



KOMITI NGĀ WAI HANGARUA WELLINGTON WATER COMMITTEE

23 May 2025

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Friday 30 May 2025 commencing at 10:00 am

The meeting will be livestreamed on Council's You Tube page.

Membership

Mayor A Baker	Porirua City Council
Mayor C Barry (Chair)	Hutt City Council
Deputy Mayor M Sadler-Futter	South Wairarapa District Council
Cr R Connelly (Deputy Chair)	Greater Wellington Regional Council
Mayor W Guppy	Upper Hutt City Council
H Modlik	Te Rūnanga O Toa Rangatira
K Puketapu-Dentice	Taranaki Whānui ki Te Upoko o Te Ika
A Rutene	Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua
	Treaty Settlement Trust
Mayor T Whanau	Wellington City Council
Cr T Brown	Wellington City Council (Alternate)
R Faulkner	Te Rūnanga O Toa Rangatira (Alternate)
Cr C Kirk-Burnnand	Greater Wellington Regional Council (Alternate)
Cr R Leggett	Porirua City Council (Alternate)
Cr A Ellims	South Wairarapa District Council (Alternate)
Deputy Mayor H Swales	Upper Hutt City Council (Alternate)
K Tamanui	Taranaki Whānui ki Te Upoko o Te Ika (Alternate)
Cr G Tupou	Hutt City Council (Alternate)

For the dates and times of Council Meetings please visit www.huttcity.govt.nz

Wellington Water Committee

Terms of Reference

Purpose

The Wellington Water Committee ("the Committee") is established to:

- Provide governance and leadership across issues which are related to the planning, delivery and management of water services to communities serviced by Wellington Water Limited;
- Provide governance oversight of Wellington Water Limited, including by exhibiting good governance practice;
- Provide a forum for the representatives of Wellington Water Limited's shareholders and mana whenua to meet, discuss and co-ordinate on relevant issues and, through their representatives, to exercise their powers; and
- Strive for consistency across all client councils so all customers receive a similar level of service.

Status

The Committee is, for the purposes of the Local Government Act 2002, a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council, South Wairarapa District Council and the Wellington Regional Council.

Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

Shareholder and mana whenua governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;
- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the parties to the Shareholders and Partnership Agreement and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the parties to the Shareholders and Partnership Agreement on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any of the parties to the Shareholders and Partnership Agreement;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding regional studies which the Shareholders need to be cognisant of;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;

- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the parties to the Shareholders and Partnership Agreement regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution and;
- Seeking and interviewing candidates for Wellington Water Limited's Board as needed and recommending to the holders of Class A Shares appointments and/or removals of directors of Wellington Water Limited;
- Recommending the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the Board of Wellington Water Limited; and
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding changes to these terms of reference, the Shareholders and Partnership Agreement and the constitution of Wellington Water Limited.

Membership

The membership of the Committee will be as specified in the Shareholders and Partnership Agreement. With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

Subject to the below for Committee meetings to appoint directors of Wellington Water Limited, for a meeting of the Committee to have a quorum, a majority of Committee Members, or their appointed Alternates, must be present, and the number making up the majority must include at least an equal number of Shareholder appointed Committee Members as MWPE nominated Committee Members.

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

Clause 11.3 of the company's constitution provides that Directors shall be appointed and removed by the unanimous resolution of the Shareholders holding Class A Shares. For this matter the quorum for the Committee meeting is therefore attendance by all Committee Members (or their Alternates) for the holders of the Class A Shares.

Alternates

Each Committee Member appointed to the Committee must have an Alternate.

Other Shareholder attendee

Each Shareholder-appointed elected member Committee member will be entitled to invite an officer attendee to Committee meetings, provided however that the additional attendee will not have any voting rights on the Committee.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Other than for those matters for which the Committee has effective decision-making capacity through these Terms of Reference, each Shareholder retains its powers to make its own decisions on matters referred to it by the Committee and on matters specified in Part 1 of Schedule 2 to the Shareholders and Partnership Agreement (for clarity, this means that only Shareholders have voting rights in relation to the matters specified in Part 1 of Schedule 2).

Secretariat services

Unless otherwise agreed from time to time by all of the elected member Committee Members, the Council for which the Chairperson is an elected member will provide secretariat services to the Committee. The Chairperson will be responsible for managing the agenda at Committee meetings.

Standing Orders

The Standing Orders of the Council providing secretariat services to the Committee will apply to Committee meetings, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration

Each Shareholder will be responsible for remunerating the elected member Committee Member appointed by it to the Committee, and their Alternate, for any costs associated with those persons' membership on the Committee.

The Shareholders will also be responsible for remunerating (in equal shares) the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, and appointed to the Committee by the Shareholders, for any costs associated with those persons' membership on the Committee.

Administration

Reports to be considered by the Committee may be submitted by any of the Shareholders, any of the Mana Whenua Partner Entities, or Wellington Water Limited.

Duration of the Committee

In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Appendix

Common delegations by Shareholders

Governance oversight responsibilities

- ☐ Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- ☐ Each Shareholder will delegate to its appointed elected member Committee Member and, in accordance with these terms of reference, that person's Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.

HUTT CITY COUNCIL

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Meeting to be held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Friday 30 May 2025 commencing at 10:00 am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru	<i>Cease the winds from the west</i>
Whakataka te hau ki te tonga	<i>Cease the winds from the south</i>
Kia mākinakina ki uta	<i>Let the breeze blow over the land</i>
Kia mātaratara ki tai	<i>Let the breeze blow over the ocean</i>
E hī ake ana te atakura	<i>Let the red-tipped dawn come with a sharpened air.</i>
He tio, he huka, he hau hū	<i>A touch of frost, a promise of a glorious day.</i>
Tihei mauri ora.	

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

5. MINUTES

Extraordinary Meeting minutes Komiti Ngā Wai Hangarua Wellington Water Committee, 10 March 2025	9
Meeting minutes Komiti Ngā Wai Hangarua Wellington Water Committee, 14 March 2025	14
Additional Meeting minutes Komiti Ngā Wai Hangarua Wellington Water Committee, 22 April 2025	29

6. **CHAIR'S STATEMENT**

A verbal statement by the Chair of the Wellington Water Committee.

7. **LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE DELIVERY PLAN UPDATE**

A verbal update by the Programme Director, Water Reform – Wellington Water Councils.

8. **COMPANY AND GOVERNANCE UPDATE**

Report No. WWC2025/2/66 by Wellington Water Limited 34

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

9. **WELLINGTON WATER - CULTURE AND VALUE FOR MONEY**

Report No. WWC2025/2/67 by Wellington Water Limited 68

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

10. **OUR WATER, OUR FUTURE: STATEMENT OF INTENT 2025-28**

Report No. WWC2025/2/69 by Wellington Water Limited 88

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

11. **REPORTING OF DRINKING WATER ANNUAL MEASURES TO TAUMATA AROWAI**

Report No. WWC2025/2/70 by Wellington Water Limited 124

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

12. **INFORMATION ITEM**

Wellington Water Committee Forward Programme 2025

Memorandum dated 12 May 2025 by the Senior Democracy Advisor 128

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the memorandum be endorsed."

13. QUESTIONS

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

14. EXCLUSION OF THE PUBLIC

CHAIR'S RECOMMENDATION:

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

15. MINUTES

22 April 2025

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Minutes of the Wellington Water Committee Komiti Ngā Wai Hangarua held on 22 April 2025: Appointment of Directors to Wellington Water Limited.	The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

Kate Glanville
SENIOR DEMOCRACY ADVISOR

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of an extraordinary meeting held in the Hutt City Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Monday 10 March 2025 commencing at 3:00 pm

PRESENT:

Mayor A Baker (PCC) (until 4:10pm and rejoined at 4:17pm via audio-visual link)
Deputy Mayor M Sadler-Futter (SWDC) (via audio-visual link)
Cr R Connelly (GWRC) (Chair)
Mayor W Guppy (UHCC)
K Puketapu-Dentice (Taranaki Whānui ki Te Upoko o Te Ika)
Mayor T Whanau (WCC)
R Faulkner (Te Rūnanga O Toa Rangatira)
Cr S Edwards, (HCC)

APOLOGIES: Mayor C Barry and H Modlik

IN ATTENDANCE:

J Miller, Chief Executive, Hutt City Council
N Corry, Chief Executive, Greater Wellington Regional Council
J Smith, South Wairarapa District Council (via audio-visual link)
A Reaves, Acting Chief Executive, Wellington City Council
W Walker, Chief Executive, Porirua City Council
G Swainson, Chief Executive, Upper Hutt City Council
K Stannard, Head of Democratic Services, Hutt City Council
J Kilty, Democracy Advisor, Hutt City Council

PUBLIC BUSINESS**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tihei mauri ora.

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

2. **APOLOGIES**

RESOLVED: (Cr Connelly/Mayor Baker)

Minute No. WWC 25101

"That the apologies received from Mayor C Barry and H Modlik be accepted and a leave of absence granted."

3. **PUBLIC COMMENT**

Comments are recorded under the item to which they relate.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

PRECEDENCE OF BUSINESS

The Chair gave precedence of business to item 6.

The item is listed in the order they appear on the agenda.

5. WELLINGTON WATER LIMITED - VALUE FOR MONEY

Report No. WWC2025/1/42 by Wellington Water Limited

Speaking under public comment, **Sean Rush** commented on the absence of infrastructure management capabilities and water engineering skills on the Wellington Water Limited Board.

With the Chair's permission, Peter Barlow spoke under public comment regarding an item not on the agenda. Peter Barlow highlighted that no audit opinion was attached to the Wellington Water Limited Year-End report for 2023/24.

Patrick Dougherty, Chief Executive and Nick Leggett, Board Chair of Wellington Water Limited (WWL), were in attendance for the item.

The Chief Executive WWL apologised for the loss of public confidence. He noted that WWL had addressed 95% of the recommendations in the Deloitte report. He stated that WWL were not paying three times as much for work as other councils, citing unavoidable external costs. He emphasised the Board Chair's key role in securing value for money and the benefit of the Chair's industry connections.

The Board Chair, WWL, apologised on behalf of the WWL Board. He addressed the perceived conflict of interest between his role as WWL Board Chair and his position as Chief Executive of Infrastructure NZ.

In response to a question from a member, the Board Chair, WWL, noted that the FieldForce report had been considered by the WWL Board and addressed through the 2024 Letter of Expectation. He said that the accountability shown by the Chief Executive and himself reflected the change in culture at WWL.

In response to questions from members, the Chief Executive, WWL said that WWL had been informally warned that the Commerce Commission was investigating a subcontractor. The Commerce Commission had determined that no further action was needed. He also noted that cost data was collected at a regional level. He added that some contracting jobs would be advertised, allowing local contractors to bid.

Mayor Baker noted that Porirua City Council (PCC) would welcome the Chief Executive to speak to the Council. She thanked the Board Chair and the Chief Executive for fronting up and emphasised that value for money was key.

In response to a further question from a member, the Chief Executive, WWL noted that WWL was developing a policy for future procurement. He said that WWL would be focusing on value for money key performance indicators.

Mayor Guppy said that the FieldForce report should have been considered earlier.

Deputy-Mayor Sadler-Futter requested a report on the overspend for each council.

The Chair noted that WWL needed to address each council regarding the costs of projects.

4

Mayor Whanau said that Wellington City Council (WCC) had committed to reform. She asked that the letter written by WCC be reviewed in good faith.

The Chair noted that the key actions from the meeting were to provide further benchmarking information, consider what council-by-council analysis would be appropriate to address overcharging and provide additional details on contractor procurement panel resets.

Kara Puketapu-Dentice noted that priorities needed to be set with the transition to the new entity in mind.

RESOLVED: (R Faulkner/Mayor Whanau)

Minute No. WWC 25102

"That the Committee:

- (1) notes the actions Wellington Water proactively implemented in advance of the reviews;*
- (2) notes the release of Deloitte's Report into concerns regarding Wellington Water's financial systems and processes and the Analysis of Panel Costs and Valuation Unit Rates; and*
- (3) notes the high level of unplanned water supply maintenance required to maintain the network in comparison to other peer councils."*

6. **REPLACEMENT OF TARANAKI WHĀNUI KI TE UPOKO O TE IKA MANA WHENUA REPRESENTATIVE**

Report No. WWC2025/1/40 by the Democracy Advisor

RESOLVED: (Mayor Baker/R Faulkner)

Minute No. WWC 25103

"That the Committee:

- (1) receives and notes the report;*
- (2) notes that Kara Puketapu-Dentice is to replace Lee Rauhina-August as the Taranaki Whānui ki Te Upoko o Te Ika nominated representative from 5 March 2025; and*
- (3) thanks Lee Rauhina-August for her valuable contributions to the work of the Committee."*

7. **QUESTIONS**

There were no questions.

8. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!	<i>Cease the winds from the west</i>
Unuhia!	<i>Cease the winds from the south</i>
Unuhia i te uru-tapu-nui	<i>Let the breeze blow over the land</i>
Kia wātea, kia māmā	<i>Let the breeze blow over the ocean</i>
Te ngākau, te tinana, te wairua i te	<i>Let the red-tipped dawn come with a sharpened air.</i>
ara takatū	<i>A touch of frost, a promise of a glorious day.</i>
Koia rā e Rongo whakairihia ake ki	
runga	
Kia wātea, kia wātea!	
Ae rā, kua wātea!	
Hau, pai mārire.	

There being no further business, the Chair declared the meeting closed at 4.39 pm.

Cr R Connelly
CHAIR

CONFIRMED as a true and correct record
Dated this 30th day of May 2025

HUTT CITY COUNCIL**KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE**

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower
Hutt on

Friday 14 March 2025 commencing at 10:00 am

PRESENT:

Mayor A Baker (PCC)
Cr S Edwards (HCC) (via audio-visual link)
Deputy Mayor M Sadler-Futter (SWDC)
Cr R Connelly (GWRC) (Chair)
Mayor W Guppy (UHCC)
K Puketapu-Dentice (Taranaki Whānui ki Te Upoko o Te Ika)
A Rutene (Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua
Treaty Settlement Trust)
Mayor T Whanau (WCC)
R Faulkner (Te Rūnanga O Toa Rangatira) (Alternate)

APOLOGIES:

Mayor Barry and H Modlik

IN ATTENDANCE:

J Miller, Chief Executive, Hutt City Council (via audio-visual link)
J Smith, Chief Executive, South Wairarapa District Council
N Corry, Chief Executive, Greater Wellington Regional Council
G Swainson, Chief Executive, Upper Hutt City Council
W Walker, Chief Executive, Porirua City Council
A Reaves, Chief Executive, Wellington City Council
P Dougherty, Chief Executive, Wellington Water Limited
C Barker, Chief Operating Officer, Wellington Water Limited
W Maxwell, Chief Corporate Services Officer, Wellington Water
Limited
K Stannard, Head of Democratic Services, Hutt City Council
J Kilty, Democracy Advisor, Hutt City Council

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

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

2. APOLOGIES

RESOLVED: (Cr Connelly/Mayor Whanau)

Minute No. WWC 25101(2)

"That apologies received from Mayor Barry and H Modlik be accepted and leave of absence be granted."

3. PUBLIC COMMENT

There was no public comment.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflicts of interest declared.

5. MINUTES

RESOLVED: (Mayor Baker/Mayor Guppy)

Minute No. WWC 25102(2)

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Friday, 13 December 2024, be confirmed as a true and correct record."

6. CHAIR'S STATEMENT

Cr Connelly reflected on the meeting of 10 March 2025. She noted that changes needed to be made to the water infrastructure in the Wellington region.

7. LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE DELIVERY PLAN UPDATE

Dougal List shared his presentation. The presentation is attached to pages 9-10 of the minutes.

8. COMPANY AND GOVERNANCE UPDATE

Report No. WWC2025/1/34 by Wellington Water Limited

Patrick Dougherty, Chief Executive and Nick Leggett, Board Chair of Wellington Water Limited (WWL) elaborated on the report. The Board Chair said that the WWL Board and Chair understood the concerns around the Chair's potential conflict and were seeking independent advice on how to manage it.

