, people, and contracts.	Achieved/ exceeded objective
4.3d: Increase transparency and quality of delivery/investment planning information shared with Councils. Standardised approach to contingency management (for programmes of capital investment and delivery provided to Councils), including separate line for corporate costs for increased transparency.	Largely achieved	No Q1 actions	No Q1 actions	Achieved/ exceeded objective