In response to questions from members, the Chief Executive, WWL said that competitive tendering would reduce the number of jobs progressing, slowing down capital delivery programmes, and that discussions would need to be held with councils. He noted that South Wairarapa District Council (SWDC) was not joining the metropolitan councils in the regional model, so the handover of information and transition plan would differ. He added that some staff would transfer to Wairarapa rather than the new Wellington regional entity, although he was not yet aware of which staff would do so. He noted that WWL had a protected disclosures officer and a protected disclosure policy in place. He explained that the procurement model would approach consultant and contractor panels, after which WWL would negotiate a price with an assigned contractor. He acknowledged there was concern that WWL had drifted away from real market prices.

In response to a question from a member, the Board Chair, WWL said that the slowing down of capital programmes was due to a longer procurement tender process.

In response to further questions from members, the Chief Executive, WWL noted that WWL had adopted the procurement panel model when it was still a relatively small entity. He said now that it had grown significantly there needed to be a conversation about value for money. He stated that WWL should have been going through a proper tender process from the beginning, as the procurement panels had not ensured value for money. He added that WWL now needed to gather more data on value for money, and the only way to achieve this was by undertaking a tendering process.

Mayor Whanau stated that Wellington City Council (WCC) had made its view clear. She respected that changes to the Board would not occur. She said she wanted to move forward, but trust needed to be rebuilt between WWL and WCC. She noted that WWL staff were excellent and that the debate had been about governance.

Mayor Guppy said the recommendation to provide high-level analysis was not sufficient. He noted that the role of the Committee was to provide accountability, and therefore information on the overcharging was necessary.

Cr Connelly noted that WWL would discuss necessary analysis with individual councils.

Deputy-Mayor Sadler-Futter agreed with Mayor Guppy that 'high-level' analysis was not sufficient. She said ratepayers lacked information on how much they had been overcharged.

Cr Connelly noted that looking back at overcharging would cost significant money which councils would not be able to fund.

The Chief Executive, WWL stated that a high-level analysis would be feasible, but a more detailed examination of historical overcharging would be too costly.

Deputy-Mayor Sadler-Futter said SWDC wanted confidence and trust in WWL, but needed to have information on the overcharging to regain that trust and confidence in the organisation.

The Head of Design, Capital Delivery at WWL presented on the Western Hills Sewer Main Urgent Rehabilitation Project, attached to pages 11- 15 of the minutes.

RESOLVED: (Cr Connelly/Mayor Whanau)

Minute No. WWC 25103(2)

"That the Committee:

(1) receives and notes the report.

(2) notes that independent advice on how to address the Board Chair's conflict of interest be sought and the findings on how best to mitigate the conflict will be reported to the next meeting of the Wellington Water Committee;

(3) requests that the Chief Executive and Chair (or a Board member) of Wellington Water Limited to meet with shareholder Councils to:

(a) outline the changes Wellington Water Limited has made in response to the value for money reports;

(b) provide high-level analysis of the Alliance contract costs; and

(c) provide high-level analysis of the costs of select large capex projects for each Council between 2019 to 2024/25, to determine the extent, if any, of over-charging. The Committee notes that the difficulty of establishing a market price benchmark means this analysis may not yield specific figures for 'overcharging' but could identify a range and contributing factors;

(4) agrees to hold an additional Wellington Water Committee meeting to be scheduled between each quarterly meeting with a specific focus on oversight of the implementation of the recommendations from the financial error report, the value for money reports, and/or any other relevant workshops or matters that arise; and

(5) notes that the audited accounts for Wellington Water Limited for the 2023/24 year have not been published and requests that the Board present their final audit report to the Committee when available."

Deputy-Mayor Sadler-Futter requested that her dissenting vote be recorded.

9. WELLINGTON WATER LIMITED Q2 ORGANISATIONAL CAPABILITY PLAN

Report No. WWC2025/1/39 by Wellington Water Limited

The Chief Corporate Services Officer, Wellington Water Limited elaborated on the report.

In response to questions from elected members, the Chief Corporate Services Officer, WWL advised that the savings noted in the value for money report could not be allocated to this project. He said that there would be discussions about whether funds from other cost savings could be directed towards the Capability Plan.

RESOLVED: (Mayor Baker/ R Faulkner)

Minute No. WWC 25104(2)

"That the Committee:

- (1) notes the content of the Q2 Organisational Capability Plan (Plan);*
- (2) notes that the full implementation of the plan can't be achieved due to lack of funding from councils for 2025/26, and therefore not all recommendations in the independent review into Wellington Water's Cost Estimation Error will be met;*
- (3) notes Wellington Water has done its best to optimise delivery of the Plan within existing resources; and*
- (4) notes the risk of future errors due to lack of funding to implement the Organisational Capability Plan."*

10. WATER SUPPLY RISK

Report No. WWC2025/1/36 by Wellington Water Limited

The Chief Operating Officer, WWL elaborated on the report.

Mayor Baker noted that there needed to be a stronger push to have private leaks fixed.

RESOLVED: (Mayor Baker/ Faulkner)

Minute No. WWC 25105(2)

"That the Committee:

- (1) notes the demand reduction continues to exceed the target set by Taumata Arowai;*
- (2) notes the likelihood of Water Restriction Levels for 24/25 has further reduced since December 2024 reporting;*
- (3) notes that this is the last report on the Acute Water Shortage risk for 24/25; and*
- (4) notes that Annual Planning is indicating there is a risk of insufficient regional funding for drinking water reactive renewals in FY 25/26 to maintain the reductions in water loss/leakage."*

11. WELLINGTON WATER LIMITED'S DRAFT STATEMENT OF INTENT 2025-28

Report No. WWC2025/1/37 by Wellington Water Limited

The Chief Corporate Services Officer, WWL elaborated on the report.

In response to questions from members, the Chief Corporate Services Officer, WWL said that the Statement of Intent (SOI) was audited, so the information needed to be provable.

Representative Puketapu-Dentice stated that further discussion of the transition to the new water entity should be included in the SOI.

RESOLVED: (Cr Connelly/Mayor Guppy)

Minute No. WWC 25106(2)

"That the Committee:

- (1) receives Wellington Water Limited's draft Statement of Intent 2025-28 attached as Appendix 1 to the report;*
- (2) provides combined shareholder feedback on Wellington Waters Limited's draft Statement of Intent by Friday 11 April 2025; and*
- (3) endorses the outlined approach to finalise Wellington Water Limited Statement of Intent 2025-28."*

Deputy-Mayor Sadler-Futter abstained from voting on the above matter.

12. WELLINGTON WATER LIMITED HALF-YEAR REPORT TO 31 DECEMBER 2024

Report No. WWC2025/1/38 by Wellington Water Limited

The Chief Corporate Services Officer, WWL elaborated on the report.

Representative Puketapu-Dentice stated that, as WWL was in breach of its consents regarding the Waste Water Treatment Plant, there should have been more discussion of these breaches in the Half Year Report, including details of the mitigation being undertaken.

Mayor Baker requested that WWL attach the dashboards for the water treatment plants.

Representative Faulkner said that what was being measured regarding the compliance of treatment plants could be reviewed for future Half Year Reports.

RESOLVED: (Cr Connelly/Mayor Baker)

Minute No. WWC 25107(2)

"That the Committee receives and notes the Half-Year Report to 31 December 2024."

13. INFORMATION ITEMS

a) Wellington Water Committee Forward Programme 2025

Memorandum dated 28 February 2025 by the Democracy Advisor

RESOLVED: (Cr Connelly/Mayor Baker)

Minute No. WWC 25108(2)

"That the Committee receives and notes the attached draft Forward Programme and future workshop topics for the Wellington Water Committee for 2025, as detailed in Appendix 1 of the memorandum."

14. QUESTIONS

There were no questions.

15. EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Baker/Mayor Guppy)

Minute No. WWC 25109(2)

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

16. Minutes - 13 December 2024

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A) General subject of the matter to be considered.	(B) Reason for passing this resolution in relation to each matter.	(C) Ground under section 48(1) for the passing of this resolution.
<i>Minutes of the Wellington Water Committee Komiti Ngā Wai Hangarua held on 13 December 2024</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)). The withholding of the information is necessary to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or two members or officers or employees. (s7(2)(f)(i)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

There being no further business the Chair declared the public part meeting closed at 11.45 am. The public excluded part of the meeting closed at 12.00pm.

Cr R Connelly
CHAIR

CONFIRMED as a true and correct record
Dated this 30th day of May 2025

Item 7: Local water done well

Water services delivery planning for Wellington metropolitan councils

Wellington Water Committee

14 March 2025



Key updates

Key updates on Local Water Done Well and the WSDP

Local Government Water Services Bill.

- This Bill was introduced on 10 December
- Submissions have now been heard.
- A joint submission from the metro councils and GW was presented on 4 March.
- The timing for the passage of the Bill is unclear but expected by mid-2025.

Water Service Delivery Planning

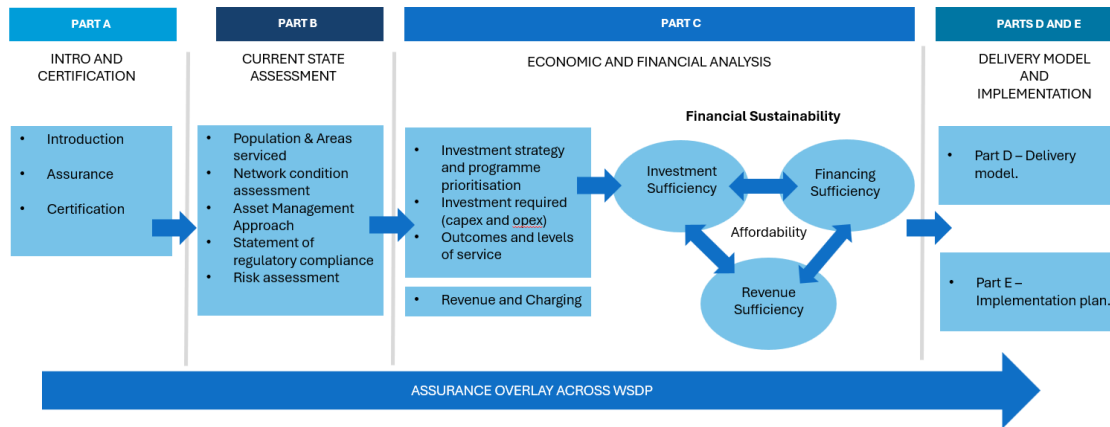
- All WWL shareholding councils are progressing with WSDP including consultation on delivery model options.
- The metro councils and GW plan to consult from around 20 March to 27 April (each council has specific dates).
- The drafting of the joint metro / GW WSDP is underway.
- This will be developed and tested on a staged basis to enable council decision making and adoption of the WSDP ahead of the 3 September due date.

Implementation planning

- In parallel to the WSDP, implementation planning for a new joint metro / GW water organization is underway.
- This targets:
 - Day 0: Establishment Board. 1 October 2025
 - Day 1: Accountability transfer. 1 July 2026

Sections of the WSDP

WSDP sections



Key areas of alignment and interface with WWL

The WSDP and implementation planning need ensure alignment of the future delivery model with current WWL activity and the WWL organisational capability plan

Key work and interfaces include

- Value for money reports
- Development of the WSDP and input of WWL data and knowledge to inform Part B and Part C
- WWL IT systems investment planning, costs and 'future fit'. Key interdependency = need for assurance of right scope, requirements, delivery and how this enables capability requirements
- Meters – programme planning, timing, investment and communications
- Contracts and major projects – maintaining momentum and also consideration of implications of contract renewals and value for money focus
- Contractor / supplier engagement
- Staff communications and pathways
- Plan and timing for disestablishment of WWL.

This will require ongoing involvement from WWL into the WSDP and the implementation plan.



Western Hills Main Sewer Urgent Rehabilitation Project Briefing



Our water, our future.

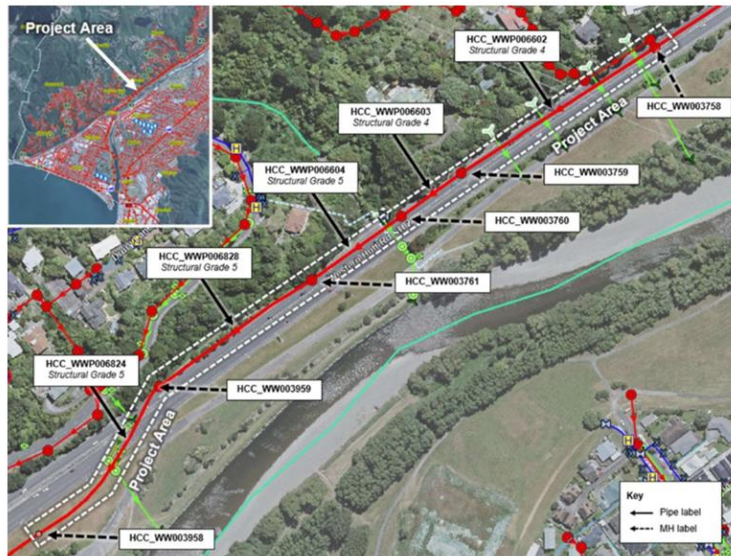
Purpose



- To ensure the Wellington Water Committee are ready for the public and stakeholder reaction resulting from disruption on State Highway Two
- Provide assurance that the Western Hills Sewer Main rehabilitation is:
 - urgent and critical, and
 - is being delivered in a way to minimise the disruption to the public to the extent practicably possible

Our water, our future.

Location plan



Our water, our future.

Flow in pipeline

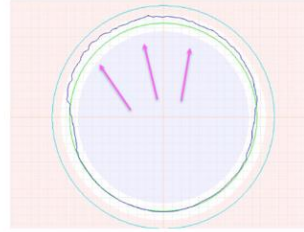


Our water, our future.

Pipe condition



- The walls and roof appear to have suffered from hydrogen sulphide attack
- Around 30mm of the inside wall has been eroded at the top part of the pipe.
- Worst material loss about 37mm
- Original wall thickness is assumed to be 60mm

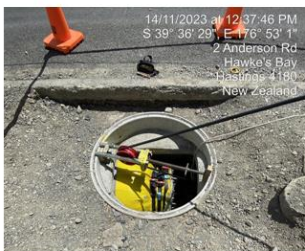


Our water, our future.

Cured-in-place lining



- Resin impregnated 'sock' is pulled through the pipe
- Cured with UV lamps
- Flow must be re-routed during installation
- Pipes must be cleaned before installation
- Manholes will need to be cut down for access.



Our water, our future.

Traffic Management Concept



During day in high traffic period:

- One lane closed north-bound. Remaining three lanes running with contra-flow; two lanes open northbound, one open south.

Modelled delays during peaks are:

- Negligible change heading north and
- 4.5min delay or 2.5km queue heading South

During night-time shift, we are proposing closing two lanes to maximise safety and efficiency. No or minimal delays expected during this period due to lower traffic.

Our water, our future.

Summary of engagement



- The project team are working to a comprehensive communications and engagement plan.
- This includes:
 - Briefings to all affected stakeholders (HCC, UHCC, GWRC, NZTA/WTB, Metlink, Kiwirail, Riverlink)
 - Media releases
 - Website and social media
 - On the ground engagement with specific property owners
 - Daily briefings leading up to and during the works for stakeholders and public

Our water, our future.

Summary of key messages



- The pipeline beneath SH2 is critical wastewater infrastructure managed by Wellington Water on behalf of Hutt City Council and Upper Hutt City Council. The councils have a duty to maintain essential services.
- The pipeline carries the majority of Upper Hutt's wastewater and the Western Hill suburbs.
- The work is scheduled for the Easter school holiday period when traffic volumes are lower, reducing overall disruption. The works will run 24/7 for two weeks.
- Delaying the work further increases the risk of unexpected failure, which could cause significant environmental and traffic issues.
- At each step of the project, Wellington Water has sought to mitigate the impact of the pipeline risk and minimise the disruption to public through a planned and collaborative approach

Our water, our future.

Questions



Our water, our future.

HUTT CITY COUNCILKOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of a meeting held via Zoom on
Tuesday 22 April 2025 commencing at 1:01 pm

PRESENT:

Mayor A Baker (PCC)
 (via audio-visual link) Mayor C Barry (HCC) (Chair)
 Deputy Mayor M Sadler-Futter (SWDC)
 Cr R Connelly (GWRC) (Deputy Chair)
 Mayor W Guppy (UHCC)
 Mayor T Whanau (WCC)
 K Puketapu-Dentice (Taranaki Whānui ki Te Upoko o Te Ika)
 R Faulkner (Te Rūnanga O Toa Rangatira)

APOLOGIES:

H Modlik, Te Rūnanga O Toa Rangatira and A Rutene, Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua Treaty Settlement Trust

IN ATTENDANCE:

(via audio-visual link) W Walker, Chief Executive, Porirua City Council
 J Miller, Chief Executive, Hutt City Council
 N Corry, Chief Executive, Greater Wellington Regional Council
 G Swainson, Chief Executive, Upper Hutt City Council
 S Corbett, Group Manager Infrastructure and Community Operations, South Wairarapa District Council
 K Glanville, Senior Democracy, Hutt City Council

PUBLIC BUSINESS1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru
 Whakataka te hau ki te tonga
 Kia mākinakina ki uta
 Kia mātaratara ki tai
 E hī ake ana te atakura
 He tio, he huka, he hau hū
 Tihei mauri ora.

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

ITEM OF BUSINESS NOT ON THE AGENDA**RESOLVED:** (Mayor Barry/Cr Connelly)**Minute No. WWC 25201***"That, in terms of Standing Order 10.12, the Committee:*

- (1) notes that the public excluded matter of the 'Appointment of Director's to Wellington Water Limited' was not listed on the agenda because the information was received after the agenda was distributed;*
- (2) notes that the reason the report is publicly excluded is due to privacy matters; and*
- (3) agrees to discuss the matter at this meeting due to the urgency of the matter."*

2. APOLOGIES**RESOLVED:** (Mayor Barry/Mayor Baker)**Minute No. WWC 25202***"That the apologies received from H Modlik and A Rutene be received and leave of absence granted."***3. PUBLIC COMMENT**

There was no public comment.

4. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

5. WELLINGTON WATER - VALUE FOR MONEY

Report No. WWC2025/2/2 by Wellington Water Limited

Patrick Dougherty, Chief Executive, Nick Leggett, Board Chair and Erin Ganley, Acting Chief Risk and Compliance Officer of Wellington Water Limited (WWL), were in attendance for the item.

The Board Chair, WWL, elaborated on the report. He advised that the WWL Board would review and prioritise the 123 recommendations outlined in the report at its next meeting, focusing on completed actions and necessary steps. He emphasised the importance of prioritisation due to limited resources. He said immediate changes included restructuring contractual relationships, implementing a new performance framework, and introducing competitive tendering to improve value for money. He acknowledged the board's awareness of past shortcomings and its commitment to improving. He said an update on the recommendations and priorities would be reported to the Committee at its next meeting in May 2025.

In response to questions from members, the Chief Executive, WWL, confirmed the 2021 PwC Wellington Water Internal Audit Report would be published on WWL's website. He said the report included an action plan but was never implemented due to a lack of resources. He agreed the issues identified in the report had reappeared in later reports.

In response to questions from members, the Board Chair, WWL, advised that the WWL Board would consider the FieldForce4 report and its recommendations alongside all other reports and recommendations. He said viewing the report in the context of the whole body of reports was essential.

The Chief Executive, WWL, advised that it was important to group and identify consistent themes from the 123 recommendations, including those from the FieldForce4 report. He did not believe a deep dive into the report was necessary.

In response to questions from a member, the Acting Chief Risk and Compliance Officer, WWL advised that recommendations 115 and 116, outlined in Appendix 1 of the report, addressed issues raised in qualified audits concerning WWL's delivery of performance measures. She added that data quality and reporting had since seen significant improvement.

Cr Connelly noted that recommendation 107, as outlined in Appendix 1 of the report, did not accurately reflect the actual recommendation from the Fluoride report. She said it related to the internal audit function.

Rawiri Faulkner proposed more specificity to clarify the relevance of the recommendations, making them clear and actionable.

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25203

'That the Committee:

- (1) notes that the full implementation of recommendations from all the reviews and reports cannot be achieved by Wellington Water Limited (WWL) due to time and resource constraints, and in some cases, are best addressed once Local Water Done Well decisions have been made. This means that not all recommendations will be addressed in the short-term or medium-term.*
- (2) notes that to ensure the best use of resources, WWL will prioritise key actions that we believe can be achieved in the time we have left as a company and those that will have the biggest impact on demonstrating value for money for our councils and ratepayers and setting up the new organisation for success;*
- (3) notes that this prioritisation will go to the WWL Board for approval in May 2025; and*
- (4) notes that for the 30 May 2025 meeting, staff will provide a full analysis of actions required to meet the recommendations and whether those actions are achievable in the time and resources available."*

6. **QUESTIONS**

The Chair mentioned receiving an email from the WWL Board Chair regarding legal advice on a conflict of interest and stated he would circulate this advice to the members.

After a question from a member regarding the Western Hills Sewer Main work, the Chief Executive of WWL stated that he would provide an update to the committee members.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED: (Mayor Barry/Deputy Mayor Sadler-Futter) **Minute No. WWC 25204**

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

ITEM OF BUSINESS NOT ON THE AGENDA: Appointment of Directors to Wellington Water Limited

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Appointment of Directors to Wellington Water Limited</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>
<i>This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."</i>		

There being no further business, the Chair declared the public part of the meeting closed at 1.27 pm. The public excluded part of the meeting closed at 1.37pm.

Mayor C Barry
CHAIR

CONFIRMED as a true and correct record
Dated this 30th day of May 2025



Komiti Ngā Wai Hanganua Wellington Water Committee

12 May 2025

Report no: WWC2025/2/66

Company and Governance Update

Recommendation

That the Committee receives and notes the report.

Appendices

No.	Title	Page
1 ↓	Company and Governance Update - 30 May 2025	35
2 ↓	Appendix 1: Operations Report April 2025	44
3 ↓	Appendix 2: Treatment Plant dashboards April 2025	50
4 ↓	Appendix 3: Summary of Papers	66

Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

30 May 2025

Company and Governance Update

Purpose of Report

1. To provide an overview of the Water Services activities across the metropolitan area of Wellington and the South Wairarapa District Council.

Recommendations

That the Committee receives and notes the report.

How to read this report

2. There are three parts, as follows:
 - i. Governance Update,
 - ii. Water Committee Priorities, and
 - iii. Operational Achievements and Issues.

Governance Update

3. The key Governance conversations held and actions taken by the Board of Wellington Water (Board) since the last meeting of the Wellington Water Committee (Committee) include:
 - i. Approved the Statement of Intent 2025-28 (provided to the Committee in a separate paper)
 - ii. Received an update on the Culture and Value for Money Improvement Plan (provided to the Committee in a separate paper)
 - iii. Welcomed new board directors Ben Pitchforth, David Adamson, and Gillian Peacock at the 15 May 2025 meeting.
 - iv. Received a briefing on Local Water Done Well and the regional Water Services Delivery Plan from the WSDP Programme Director.

Summary of Performance

4. We made it through summer without needing to lift water restrictions above Level 2.
5. We provided final advice to councils on investment for the coming year.
6. We have surpassed the yearly target of 9.1km for pipe renewals, having completed 11km by the end of April.
7. We are continuing with the changes started late last year on arrangements with the Alliance and capex panels. These changes include:
 - i. dissolution of the existing consultants and contractors panels;
 - ii. change to our procurement policy to put all projects over \$100k to open tendering for the remainder of this financial year;
 - iii. improved allocation and management processes; better KPIs and commercial analytics;
 - iv. tighter checks on statements of claim;
 - v. new template contractual documentation has been rolled out to support the new tendering policy and allow for different approaches to risk-sharing with contractors;
 - vi. a new delivery model is being developed to replace the panels from July 26.
8. WWL's Chair and CE are attending council meetings to:
 - i. outline the changes WWL has made in response to the value for money reports;
 - ii. provide high-level analysis of the Alliance contract costs; and
 - iii. provide high-level analysis of the costs of select capex projects for each Council.
9. At the 22 April meeting, WWL presented to the Committee a consolidated view of recommendations from a range of reports and reviews, and set out our approach to addressing these. There is a separate paper providing an update on progress with this Value and Culture Improvement Plan.
10. Local Government Minister Simon Watts announced in late March that the Government was imposing early economic regulation on Wellington Water and the Commerce Commission will impose foundational information disclosure requirements. This has been enabled through an Order in Council and there will be public consultation. We've provided the Commerce Commission with some information already and will continue to engage with them.

The Water Committee Priorities

Ensuring a smooth transition through water reform to the new entity in 2026

11. The CE and Board Chair are attending Advisory Oversight Group meetings.
12. Wellington Water continue to support the regional team, including with sharing draft asset management plans, establishment planning, alignment of work on systems, drafting feedback on the Commerce Commission's information disclosure discussion paper, and assessing inter-dependencies between WWL work and regional planning work.
13. South Wairarapa District Council resolved on 8 May to progress with a Wairarapa-Tararua multi-council Council-Controlled Organisation, with the intent that the new entity will "go-live" by no later than 1 July 2027. Council has approved a transition strategy that includes keeping the operations and maintenance services with WWL for the transition period, and removing capital renewals and capital projects from the WWL Management Services Agreement from 1 July 2025 and returning them to SWDC to manage directly. WWL will work closely with SWDC on this transition.

Three Waters Investment Planning for 2025-34

14. WWL has provided final Stage 3 advice to councils on what to include in Annual Plans for 2025/26 (LTPs for Wellington City and South Wairarapa). This advice responded to direction from councils on affordable levels of investment in three waters assets, maintenance, levels of service, and investment in WWL to build systems and organisational capability.
15. Based on Stage 3 advice and subject to council decisions, in the 2025/26 year WWL has indicative capex funding of \$342M and opex funding of \$166M (see tables below).

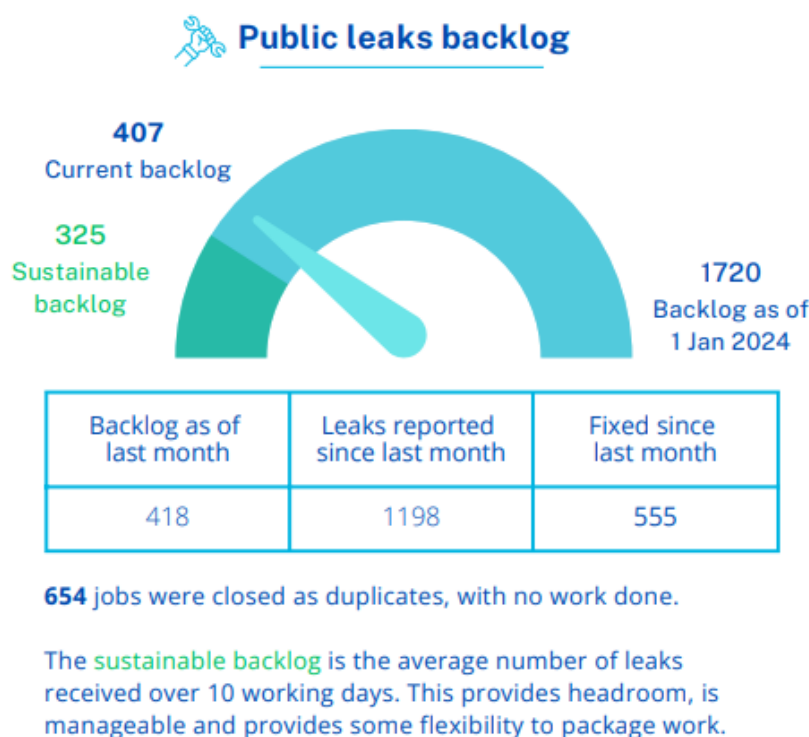
Council	Capex Budget (Stage 3)
GWRC	\$68.34 M
HCC	\$101.80 M
PCC	\$56.86 M
UHCC	\$13.34M*
WCC	\$89.30 M
SWDC	\$12.65 M
Total	\$342.29 M

• Note the UHCC capex figure excludes the wastewater Joint Venture costs

Council	Opex Budget (Stage 3)
GWRC	\$32.12 M
HCC	\$38.43 M
PCC	\$12.84 M
UHCC	\$10.16 M
WCC	\$66.63 M
SWDC	\$5.90 M
Total	\$166.08 M

Sustainable water supply and reducing consumption

16. Wellington, Lower Hutt and Porirua moved off water restrictions on 14 April. South Wairarapa moved to Level 1 on 22 April. Water Restriction Level 1 applies year-round for Upper Hutt and South Wairarapa.
17. We are continuing to make progress with the Metering Programme Business Case as we prepare to move to the implementation phase in the next financial year with those councils who are currently funded to do so. We are working on a broader investment case that will provide strategic and economic justification for all bulk water supply augmentation investments including the metering programme, and will be discussing this with councils in coming weeks.
18. We are close to what we assess to be a sustainable backlog level of leaks on the public network.



Regulatory performance

19. We have reported on Drinking Water Annual Measures to Taumata Arowai – this is covered in a separate paper.
20. We continue to work with GWRC on the abatement notices for Seaview Odour issues.
21. An abatement notice was served to SWDC in June 2024 requiring desludging of the Martinborough WWTP by April 2025. We did not meet this deadline so received a \$750 fine. A new deadline of 24 July 2025 has been set.
22. We keep the Ministry of Health informed of fluoride performance – all of the metropolitan water treatment plants were compliant for fluoride in Q3, but Te Mārua did not meet the required threshold in April 2025.

Operational Achievements and Issues

People

23. Our unplanned turnover is currently sitting at 11.6% and continues to track steadily (12 month rolling average).
24. The most recent staff survey revealed a marked decline in employee engagement, highlighting the widespread disruption experienced across the organisation. Our people have been navigating a complex environment – including the rollout of an organisational restructure, intense media scrutiny, ongoing uncertainty surrounding the future of water services in the Wellington region, and, most significantly, the need to quickly adapt to new ways of working. In response, the Leadership Team has identified a series of targeted interventions to help rebuild and strengthen engagement.

Health & Safety

25. There has been one lost time injury, where a worker injured their back lifting a manhole and several near-misses.
26. We are addressing potential unsafe levels of hydrogen sulphide gas at the Moa Point Wastewater Treatment Plant and Carey's Gully Sludge Dewatering Plant. We have set clear expectations for Veolia to ensure the risk is managed and workers' health and safety are protected. Additional measures have been implemented to mitigate any immediate risk to workers.

Wellington Water corporate budget

27. We are forecasting a corporate budget deficit of \$2.0m for 2024/25 (compared to the budgeted deficit of \$3.7m), utilising the prior year's surplus to mitigate funding pressures while ensuring delivery can continue.

Opex Delivery

28. At the end of April in the 2024/25 financial year we have fixed 8168 leaks around the region. Councils' regional opex programme is forecasting \$154m spend for the year, which is 4% (\$7m) below budget. Operational reports are provided as Appendix 1.

Capex Delivery

29. For the financial year to date (as at 30 April 2025), spend on the capital delivery programme was \$204m at a regional programme level.

Council	YTD capital spend for 2024/25
Greater Wellington Regional Council	\$62.7m
Hutt City	\$44.4m
Porirua City	\$42.4m
South Wairarapa District	\$3.7m
Upper Hutt City	\$13.1m
Wellington City	\$37.6m
Total	\$204.0m

30. We are forecasting a significant underspend (\$94m) due to delays on some large projects, budgets which have been ring-fenced, and additional time required for the significant shift in procurement approach. This forecast variance has increased from \$70m reported to councils in March.

31. Here is the data on metres of pipe constructed on a quarterly basis, split by council. The YTD Total column includes pipe laid in April 2025.

Council	Water	Wastewater	Stormwater	Q1	Q2	Q3	YTD Total	Year End Forecast
HCC	7,277	737	75	2,986	850	2,438	8,089	9,289
WCC		577		240	45	158	577	647
UHCC	1,416	150		374	401	716	1,566	1,716
PCC	70	286	-	70	180	236	356	646
GWRC	500			30	330	140	500	500
SWDC	-			-	-	-	-	130
Total	9,262	1,750	75	3,700	1,806	3,688	11,087	12,927

Wastewater Treatment Plants

32. Seaview, Western and Porirua wastewater treatment plants are currently compliant with effluent quality parameters. The Moa Point, Greytown, and Martinborough wastewater treatment plants were non-compliant at the end of March due to capacity, mechanical or environmental factors. Moa Point wastewater treatment plant is tracking to be compliant by May.
33. Details of the status of wastewater plant non-compliance are provided in the latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, attached as Appendix 2.

Growth update

34. Development applications are up significantly compared to the same period last year with Building Consents up 30% and Resource Consents up 20%. This is putting pressure on limited WWL resources.
35. In a significant number of water supply zones, the existing reservoir storage volumes are below the target criteria for i) 2-day average daily demand, and ii) 24 hours supply based on peak day demand plus firefighting requirement. This means that there is less than 24 hours of supply if there was a failure in the network that supplies these reservoirs. In WCC's district plan it is now a requirement to obtain a resource consent for a new connection where there is insufficient reservoir storage. HCC have the same requirements in their proposed district plan. PCC are also limiting connections for new developments due to insufficient reservoir storage.

Environmental Water Quality update

36. Plan Change 1 (PC1) to the Wellington Natural Resources Plan is currently being heard by an Independent Hearing Panel appointed by GWRC. PC1 changes the regional rules (and framework) that applies to a number of WWL's activities in Wellington City, the Hutt Valley, and Porirua. Importantly PC1 regulates stormwater discharges and wastewater overflows. The provisions that are determined through the PC1 process will have a significant impact on WWL's ability to consent network discharges, and the obligations that will be imposed by any consents granted.
37. WWL is working with the metropolitan client councils through this process. The Hearing Panel is considering PC1, and submissions, across five hearing streams:
 - i. overarching matters;
 - ii. objectives and ecosystem health policies;
 - iii. rural land use activities, forestry and vegetation clearance, and earthworks;
 - iv. stormwater, general discharges to water and wastewater; and
 - v. wrap up.
38. There are other regulations that will impact the ability for WWL to obtain consent for its network discharges. This includes the proposed Wastewater Environmental Performance Standards and changes to the National Policy Statement for Freshwater Management. WWL will consider the impact of these changes (together with Change 1) for the network discharge consent programme and consenting strategy
39. The regulatory changes have meant that the network discharge consent applications are currently tracking behind schedule. Once granted, the consents will put in place a framework that will drive a significant programme of work and investment to improve environmental water quality.

Technology Systems

40. We have been making progress on the Technology Systems Investment Programme this financial year within allocated FY24/25 funding for corporate activity. This has constrained the progress the programme has been able to make and put planned timelines for delivery at risk. In response we have developed, and are underway, with a plan to accelerate the Request for Proposal process for the suite of required systems. This is the key activity that will unlock the ability to begin implementing the systems and respond to any changes in scope and timeline that come from Local Water Done Well plans.

Connecting the Water Committee to Individual Councils

41. The Committee has a major role in providing leadership to the six councils who own Wellington Water. At the Committee meeting you are receiving and discussing material that all councils will receive via Wellington Water's ongoing advice on operations.
42. We have provided a summary report (Appendix 3) to assist with individual councils' understanding of the material the Committee is working on.

Climate Change Impact and Considerations

43. There are no direct climate change impacts or considerations from the matters addressed in this report.

Appendices

There are three appendices for this report.

1.	Regional and Council Operations Reports for April
2.	Water Treatment Plant and Wastewater Treatment Plant dashboard reports for April
3.	Summary for Councillors of papers to the WWC meeting

Author: Natalie Crane

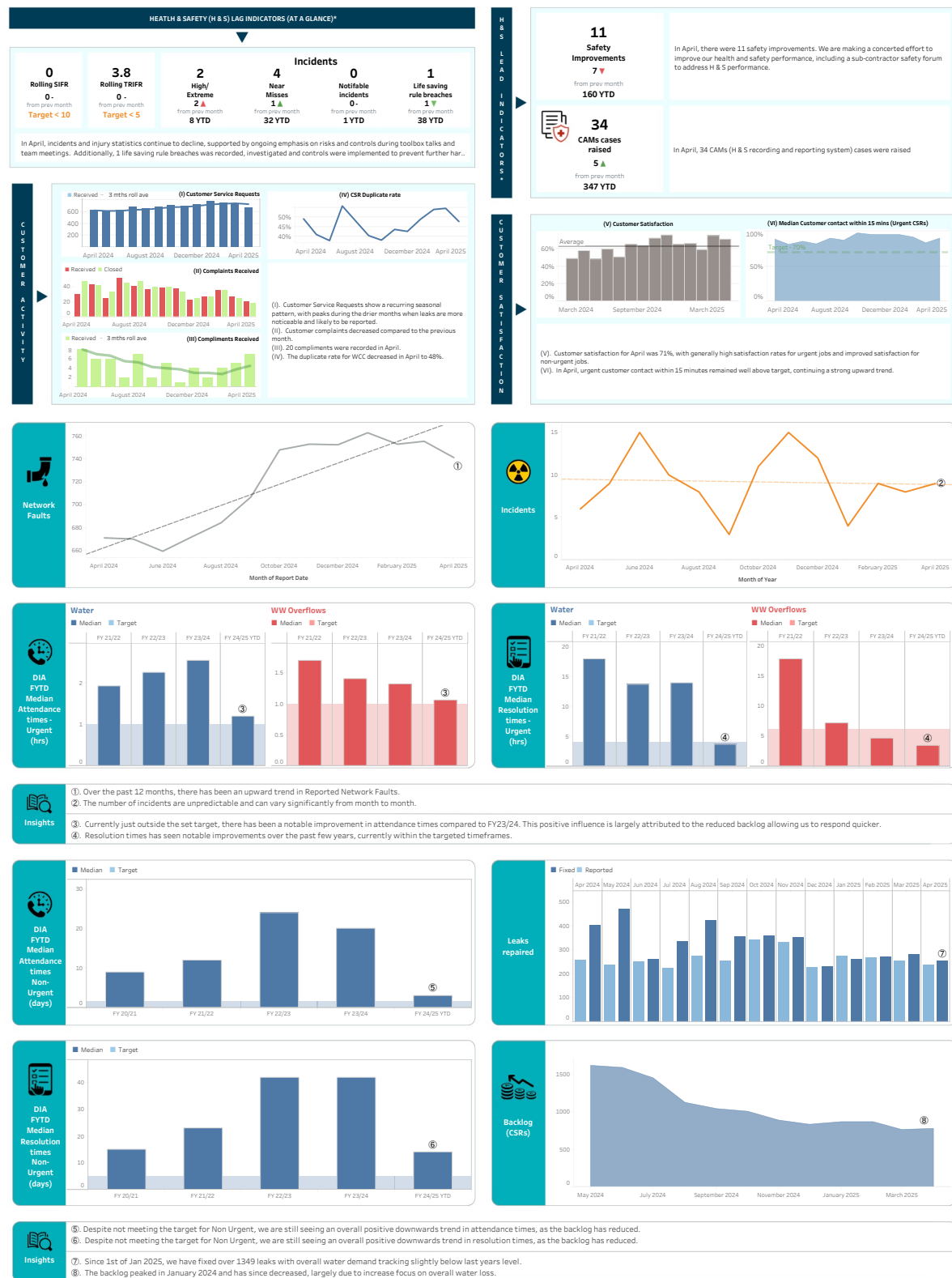
External Author (Wellington Water Ltd)



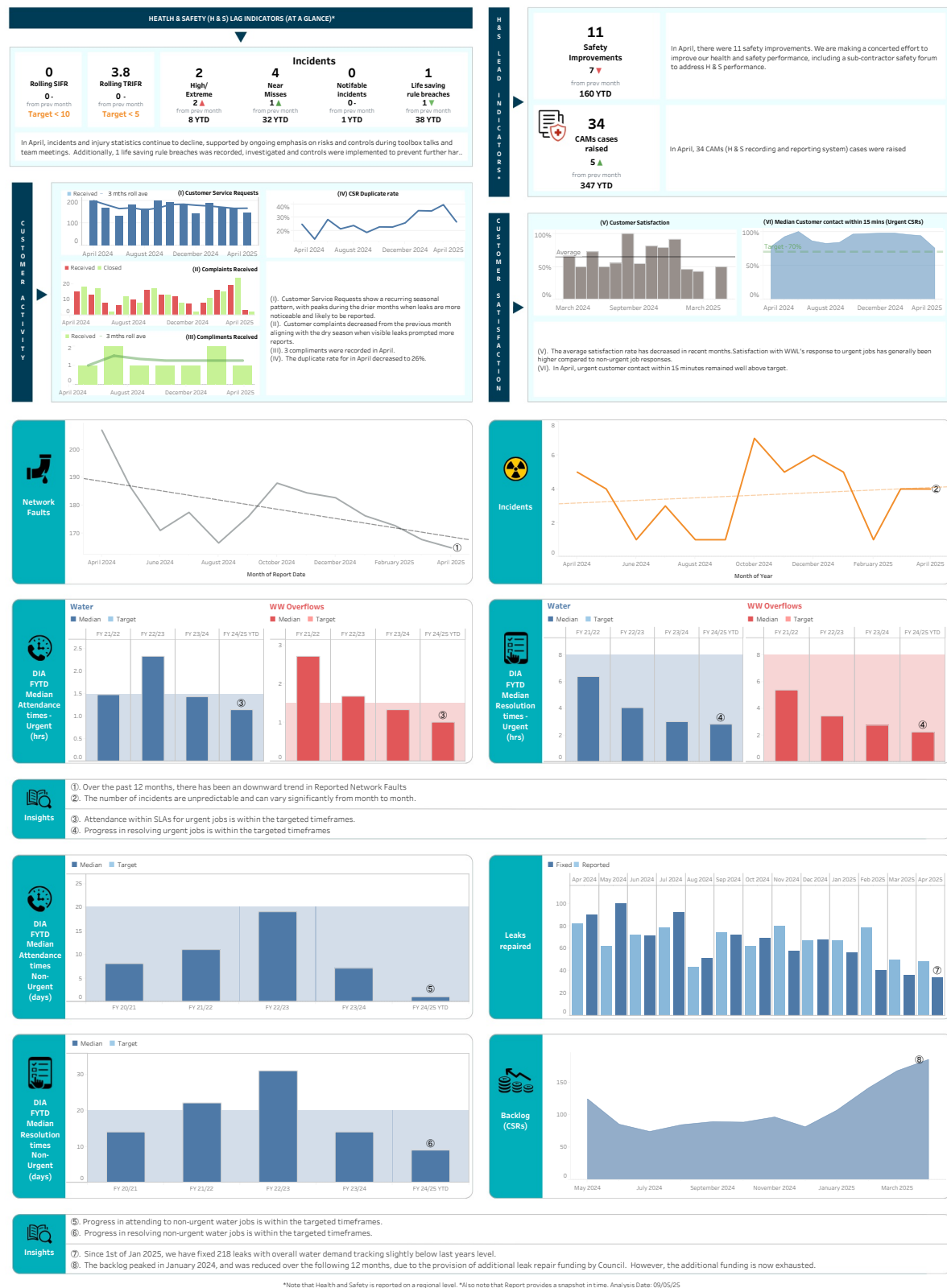
Our water, Our Future

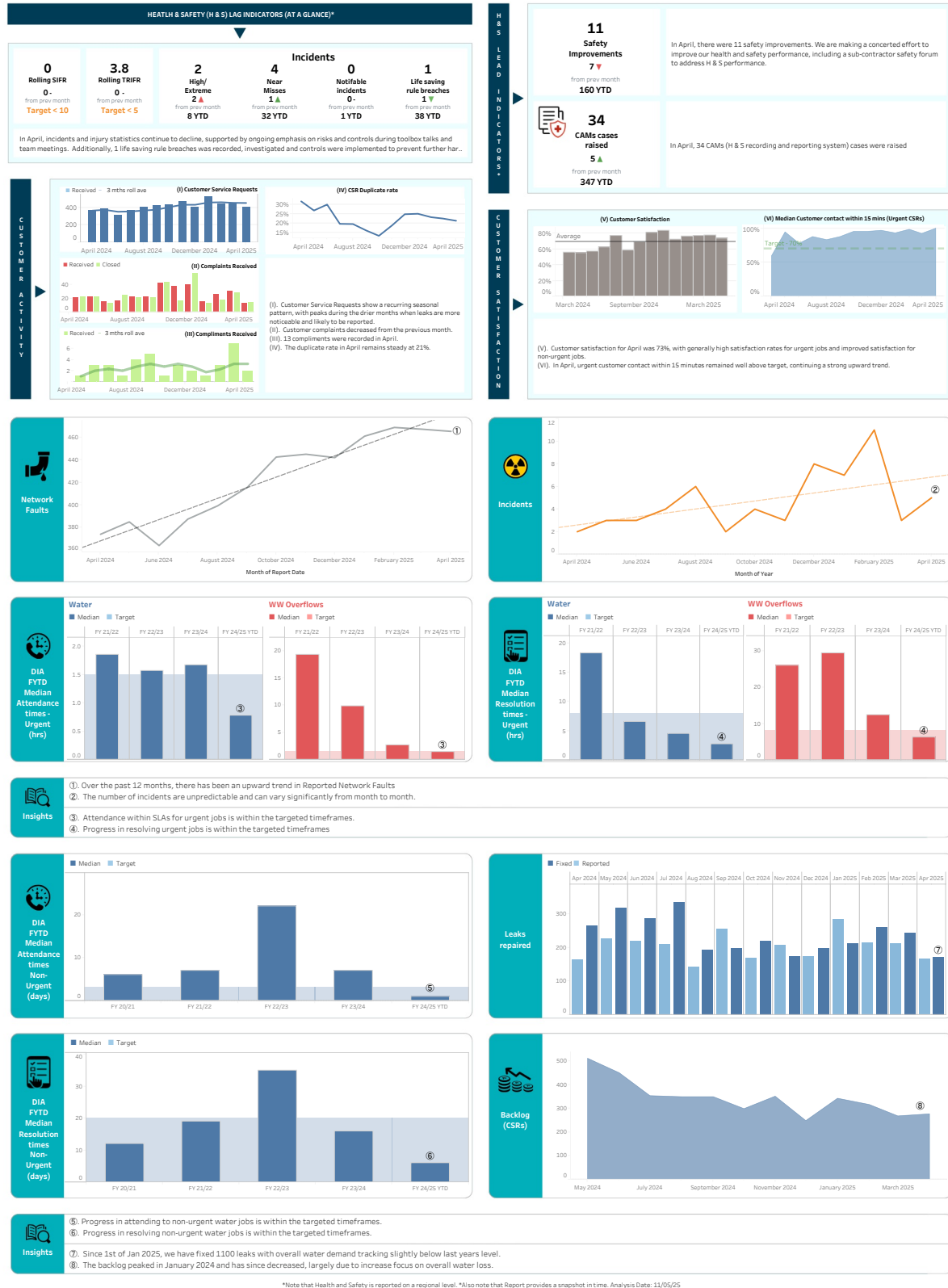
Operations Report
NETWORK OPERATIONS GROUP
Reporting Date: 20th May 2025

GLOSSARY OF TERMS	Acronyms
Total Recordable Injury Frequency Rate	TRIFR
Severe Injury Frequency Rate	SIFR
Case Action Management System	CAMs
Financial Year To Date	FYTD
Customer Operations Group	COG
Customer Service Request	CSR
Service Level Agreement	SLA
Department of Internal Affairs	DIA
Drinking Water	DW
Storm Water	SW
Wastewater	WW

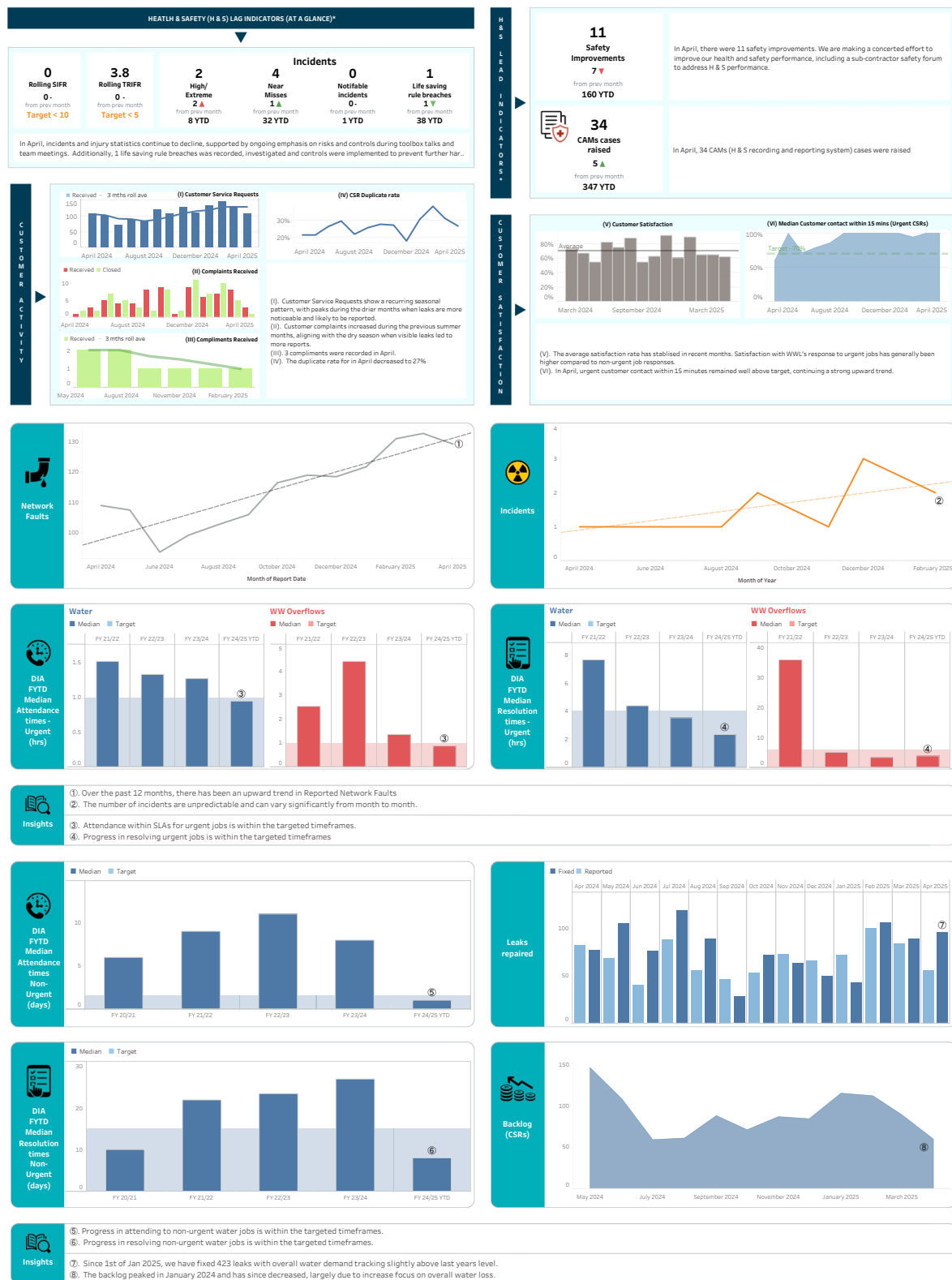


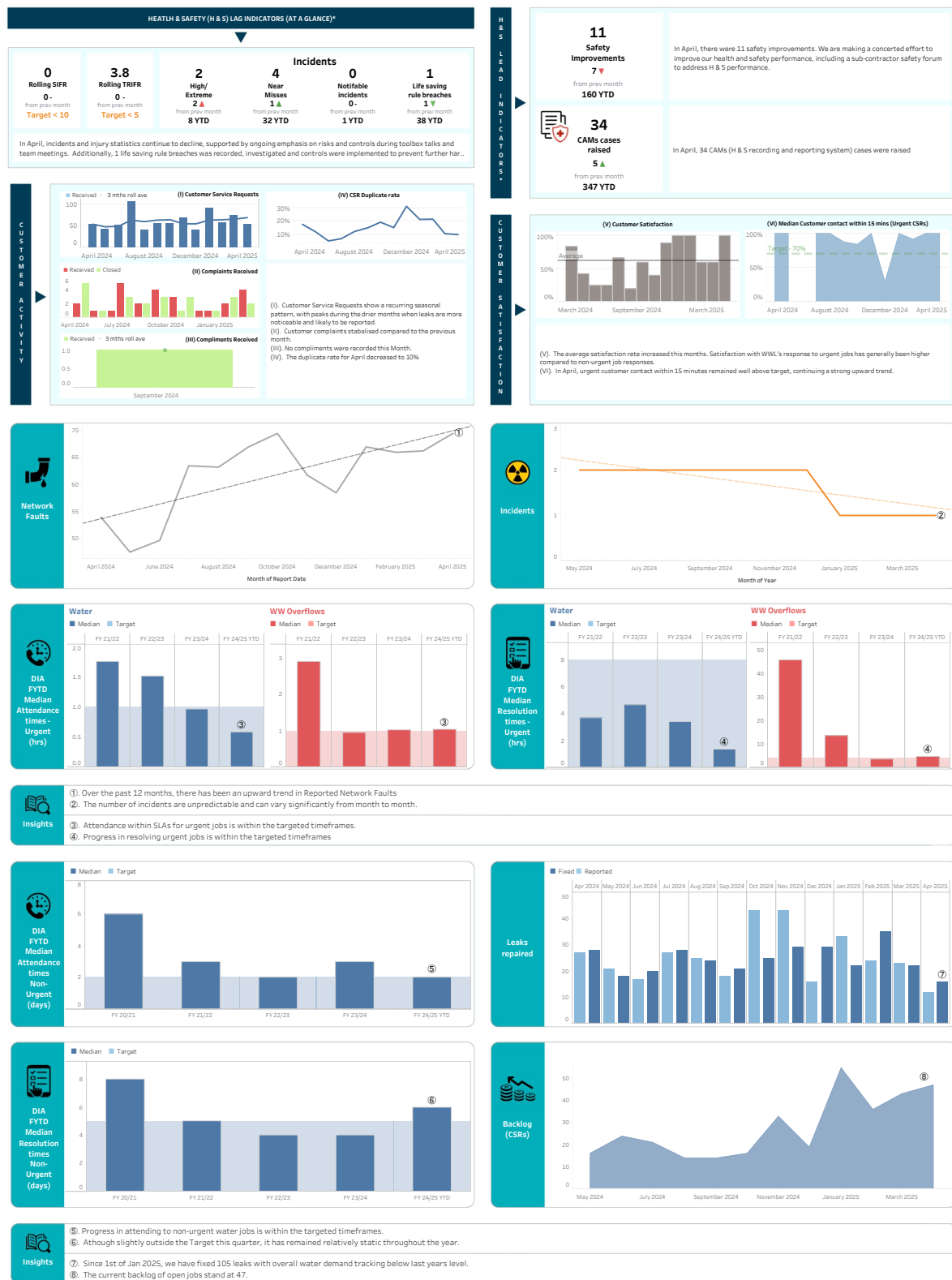
*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 11/05/25





*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 11/05/25





*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 09/05/25

Wastewater Treatment Plants (WWTPs)

South Wairarapa

Greytown WWTP: The Greytown Wastewater Treatment Plant is non-compliant. Major investments are needed to meet compliance requirements, with the current levels of approved funding insufficient. The plant is over its capacity, prompting a halt on new connections. A project to develop a second stage of land irrigation is underway, however this has been paused since April following the leaseholder organising a contractor to level and reseed the land. Significant irrigator track reconstruction is required and pasture established before irrigation can recommence. GWRC is reviewing recent riparian work on the Papawai Stream to confirm it meets requirements. A leak at the plant was fixed, ensuring all flows are properly treated and discharged. Further desludging funding may be needed, and GWRC has approved earthworks for desludging.

Featherston WWTP: The Featherston Wastewater Treatment Plant is currently compliant but requires major investment to secure a new consent. Renewal of the consent is being managed as a major project, and the WWTP is operating on an extension of the old consent. The ongoing consent approval process aims to accommodate future growth needs beyond 2032. The public submission period has ended, and engagements with submitters are underway with a hearing planned for June 2025. We understand there may be a change in the funding to implement the upgrades proposed in the resource consent application. This could limit the ability to obtain the consent or result in conditions that cannot be met. This risk has been escalated through project governance structures and to SWDC.

Martinborough WWTP: The Martinborough Wastewater Treatment Plant remains non-compliant. The plant is over its capacity, prompting a halt on new connections. A 'To Do Abatement Notice' lists the work required at the plant, including desludging, which began in April 2025. This Notice supersedes those given in the past. Major investment is still needed as the current funding falls short. The irrigator was taken out by a lightning strike but has since been repaired and working as normal. The plant is working on a Stage 2A irrigation design and a Growth-Capacity Study to ensure future compliance and manage new connections efficiently.

Lake Ferry WWTP: The Lake Ferry Wastewater Treatment Plant is compliant but faces certain risks. The plant requires additional capital works and funding for consent renewal due to stringent consenting requirements. A new resource consent application was submitted this month. Key issues include: unfunded investigations into high inflow and infiltration rates; testing for optimized operations and non-funded essential plant valving automation. Some projects, such as sodium bicarbonate dosing improvements and repairs of various dripline leaks, are currently in progress.

Metro

Moa Point WWTP: The Moa Point Wastewater Treatment Plant is non-compliant. It meets daily effluent quality standards, but faecal coliforms are not compliant for the 90th percentile. There was one unconsented discharge in March and three unconsented discharges in April via the Long Outfall due to heavy rainfall and reduced capacity of the plant. There were two odour complaints in March related to the Southern Landfill and Carrey's gully (not Moa Point WWTP itself). In April, there were eight odour complaints, one relating to Moa Point and seven relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant. Significant ongoing projects include the Clarifier #1 Renewal and the final phase of the Inlet Pump Station Project, both crucial for the plant's operations and expected to be completed in 2025. An investigation is underway into the decreased performance of the chemical scrubber system which removes the odour causing substances such as Hydrogen sulphide where it recorded non-compliant results for Total Reduced Sulphur (TRS) during the summer months.

Porirua WWTP: The Porirua Wastewater Treatment Plant is compliant in effluent quality and process changes to resolve elevated ammonia nitrogen levels were successful in April. A spike in faecal coliforms between 5-7 March is being investigated. Higher solids within the system raised the sludge carryover risk in April during high flow events. There were two unconsented discharges in March, both relating to faults with the Duron UV system. A Formal Warning was given by GWRC following the unconsented discharge which occurred on 14 March due to mechanical fault in the Duron UV rear penstock. There were two unconsented discharges in April, both recognised as sludge carryovers due to heavy rainfall. There were no odour complaints received during March or April. The recommended mechanical components for the UV system were installed in late March.

Seaview WWTP: The Seaview Wastewater Treatment Plant has moved back into compliance status since March. There were no unconsented discharges in March but three consented wet weather discharges to the Waiwhetū Stream in April. There were 18 odour complaints in March, two of which were deemed offensive by GWRC, and resulted in a 'Please explain' notice from GWRC for which a response is being worked through. One odour complaint received in April was not deemed offensive and objectionable by GWRC. Other items of interest include that three out of four primary sedimentation tanks (PST) have been completed. Planning is underway to undertake the fourth which is targeted for completion by end of June 2025. Several milliscreen repairs have been undertaken and there is a planned shutdown of the Thermal Dryer scheduled for early June for refurbishments recommended by the vendor for improving reliability. The Stage 1 Biofilter project has successfully removed over 99.9% of H₂S, and the design for Stage 2 works has been completed and approved with HEB Construction having been awarded the contract to deliver the physical works. Final preparations before orders for the new Odour Control Units for Stage 2 have been made.

Western WWTP: The Western Wastewater Treatment Plant is fully compliant. There were two consented wet weather discharges in April to the Karori stream, and no odour complaints in March or April. Minor remedial repairs on the outfall pipeline have been completed. The annual inspection of the pipeline has been scheduled for May 2025.

Water Treatment Plants (WTPs)***South Wairarapa***

South Wairarapa WTPs: All four South Wairarapa Water Treatment Plants are compliant with regulatory requirements for bacterial and protozoal rules, though further process assurance work is necessary on all except Pirinoa.

Metro

Waterloo WTP: The Waterloo Water Treatment Plant remains non-compliant with bacterial compliance rules due to network configuration issues but is compliant with protozoal rules. The significant upgrade of network infrastructure required to achieve full compliance is noted. Waterloo has maintained fluoride levels for both March and April within the recommendations set by the Ministry of Health.

Te Mārua WTP: The Te Mārua Water Treatment Plant is compliant with bacterial and protozoal compliance rules. The Plant has not maintained fluoride levels within the recommendation set by the Ministry of Health during March or April. This is due to various minor equipment failures, planned maintenance, several plant shutdowns for equipment upgrades and new installations. Commissioning of the new DAF plant was successfully completed in April with the increased volume being put into service. Final acceptance and performance testing is now underway.

Wainuiomata and Gear Island WTPs: Both plants are compliant with both bacterial and protozoal rules and have maintained fluoride levels within the recommendations set by the Ministry of Health.

All metro WTPs: The 2024 Annual Drinking Water Quality Assurance report was successfully submitted to Taumata Arowai.

Supply and Drought Resilience: Featherston and Greytown moved to Level 2 water restrictions on 17 February while Martinborough shifted to Level 2 on 24 February. In the long term, increased leakage and the impacts of climate change may necessitate severe water restrictions, such as Level 4, which would involve significant reductions in indoor water usage.

Please review the attached dashboards for further details.

Greytown Wastewater Treatment Plant performance

Period – April 2025



Current status: Non-compliant

Commentary:

In 2023, Greater Wellington Regional Council issued letters requesting explanations of non-compliance. Wellington Water is implementing the required corrective actions where possible within the plant and resource constraints.

Major investment is required, and current approved funding levels do not meet this requirement.

A project is currently underway to develop a second stage of land irrigation (excluding growth). The plant is already operating beyond its design loading capacity and so new connections have been paused.

The degree of desludging that will be achieved at Greytown is not yet determined. Further funding may be required to complete. The earthworks consent for the desludging activity at Greytown has been approved by GWRC.

Items of significance:

GWRC is currently investigating recent riparian work on the Papawai Stream to confirm it meets their requirements

New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

Irrigation was paused due to the leaseholder organising a contractor to level and reseed the land. Significant irrigator track reconstruction is required, and pasture established before irrigation can recommence.

A total of 68500m³ was irrigated to land this 2024-25 season.

Featherston Wastewater Treatment Plant performance

Period – April 2025



Current status: Compliant

Commentary:

Major investment is required to achieve a new consent.

Renewal of the consent is being managed as a major project, and the WWTP is operating on an extension of the old consent.

The consent approval process, currently underway, will better inform the required capacity of the WWTP to cater for growth in Featherston beyond 2032.

Items of significance:

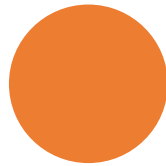
The Plant continues to require ongoing management of resources, focused on effluent quality, to maintain compliance with consent requirements.

The public submission period for the new resource consent has closed. Engagement with submitters has commenced and preparation for the hearing (currently expected to be in June 2025) has also begun.

We understand there may be a change in the funding to implement the upgrades proposed in the resource consent application. This could limit the ability to obtain the consent or result in conditions that cannot be met. This risk has been escalated through project governance structures and to SWDC.

Lake Ferry Wastewater Treatment Plant performance

Period – April 2025



Current status: Compliant, but with the risks identified below

Commentary:

The new resource consent application was submitted this month.

Early conversations suggest that the current scheme will require capital works because of consenting requirements.

More funding is required for the consent 2024-25 renewal project than currently allocated. The extra funding is required to prepare an adequate application and undertake community consultation.

Items of significance:

Source of current high inflow and infiltration is still **not funded** for investigation. Peak loads are near the plant's hydraulic capacity.

The treatment process is being tested and assessed for optimised operation.

Plant valving automation is required to better comply with consent discharge requirements; however, it is **not funded**.

Projects underway:

Sodium Bicarbonate dosing improvements.

Optioneering various dripline leaks – some repaired, more require repair

Martinborough Wastewater Treatment Plant performance

Period – April 2025



Current status: Non-compliant

Commentary:

In June 2024, a new 'To Do Abatement Notice' was issued for Martinborough, with a deadline of May 2025 to complete desludging. This superseded the May 2024 and August 2023 'To Do Abatement Notices', which in turn replaced the Abatement Notice issued in 2022, although the WWTP still remains non-compliant.

Desludging commenced on 21 April 2025. Good progress has been made with a second dredge now operational. The contractor is working well, and there is negligible odour from the activity. We expect to be able to report compliance improvements within a 6-12 month window (comparing seasonal improvement).

Major investment is required, and current approved funding levels do not meet current operational requirements.

Items of significance:

Current plant design is insufficient to avoid non-compliance.

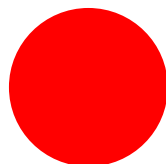
The irrigator has reliably operated as required in April, following a failure in March due to electricity surges.

New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

Work is progressing well on the design for the Stage 2A irrigation area as well as the Growth-Capacity Study. These two pieces of work are being developed together to ensure a cohesive solution is defined for the site.

Moa Point Wastewater Treatment Plant performance

Update – April 2025



Current status: Non-compliant

Commentary

Daily effluent results are compliant with daily limits. Faecal coliforms remains non-compliant for the 90th percentile limit but trends project this parameter to move into compliance soon.

Discharges

There were three unconsented discharges via the Long Outfall in April due to wet weather and the reduced treatment capacity of the plant from the clarifier renewal works.

Odour complaints

There were 8 odour complaints in April. One relating to Moa Point and seven relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant.

Items of significance:

Clarifier #1 Renewal Project

Physical works on the clarifier are progressing well; the project reached a major milestone in April when the replacement main bearing was lifted into position. With two of three clarifiers in operation, processing capacity is reduced.

Odour Management System

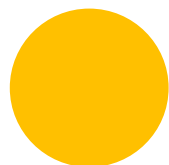
An investigation is underway into the decreased performance of the chemical scrubber system during the summer months. The plant recorded non-compliant results for Total Reduced Sulphur (TRS) during this period.

Community Liaison Group (CLG) Meeting

The annual CLG to report on plant performance and consent compliance to the community on took place on 16 April. The meeting minutes will be available on the Wellington Water website in May for public perusal.

Porirua Wastewater Treatment Plant performance

Update – April 2025



Current status: Compliant (with noted issue)

Commentary

*The plant is compliant for effluent quality.

*Process changes to resolve the elevated ammonia nitrogen levels in the treated wastewater have proved successful. Higher solids within the system raised the sludge carryover risk in April during high flow events.

Discharges

There were two unconsented discharges in April. Both events are recognised as sludge carryovers which occurred during wet weather.

Please Explain and Formal Warning issued

GWRC issued a Please Explain in relation to the sludge carryover event on 21 April. A Formal Warning was issued relating to the 14 March unconsented discharge.

Odour Complaints

No odour complaints in April.

Items of significance:

Ammonia Nitrogen improvement

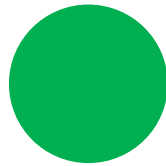
Changes made to the biological process, in line with investigations into elevated ammonia nitrogen levels in the effluent, have proved successful with sample results now stabilising below the consent recommendation of 6 g/m³.

Sludge Carryover events

The sludge carryover events are a result of high solids within the process caused by poor sludge settleability during process changes to address the ammonia nitrogen level in the effluent. This has impacted wastage efficiency allowing solids to build up in the system however plans are being developed to increase wastage and reduce the solids to an optimal level. This will reduce the likelihood of sludge carryover events in wet weather.

Seaview Wastewater Treatment Plant performance

Update – April 2025



Current status: Compliant

Commentary

The plant is compliant for effluent quality.

Discharges

There were three consented wet weather discharges to the Waiwhetu Stream in April.

Odour Complaints

The plant received 1 odour complaint in April but not deemed offensive and objectionable by GWRC.

Items of significance:

Thermal Dryer - planned shutdown

A planned two-week shutdown of the dryer is scheduled for early June. This essential maintenance on several major components concurrently is critical to maintain the dryers' operational performance. This will involve dewatered sludge being taken to landfill during this shutdown. Community communications remain a priority with HCC and WWL starting widespread communications ahead of this project.

Milliscreen repairs

The plant is operating with a reduced number of milliscreens due to increased age-related failures. These screens are the originals installed and are past their useful life. Urgent repairs are currently taking place on some units to return them to operation in May. A project to replace all 10 milliscreens over five years, is in the design phase. This project will strengthen the plants processing resilience into the future.

Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – April 2025

What has been completed:

The design for Stage 2 works has been completed and approved with HEB Construction having been awarded the contract to deliver the physical works for Stage 2.

What is currently in progress:

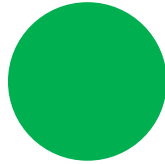
Final preparations before orders for the new Odour Control Units for Stage 2 are made – these take the most time to manufacture and be delivered to site.

Our contractors are working on the planning required before they mobilise on site.

Planning is underway for the next community meeting.

Western Wastewater Treatment Plant performance

Update – April 2025



Current status: Compliant

Commentary

The plant is compliant for effluent quality.

Discharges

There were two consented wet weather discharges to the Karori Stream on 21 and 30 April.

Odour complaints

There were no odour complaints in April.

Items of significance:

Outfall pipe remedial works

The annual inspection of the pipeline has been scheduled for May 2025.

South Wairarapa Water Treatment Plants – April 2025

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waiohine	The Waiohine WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Memorial Park	The Memorial Park WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Martinborough	The Martinborough WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Pirinoa	Pirinoa is compliant against new bacterial and protozoal Rules. The Pirinoa WTP upgrades were completed successfully.		Currently not yet mandated by the MoH



Compliant – we are meeting the necessary regulatory requirements



Compliant but requiring more work



Not compliant with necessary regulatory requirements

Supply and long-term drought resilience April 2025

Supply risk	Comments	Risk level
Short term supply	Featherston and Greytown moved to Level 2 restrictions on the 17 Feb 25, while Martinborough moved to Level 2 water restrictions on 24 Feb 25.	
Long term supply (drought resilience)	Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use.	



Low risk of not being able to meet demand or needing water restrictions



Medium risk of not being able to meet demand or likely to need water restrictions



High risk of not being able to meet demand and high likelihood of severe restrictions

Wellington Metropolitan Water Treatment Plants – April 2025

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waterloo*	Waterloo WTP is non-compliant with the Water Services Authority bacterial compliance rules*. This issue does not affect drinking water safety. The WTP is compliant with the Authority's Protozoal compliance rules. Work is currently underway to address the network configuration issue. Waterloo has fluoridated the drinking water within MoH's recommended levels 97.2% of the time.		
Wainuiomata	Wainuiomata WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Wainuiomata has fluoridated the drinking water within MoH's recommended levels 99.0% of the time.		
Te Mārua	Te Marua WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Te Mārua has fluoridated the drinking water within MoH's recommendation levels 92.3% of the time. The drop in the fluoridation performance was due to various minor equipment failures, planned maintenance, and WTP shutdowns due to the DAF commissioning. Commissioning of the new DAF plant was successfully completed with the increased volume being put into service. Final acceptance and performance testing is now underway		
Gear Island	Gear Isl WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Gear Island has fluoridated the drinking water within MoH's		

 Compliant – we are meeting the necessary regulatory requirements

 Not compliant but nearing compliance

 Not compliant with necessary regulatory requirements

*Due to changes in the assurance rules, the capability of the existing Waterloo treatment plant facilities, and the layout of the network, significant treatment plant upgrade and/or additional network infrastructure is required to achieve compliance with the rules as written.

Supply and long-term drought resilience - April 2025

Supply risk	Comments	Risk level
Short term supply	The Wellington Region moved to Level 1 restrictions on the 29/09/24	
Long term supply (drought resilience)	Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use.	



Low risk of not being able to meet demand or needing water restrictions



Medium risk of not being able to meet demand or likely to need water restrictions



High risk of not being able to meet demand and high likelihood of severe restrictions

Company and Governance Update

Appendix 3: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 30 May 2025

Purpose

1. This appendix to the Company and Governance Update provides a summary of the content of the meeting's papers.
2. It is intended to support Committee members reporting back to their fellow councillors, and councillors to engage in the work of the Committee.
3. The present meeting is the second full meeting in the 2025 calendar year. There have been two additional meetings with limited agendas. The next meeting is scheduled for 25 June 2025.

Overview of papers

4. Wellington Water items presented to the Committee this meeting are:
 - a. Company and Governance Update
 - b. Update on implementation of Culture and Value for Money Improvement Plan
 - c. Receive the final 2025/26 Statement of Intent
 - d. Reporting of Annual Measures to Taumata Arowai

Wellington Water Company and Governance Update

5. This paper covers: key governance conversations and actions; Committee priorities; and Operational achievements and issues since the last meeting.
6. There is a summary of performance in the third quarter.
7. **Investment Planning:** The company has provided Stage 3 advice to what to include in Annual Plans for 2025/26 and Long-Term Plans for WCC and SWDC, reflecting indicated council budgets.
8. **Sustainable water supply:** The paper notes progress with the residential metering business case and Drinking Water Programme Investment Case.
9. **Regulatory performance:** Treatment plant dashboards (for drinking and wastewater) are attached to the report.
10. **People:** Unplanned staff turnover is stable, but engagement scores have declined markedly reflecting the disruption and uncertainty staff are experiencing.
11. **Health & Safety:** We are addressing potential unsafe levels of hydrogen sulphide gas at the Moa Point Wastewater Treatment Plant and Carey's Gully Sludge Dewatering Plant.
12. **Corporate budget:** We are forecasting a smaller than budgeted deficit.
13. **Operational delivery:** Reports are included on areas of work done through the Customer Operations Group, such as: number of faults and incidents; attendance and resolution times; leaks repaired; backlog; and revisit rate. The leaks backlog is down to close to sustainable levels.
14. **Capital delivery:** At the end of Q3 we are forecasting to exceed our 2024/25 target for meters of pipe constructed.

Company and Governance Update

15. **Treatment plants:** The report notes that three of the region's wastewater treatment plants are currently non-compliant for wastewater quality or odour. Details are provided in an appendix.
16. **Growth:** development applications have increased markedly. Insufficient reservoir storage is limiting connections for new developments in some areas.
17. **Environmental Water Quality:** We are involved in hearings on GWRC's Plan Change 1 to the Natural Resources Plan, and reviewing the current consent strategy for network discharges.
18. **Technology systems:** We are making progress with the Technology Systems Investment Programme with a plan to accelerate the Request for Proposal process for the suite of required systems.

Update on implementation of Culture and Value for Money Improvement Plan

19. At the 22 April meeting, WWL presented to the Committee a consolidated view of recommendations from a range of reports and reviews, and set out our approach to addressing these. This paper provides categorisation of recommendations and presents a new Culture and Value for Money Improvement Plan. Future meetings will receive a progress update on implementation.

2025/26 Statement of Intent

20. The Statement of Intent for 2025-2028 is presented to the Committee, having been approved by the Board at its May meeting. It will be published on Wellington Water's website.

Reporting of Annual Measures to Taumata Arowai

21. The paper notes that annual measures have been reported to Taumata Arowai.



Komiti Ngā Wai Hanganua Wellington Water Committee

12 May 2025

Report no: WWC2025/2/67

Wellington Water - Culture and Value for Money

Recommendation

It is recommended that the Wellington Water Committee:

- (1) notes that several significant actions have already been completed that demonstrate the organisation's commitment to change;
- (2) endorses the categorisation of the 123 recommendations;
- (3) receives the Wellington Water Culture and Value for Money Improvement Plan as Wellington Water's response to the seven reports and reviews;
- (4) notes the Improvement Plan exists in a complex operating environment for Wellington Water with competing priorities;
 - a) changing the organisation to demonstrate value for money
 - b) technology systems investment
 - c) Local Water Done Well (potential transition to two new entities) and;
 - d) all the while delivering three water services; and
- (5) agrees that this Improvement Plan represents a shift towards the future and the reviews and recommendations will not be re-litigated.

Appendices

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1	Wellington Water - Culture and Value for Money - 30 May 2025	69
2	Appendix 1: Review Framework	74
3	Appendix 2: Analysis and Categorisation of Recommendations	76
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5	Appendix 4 Wellington Water Culture and Value for Money Improvement Plan	85

Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

30 May 2025

Wellington Water – Culture and Value for Money

Purpose of Report

1. To provide the Wellington Water Committee with the Wellington Water Culture and Value for Money Improvement Plan being the company's response to the recommendations from the reviews.

Recommendations

It is recommended that the Wellington Water Committee:

- (1) notes that several significant actions have already been completed that demonstrate the organisation's commitment to change;
- (2) endorses the categorisation of the 123 recommendations;
- (3) receives the Wellington Water Culture and Value for Money Improvement Plan as Wellington Water's response to the seven reports and reviews;
- (4) notes the Improvement Plan exists in a complex operating environment for Wellington Water with competing priorities;
 - a) changing the organisation to demonstrate value for money
 - b) technology systems investment
 - c) Local Water Done Well (potential transition to two new entities) and;
 - d) all the while delivering three water services; and
- (5) agrees that this Improvement Plan represents a shift towards the future and the reviews and recommendations will not be re-litigated.

Background

2. In mid-2024 Wellington Water made a cost estimation error that highlighted several risks. WWL developed the Organisational Capability Plan to address the findings of the Cost Estimation Error report and included a request for resourcing of the plan in annual planning advice, of which a limited amount of funding was provided. Councils and the Wellington Water Committee continue to hold risks of future errors due to lack of funding.
3. In March 2025 WWL provided the Wellington Water Committee with two internally-commissioned reports into financial systems and processes and value for money.
4. In April 2025 WWL provided the Wellington Water Committee with a list of 123 recommendations from these reports and additional reports and reviews that were assessed to cover similar topics:
 - (1) Financial systems and processes – Feb 2025 (Deloitte Value for Money)
 - (2) Analysis of Panel Costs and Valuation Unit Rates – Feb 2025 (AECOM Value for Money)
 - (3) RLB Peer Review of AECOM - Feb 2025 (RLB Value for Money)
 - (4) Capital programme estimating and budget systems review – July 2024 (Cost Estimation Error)
 - (5) FieldForce4 Contract Optimisation – Dec/Jan 2024 (FieldForce4)
 - (6) Inquiry into the cessation of fluoridation by Wellington Water – June 2022 (Fluoride)
 - (7) PwC Audit 2021 Non-financial and related parties (Non-financial and related parties)
5. Appendix 1 provides the framework for how all the reviews, categorisation of recommendations and improvement plan come together.

Analysis of Review Recommendations

6. We provided to the Wellington Water Committee on the 22nd April the categorisation approach Wellington Water would apply to the 123 recommendations. This has been completed and is provided in Appendix 2 for the Wellington Water Committee's endorsement.
7. The categories are as below:
 - (1) Group 1: Recommendations that have already been implemented or can be implemented in the short term or within existing resource including those that talk to the company culture.
 - (2) Group 2: Recommendations that are best addressed following the Local Water Done Well consultation outcomes as they either talk to changes to the operating model or investment/directional decisions that would be of advantage to the new entity.
 - (3) Group 3: Recommendations that while they are the right thing to do, are more likely addressed in the long term.

8. Recommendations in Group 1 form the foundation of the Wellington Water Culture and Value for Money Improvement Plan, however some of them are still aspirational, and are unlikely to be fully addressed within the likely limited lifespan of Wellington Water.
9. A number of the recommendations are contingent on a maturity uplift in the technology systems scheduled to be delivered through the Technology Systems Investment Programme. Examples are recommendations such as:
 - a) Cost Error Review: Be front and centre in budgeting process, overseeing all financial processes – and ensuring strategic focus, providing high-quality advice and appropriate controls
 - b) Cost Error Review: Reduce reliance on financial and other stand-alone spreadsheets and explore new cost-effective collaboration and productivity tools
 - c) FieldForce4: Investigate and implement a suitable customer relationship management system
 - d) FieldForce4: Investigate the suitability of the existing systems to support job planning, scheduling and dispatch functional requirements.
 - e) Cost Error Review: Improve the quality, reliability, and timeliness of monthly reporting data to Councils, especially forecast capex and opex spend
10. There are cases where recommendations are targeted at the same or similar outcome with different wording. An example of this are recommendations that relate to Alliance Performance.
 - a) FieldForce4: Revise the Alliance key performance indicators ('KPIs').
 - b) Deloitte Value for Money: Consider whether: iv. value for money is clearly defined, understood, monitored, and scrutinised.
 - c) Deloitte Value for Money: Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: Monitoring, reporting KPIs, work allocation practices, incentives and disincentives are appropriate, understood, aligned to WWL needs, and activated when needed to promote value and quality.
 - d) PwC Non-financial and related parties: Implement a process to review crew member performance and service quality.
 - e) PwC Non-financial and related parties: Data Analytics is established to provide insight into financial and operational performance.
11. It is unrealistic to track and report actions against 123 recommendations, many of which cover similar themes but are worded differently as shown above.
12. We will provide the analysis of all recommendations to the respective programme directors for the Water Services Delivery Plans to ensure that the new entities have insight into the current challenges.

Changes that have already been made

13. We have updated the record of actions that have already been completed. These are listed in Appendix 3.
14. The range of actions already completed demonstrate the organisation's commitment to change. Most significant of these are:
 - a) New Wellington Water Strategy setting clear purpose and outcomes,
 - b) Re-structure to an orthodox model providing clear purpose and lines of accountability
 - c) Changing how Wellington Water works with contractors and consultants, delivering better control and oversight of who does the work and how it is done including the establishment of new contract agreements.
 - d) New Procurement Policy setting clear direction on good practice procurement, alignment to value for money, maintaining healthy competition, obtaining fair market rates and maintaining the ability to effectively benchmark costs
 - e) Driving better value for money by changing our conditions of contract to include appropriate allocation of risk and putting all capital construction works out to tender until 1 July 2025.
 - f) Restructure of the Wellington Water Operations and Maintenance Alliance to move key teams back within Wellington Water providing clear accountabilities, separation of duties and increase efficiency.
 - g) Stopping the use of large, annualised purchase orders and automatic payment of invoices and obsoleting the 'statement of claim' system.

Wellington Water Culture and Value for Money Improvement Plan

15. The organisation finds itself in an environment of significant competing priorities, changing the organisation to demonstrate value for money, technology systems investment programme, transition to two new entities and all while delivering three water services.
16. The Wellington Water Culture and Value for Money Improvement Plan (the Improvement Plan) is provided as Appendix 4. This is our response, in the current environment, to the recommendations from the reviews, and sets out how we see the organisation moving forward in a sustainable way.
17. It is focussed on the key areas of concern from the Board and shareholders - value for money, organisational culture, integrity, reliable services and a strong and capable organisation.
18. The scope of activities is those that can be delivered within existing resources and those secured through the Annual Plans. It is appropriate to acknowledge that there is an aspirational aspect to the Improvement Plan and to be realistic that some actions may not be realised in full. Several of the activities will be enduring for the new entity and essential to setting it up to succeed e.g. technology systems investment programme.
19. The full scope of the Organisational Capability Plan was not funded by Councils and therefore it is superseded by the Wellington Water Culture and Value for Money

Improvement Plan. A small number of residual actions from the Organisational Capability Plan have been incorporated where scope and resourcing allow, primary of which is the Technology Systems Investment.

20. It is appropriate to acknowledge the widely held concerns in relation to the performance of the organisation, reinforced by the recommendations of the seven reviews.
21. We see that the already completed actions and the Improvement Plan represent a shift towards the future of the organisation and potentially, the respective entities that will evolve.
22. We therefore seek endorsement from the Wellington Water Committee to not re-litigate the reviews and the recommendations, and that the company focus now turns to delivery of the Improvement Plan and reporting our progress.
23. Wellington Water will therefore report progress on the Improvement Plan and not on any specifics of the recommendations from the seven reports nor the Organisational Capability Plan.
24. The first performance report of the Improvement Plan will be delivered for the Wellington Water Committee meeting of the 25th June 2025.

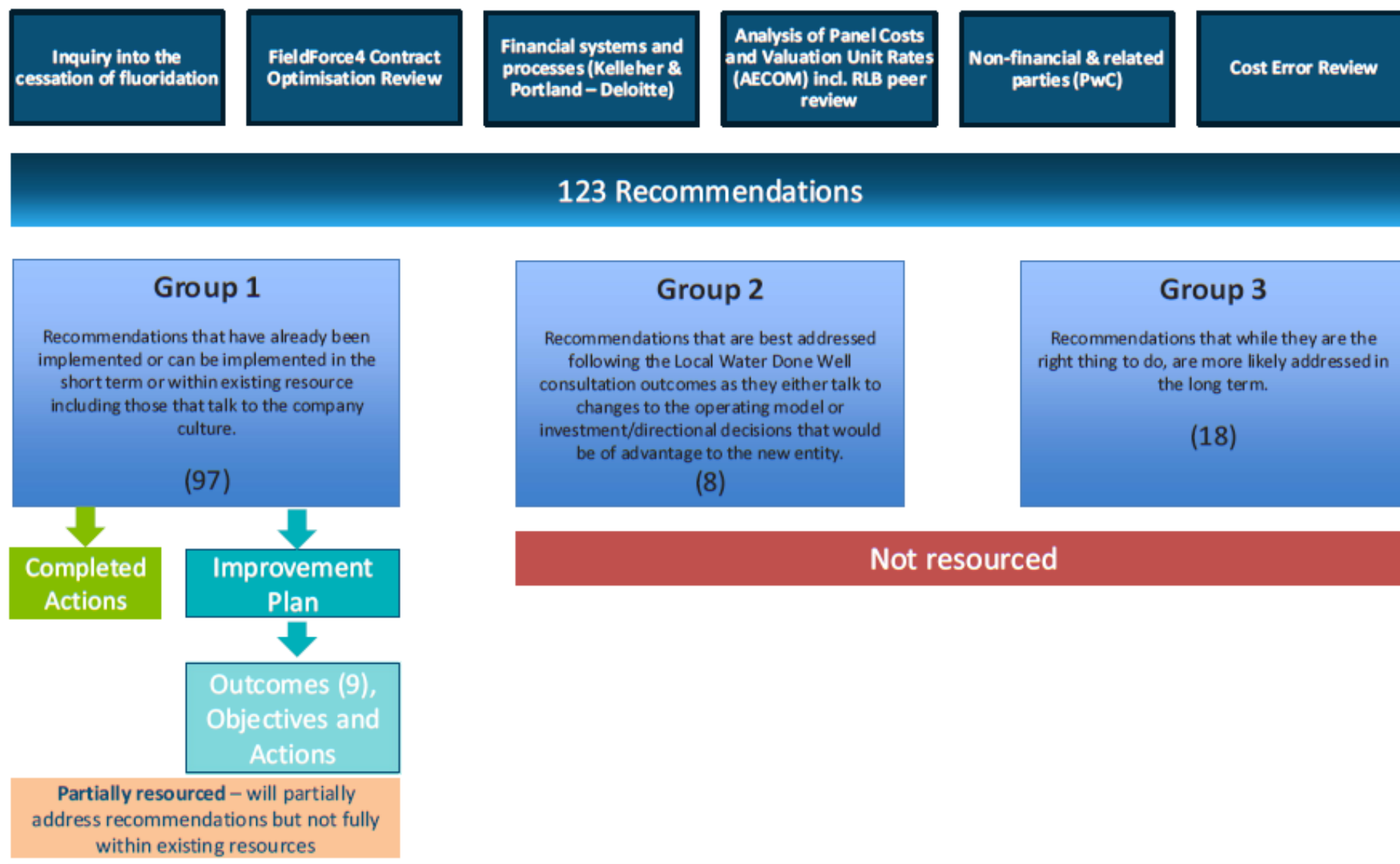
Appendices

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Appendix 1 : Review Framework



Our water, our future.

Improvement Plan alignment to Wellington Water Strategy



Company Purpose

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant and affordable drinking water, stormwater, and wastewater services.

Company Outcomes

Communities receive reliable three waters services

Services delivered by Wellington Water are compliant

Water services are affordable and provide value

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

Wellington Water Culture and Value for Money Improvement Plan Outcomes

- Orthodox organisational model with clear purpose and lines of accountability.
- Strengthened governance oversight and assurance internally and externally
- Strengthened culture of raising issues and overall awareness of controls
- Strengthened financial controls that protects the integrity of financial transitions
- Maintain a relentless focus on effective fluoridation in both the short and long term
- Strengthened mechanisms for demonstrating value for money
- Strengthened the control and oversight of our suppliers
- Strengthened commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money.
- Enhance organisational capability in the lead-up to the new entity and shift the culture from learned helplessness.

Our water, our future.



Appendix 2 Analysis and Categorisation of Recommendations
Group 1: Recommendations already implemented or can be implemented in short term or within existing resource incl those that talk to company culture.

Port Short Name	Section in Report	Recommendation	Action Plan Reference	Rationale
FieldForce 4	Implement improvements with the Alliance	Develop Standard Task Estimates, revise Alliance KPIs, and review planning and scheduling processes. Proposed actions to support the recommendation include: Revise the Alliance KPI's and align with the MSA where applicable.	X10.1, X23.1	
		Develop Standard Task Estimates, revise Alliance KPIs, and review planning and scheduling processes. Proposed actions to support the recommendation include:	X10.1, X23.1	
	Redefine AWP (Annual Work Programme) processes	Develop an unrestricted CAPEX and OPEX program, revise approval timelines, and consider standard task estimates for measuring work crew utilisation and productivity. Proposed actions to support the recommendation include: Revise the monthly AWP review process to include the appropriate technical personnel to present the program status and forecast cost to completion estimates etc.	X10.1	
		Develop an unrestricted CAPEX and OPEX program, revise approval timelines, and consider standard task estimates for measuring work crew utilisation and productivity. Proposed actions to support the recommendation include: The development of the unrestrained CAPEX and OPEX program. The aim is to shift the narrative and focus from a financial perspective to a network risk assessment and delivery focus.	COMPLETE	Completed in 2022 for NTU and 2024 for LTP advice
	Review existing systems, applications and data architecture	The objective being to continue developing asset data capture procedures, investigate system suitability for job planning and scheduling, and consider implementing a suitable CRM system. Proposed actions to support the recommendation include: Investigate and implement a suitable CRM system. This action will be dependent on the Reform decision.	X1.1	
		The objective being to continue developing asset data capture procedures, investigate system suitability for job planning and scheduling, and consider implementing a suitable CRM system. Proposed actions to support the recommendation include: Investigate the suitability of the existing systems to support job planning, scheduling and dispatch functional requirements.	X1.1	
Fluoride	Revise Contract Documents	Reframe the MSA contract to include specific details such as reporting requirements, key performance measures, AWP (Annual Works Programme) delivery/risk, and budgets. Key Performance Indicators – Develop a suite of KPIs for the Alliance.	X23.1	
		Improve the standard of asset management	X11.1	
	Recommended improvements	Maintain a relentless focus on effective fluoridation in both the short and long term	X6.18	
		Make sure the Board has the right collective experience and knowledge to govern effectively.	COMPLETE	Three new Directors started 10 May 2025.
		Provide greater clarity of roles, responsibilities, and processes for managing fluoridation issues within Wellington Water	X6.1, X28.1, X28.3, X28.4, X28.5	
		Review the capacity for internal auditing (Continue to strengthen the regulatory function)	X13.2, X13.3	
AECOM Value for Money	Capital works and valuation review	Futher Analysis: Apportionment of Preliminary and general (P&G)	X26.1, X20.1, X21.1	
		Futher Analysis: Project context (Capital works and valuation)	X26.1, X20.1, X21.1	
	Professional services review	Futher Analysis: Project context (Professional services)	X26.1, X20.1, X21.1	
Deloitte Value for Money	Lack of clarity in roles and responsibilities, including inherent conflicts of interests relating to key roles	Review and formalise the roles and responsibilities between PMs (Project Managers) and internal WWL delivery roles to ensure clear delineation between the roles which is consistently understood and applied across all projects.	X6.10, X30.2	
		Review the current model for contracting PMs (Project Managers) through the consultant panel and consider whether the conflict is appropriately managed or if an alternative model is required to represent the interest of WWL (for example, hiring in house PMs or PMs being from a separate panel consultant to the consultant working on the project).	X6.10, X30.2	
	Limitations and risks to the structure and design of the panel agreements	Relating to the contractor and consultant panels: Review and formalise performance management procedures relating to panel participants, including escalation procedures, expected key controls, and contractual levers for managing WWL risk.	X26.1, X20.1	
		Relating to the contractor and consultant panels: Review the work allocation process and consider updating to enable work to be allocated based on criteria including price, ability to deliver, approach, and past performance.	X27.2, X26.1, X20.1	
		Relating to the panels and the Alliance agreement. Review current processes, practices, and reporting to determine whether there is the required structure to maintain competitive tension as well as working relationships with panel participants. Consider whether: i.financial information provided including the level of detail provided.	X10.1, X23.1, X26.1, X20.1	
		Relating to the panels and the Alliance agreement. Review current processes, practices, and reporting to determine whether there is the required structure to maintain competitive tension as well as working relationships with panel participants. Consider whether: ii.there is appropriate baseline information such as agreed rates, cost benchmarking and market testing to gain confidence over the pricing being put forward.	X27.1, X27.2, X10.1, X23.1, X26.1, X20.1, X21.1, X22.1	



Appendix 2 Analysis and Categorisation of Recommendations
Group 1: Recommendations already implemented or can be implemented in short term or within existing resource incl those that talk to company culture.

Port Short Name	Section in Report	Recommendation	Action Plan Reference	Rationale
Deloitte Value for Money	Limitations and risks to the structure and design of the panel agreements	Relating to the panels and the Alliance agreement. Review current processes, practices, and reporting to determine whether there is the required structure to maintain competitive tension as well as working relationships with panel participants. Consider whether: iii.contractual terms and conditions regarding professional indemnity, retentions, and defects periods are appropriate.	X10.1, X26.1	
		Relating to the panels and the Alliance agreement. Review current processes, practices, and reporting to determine whether there is the required structure to maintain competitive tension as well as working relationships with panel participants. Consider whether: iv.value for money is clearly defined, understood, monitored, and scrutinised.	X27.1, X27.2, X10.1, X23.1, X26.1, X20.1, X21.1, X22.1, X13.3	
	Management and oversight of panels	Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'Monitoring, reporting key performance indicators (KPIs)', work allocation practices, incentives and disincentives are appropriate, understood, aligned to WWL needs, and activated when needed to promote value and quality.	X26.1, X20.1, X6.10, X27.2, X27.3	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: Roles and responsibilities of WWL management, panel management and leadership, and panel participants are appropriate.	X26.1, X20.1, X6.10, X30.2	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'Terms of references, agreements, and contracts appropriately reflect WWLs expectations.	X26.1, X20.1	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'There is a formal and robust assurance framework, including both internal and external independent views, to provide confidence over financial processes, key controls, performance evaluation, and management oversight.	X13.2, X13.3, X31.1, X6.14, X27.1, X20.1	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'There is appropriate tension and focus on value built into the design, operation, and oversight of panels.	X26.1, X20.1, X27.1, X27.2, X21.1, X6.10	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'WWL should identify all of the contractual updates required to the panel and Alliance agreements, and develop a plan (including the process and a realistic timeframe) to raise and agree appropriate contractual changes with the counterparties.	X26.1, X20.1	
		Assess the management arrangements (of panels) and revise where appropriate to reflect WWL and its current priorities. Including whether: 'The extent to which the design, terms, objectives, and priorities of the panels when they were established are still appropriate in today's environment.	X26.1, X20.1, X27.1, X27.2, X21.1	
		Specific initiatives around promoting and increasing the understanding, awareness, and development of a healthy "Speak Up" culture, including: Providing employees with regular Fraud and Corruption training to educate employees on specific fraud and corruption risks as they relate to WWL, common red flags to look out for, factors that may allow fraud to occur and how employees can escalate and report any concerns.	X29.1, X28.1, X28.3, X28.4, X28.5	
		Specific initiatives around promoting and increasing the understanding, awareness, and development of a healthy "Speak Up" culture, including: Providing appropriate training and support around WWL's specific procurement practices and procedures and the importance of these.	X27.2, X27.3	
		Specific initiatives around promoting and increasing the understanding, awareness, and development of a healthy "Speak Up" culture, including: Review, refresh and regular communication of WWL's 'Speak Up' Policy.	X28.1, X28.3, X28.4, X28.5	
	Possible next steps for WWL to consider	Analysis of financial delegations and approvals within TechOne to test for approval inconsistencies or errors.	X6.14, X31.1, X13.3	
		Analysis of overheads relating to the Alliance and subcontractors engaged to understand the extent of cost that is being on charged to WWL.	X10.1, X26.1	
		Deep dive/detective analytics and/or an investigation may be conducted to understand key risk areas as they may relate to waste, abuse, and fraud. This could include investigating the extent to which amounts paid to third party suppliers who are part of the panel agreements and Alliance are accurate and appropriate.	X10.1, X30.2, X29.1, X6.14, X31.1, X13.2, X13.3	
		Financial reconciliation of claims to date, invoice amount, TechOne records, and contracts for all consultant and Alliance spend to establish a baseline and identify variances.	X10.1, X26.1, X6.10, X30.2, X6.14, X31.1, X13.3	
		Independent benchmarking and analysis of cost against market and other regions.	X22.1, X19.1	
		Investigation into cost escalation claims identified by WWL staff	X10.1, X6.14, X31.1	
	Recommendations	Consideration of the extent to which the current operating model is still fit for purpose.	X6.1, X10.1, X26.1	



Appendix 2 Analysis and Categorisation of Recommendations
Group 1: Recommendations already implemented or can be implemented in short term or within existing resource incl those that talk to company culture.

Port Short Name	Section in Report	Recommendation	Action Plan Reference	Rationale
Deloitte Value for Money	Weak financial management processes and controls relating to panel and Alliance agreements	Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Confirming with consultant and Alliance partners the key assurance activities being conducted on the claims to gain confidence in the accuracy of data provided.	X10.1, X26.1, X6.10, X30.2, X6.14, X31.1, X13.3	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Financial delegations and how they are administered within TechOne.	X31.1, X6.14	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Formalising and documenting procedures and reducing manual inputs and controls.	X10.1, X26.1, X6.10, X6.14, X31.1	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Formalising and uplifting contract management practices and oversight.	X27.1, X27.2, X27.3, X10.1, X26.1, X6.10, X6.14, X31.1, X13.2, X13.3	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Preventing payments being made without approval from the relevant WWL staff.	X6.14, X30.2	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: Setting expectations on application of overheads by subcontractors.	X10.1, X26.1	
		Review and update key financial controls through the claims process to address weaknesses and risks in current practices. Includes relating to: The use and monitoring of bulk POs for Alliance and consultant panel claims.	X6.14	
RLB Value for Money	Capital works and valuation review	Futher Analysis: Increase peer council valuation data.	X21.1, X22.1	
	Contract and Commercial review	Review of contract and commercial mechanisms – are these driving cost?	X10.1, X26.1	
	Job costs	Can Wellington Water isolate job costs for QS to review? Particularly the capex which appear high.	X10.1, X26.1, X21.1	
	Supplier cost drivers	Discussion with Suppliers as to what is driving cost	X10.1, X26.1, X21.1	
	Supplier overheads	Review of Supplier overheads – how applied and if in line with the Contract?	X10.1, X26.1	
Cost Estimation Error Review	Rebuild trust and confidence of shareholding councils in Wellington Water	Review the capital projects against the triennium to ensure appropriate costs are recorded, enabling fact-based discussions to occur with councils as their capex programmes are actioned (1.1)	X1.1, X32.1, X34.1	
		Establish controls to ensure accuracy and transparency of the allocation of corporate costs in a timely manner (1.2)	X34.1.1, X34.1, X34.3,	
		Be front and centre in budgeting process, overseeing all financial processes (including capital investments) – and ensuring strategic focus, providing high-quality advice and appropriate controls (1.3)	X1.1, X33.2, X9.2	
		Work with Council CFO's to: improve the quality, reliability, and timeliness of monthly reporting data to Councils, especially forecast capex and opex spend (1.4.1)	X1.1, X33.1, X33.2	
		Work with Council CFO's to ensure councils are aware of the cost estimates levels that are applied to projects and programmes and how they are determined, thereby improving the accuracy and confidence in the projected forecast investments. (1.4.2)	X1.1, X9.2	
		Work with Council CFO's to determine a more transparent process for how the corporate cost for the capital programme is managed, including showing the corporate cost as a separate line item for councils and eliminating the need for each individual capital project to estimate and account for those costs. (1.4.4)	X34.3	
	Rebuild the trust and confidence of middle management and staff in Wellington Water's senior management	Strengthen the sign-off process and include common checklists for projects across Wellington Water, to ensure the corporate cost element is correctly included. (1.6)	X34.2	
		Ensure that the Senior Leadership Team and Tier 3 managers have a better understanding of the process and the importance of all aspects of planning. (2.2)	X6.1	
		Inculcate the values of the organisation into all work areas and behaviours and acknowledge employees' values-based actions. (2.3)	X6.1	
		Return to a "no blame" culture by changing behaviour to better align with Wellington Water's values. (2.4)	X6.1	
		Consider working with staff (beginning with senior leadership) to fully define expectations around individual behaviours and actions that support Wellington Water's values and include the outcome of this work in the Code of Conduct. (2.5)	X28.2	
		Reverse the tendency in the business to manage first rather than share first (with external stakeholders) – that is, make the default to signal issues early. (2.6)	X28.3 & X28.4	
	Restructure the organisation so that accountabilities are clear and capabilities can be enhanced in the lead-up to the new entity	Build a mutually supportive culture based on listening and responding. (2.7)	X7.2	
		Increase the organisation's focus on outcomes. (2.8)	X6.1, X5.1, X5.2, X5.3	
		Introduce an orthodox structure that has clear role accountabilities and responsibilities for role holders – for example, group like functions with like.(3.1)	X6.1, X6.3, X6.4	



Appendix 2 Analysis and Categorisation of Recommendations

Group 1: Recommendations already implemented or can be implemented in short term or within existing resource incl those that talk to company culture.

Port Short Name	Section in Report	Recommendation	Action Plan Reference	Rationale
Cost Estimation	Restructure the organisation so that	Strengthen the strategic finance function. (3.2)	X6.1, X6.3, X6.4	
		Introduce more finance/business partner capacity to help run the whole business. (3.3)	X6.1, X6.3, X6.4, X31.1	
		Consider establishing a Chief Operating Officer-type role dedicated to achieving rapid business as usual (BAU) business and process improvements both for short-term quality control and in readiness for the transition to a new water entity. (3.4)	X6.1, X6.3, X6.4	
		Consider where IT and HR functions are best located given the organisation's size. (3.5)	X6.1, X6.3, X6.4	
		Consider establishing a separate team that focusses solely on the move to a new entity to keep BAU separate, and to ensure focus remains on delivery with no slippage in delivering the opex and capex programmes for councils.(4.1)	X6.1, X6.3, X6.4	
	Treat readiness to reform separately Review Wellington Water Annual Plan processes to deliver capital programmes for Councils	Map key processes immediately, particularly around the use of spreadsheets and data transfer. (5.2)	X1.1, X13.4	
		Ensure that ownership and accountability of key processes are understood and reflected in position descriptions. (5.4)	X6.1, X12.1	
		Reduce reliance on financial and other stand-alone spreadsheets and explore new cost-effective collaboration and productivity tools (this need not wait for the new entity and the new processes and systems it may adopt).(5.5)	X1.1	
		Require transparency in external and internal reporting as a default, unless there is a good reason not to. (5.6)	X16.1	
		Consider how to further optimise the relationship with Watercare and its new model, for future synergy. (5.7)	X6.1, X4.1	
	Strengthen Governance Oversight	Once the review of major projects confirms corporate cost is accurately recorded, ensure that collectively the overall Wellington Water corporate cost will be recovered (see above). (5.8)	X34.1	
		Increase the focus on oversight of any recommendations implemented from this Report, using an internal audit function to report to the Board on progress and issues. (6.1)	X14.1, X13.1,	
		Ensure that shareholding councils have high-quality information and that there is improvement in the relationship between each council and Wellington Water. (6.2)	X6.1, X31.1,	
		Ensure that internal governance groups (more aptly described as "management committees") are established to oversee the Long Term Plan (LTP) and that annual planning continues to be accountable until the project has been completed and formally signed off. (6.3)	X9.2	
		Accorded the mana necessary for it to identify and call out risks as they emerge. (6.4.3)	X13.1	
PwC Non-financial and related parties	Recommendation 1 - Consider refinements to the Alliance partnership operating model	Ensure that the capacity of the assurance functions is the right size for the risk profile of the organisation. (6.5)	X6.1, X6.3, X6.4	
		Review the quality and content of information provided to the Risk and Audit function and determine if there are any gaps to be addressed. (6.6)	X13.1	
		Realignment of reporting and invoicing timeframes between the Alliance and Councils	X31.1, X6.14	
		Implement controls to ensure that asset numbers are captured within Maximo accurately	COMPLETE	As part of Maximo changes.
		Maximo functionality should be updated to allow changes priority rating by site managers.	COMPLETE	As part of Maximo changes 2022/23.
	Recommendation 2 - Data quality and capability uplift	Strengthen key controls in relation to the automated data warehouse report (including roles and responsibilities)	COMPLETE	Completed as part of system notes for data warehouse.
		Update system notes and clearly document understanding of key processes and calculation methodologies.	COMPLETE	Completed in 2021/22 as part of audit requirements.
		Implement a process to review the Statement of Claim each month, prior to payment.	X10.1, X6.14, X31.1	
		Strengthen existing processes to ensure that all 3rd party claims are completely and accurately identified and tracked	X6.14, X31.1	
		The QA survey control can be improved to ensure exceptions identified are remedied.	X10.1, X23.1	
	Recommendation 3 - Strengthen quality and financial management practices	Investigate alternative methods for completion of QA surveys. (e.g. outsourcing or automation)	X23.1	
		Implement a process to review crew member performance and service quality.	X23.1	
		Strengthen existing financial management practices to ensure that costs and progress of work is actively tracked and monitored.	X10.1, X6.14, X31.1	
			X10.1, X23.1, X31.1,	
		Data Analytics is established to provide insight into financial and operational performance.	X13.2	
	Recommendation 4 - Strengthen quality and financial management practices (Alliance)			

Appendix 2 Analysis and Categorisation of Recommendations
Group 2: Best addressed following Local Water Done Well consultation outcomes

Report Short Name	Section in Report	Theme	Recommendation	Rationale
FieldForce 4	Improve Contract Management Capability and Processes	Management Services Agreement	Clarify roles, responsibilities, and reporting requirements to enhance service delivery, commercial outcomes, contract performance, and issue resolution. Redefine roles and responsibilities of key functional support functions.	Requires revision of MSA
			Clarify roles, responsibilities, and reporting requirements to enhance service delivery, commercial outcomes, contract performance, and issue resolution. Re-establish the contract relationship through the development of a contract charter.	Change to the operating model
			Clarify roles, responsibilities, and reporting requirements to enhance service delivery, commercial outcomes, contract performance, and issue resolution. Revise/develop and agreed the contract reporting requirements.	Requires revision of MSA
	Review End to End Works Delivery	Management Services Agreement	Clarify roles, responsibilities, and reporting requirements to enhance service delivery, commercial outcomes, contract performance, and issue resolution. Revise/re-establish the monthly contract management performance meetings to include the appropriate operational representatives as required.	Requires revision of MSA
		End to End Works delivery model and processes - First Point of Contact with customer to job complete	Explore options for relocating the first point of contact, consolidate planning/scheduling and dispatch functions, and identify process gaps for potential delivery improvements. Proposed actions to support the recommendation include: Consider the relocation of the first point of contact (call centre function) from WCC to WWL including the Call Centre setup and supporting processes – this will eliminate double handling, reduce cost and support the field operations to meet key required performance targets.	Change to the operating model
		Management Services Agreement	Reframe the MSA contract to include specific details such as reporting requirements, key performance measures, AWP (Annual Works Programme) delivery/risk, and budgets. Key Performance Indicators – Develop a suite of KPIs for the MSA.	Requires revision of MSA
			Reframe the MSA contract to include specific details such as reporting requirements, key performance measures, AWP (Annual Works Programme) delivery/risk, and budgets. Performance Incentive – Performance incentive mechanism. To be agreed between parties to reward attainment of the agreed KRAs and KPIs.	Requires revision of MSA
Cost Estimation Error Review	Rebuild trust and confidence of shareholding councils in Wellington Water		Review the 2022 Service Level Agreement with Councils – section 11 of the three-Year Plan – to ensure that it is still current, especially the delivery date for the three-Year plan to councils. (1.4.5)	Requires revision of MSA



Appendix 2 Analysis and Categorisation of Recommendations

Group 3: Right thing to do, are more likely addressed in the long term

Report Short Name	Section in Report	Theme	Recommendation	Rationale
FieldForce 4	Conduct a review of the effectiveness of Asset Management function and further develop the technical capability	Effectiveness of Asset Management function and technical capability	Ensure all inputs, including augmentation, customer-initiated, and reactive works, are considered for the AWP and stabilize the physical delivery program. Consider the development of internal resources re reliability centered maintenance analysis techniques etc Note: It is recognised that a significant amount of effort and progress has been made since the inception of the MSA. What was not evident, was how effective the technical capability or how the principles of an effective asset management approach were actually being applied.	This doesn't reflect the current situation o the state of the network and resourcing
			Ensure all inputs, including augmentation, customer-initiated, and reactive works, are considered for the AWP and stabilize the physical delivery program. Review the current processes, cost justifications and timing required to support the development of the AWP Note: It is recognised that a significant amount of effort and progress has been made since the inception of the MSA. What was not evident, was how effective the technical capability or how the principles of an effective asset management approach were actually being applied.	Requires additional resources and system improvements
	Implement improvements with the Alliance	Alliance contract and performance	Develop Standard Task Estimates, revise Alliance KPIs, and review planning and scheduling processes. Proposed actions to support the recommendation include: Conduct a detailed planning and scheduling process review with the potential to implement a centralised Planning/Scheduling and Dispatch functions.	Requires additional resources and system improvements
	Redefine AWP (Annual Work Programme) processes	Annual Work Programme Processes	Develop an unrestricted CAPEX and OPEX program, revise approval timelines, and consider standard task estimates for measuring work crew utilisation and productivity. Proposed actions to support the recommendation include: Consider the use of Standard Task Estimates (as currently in use with the sub-contractors). The purpose is to establish a performance base line on which to measure work crew scheduled utilisation and productivity.	Significant change to contractual arrangement
			Develop an unrestricted CAPEX and OPEX program, revise approval timelines, and consider standard task estimates for measuring work crew utilisation and productivity. Proposed actions to support the recommendation include: Revise the current approval timeline to ensure the operational areas have adequate time to plan and resource the agreed AWP.	Timelines are set by councils
	Review End to End Works Delivery	End to End Works delivery model and processes - First Point of Contact with customer to job complete	Explore options for relocating the first point of contact, consolidate planning/scheduling and dispatch functions, and identify process gaps for potential delivery improvements. Proposed actions to support the recommendation include: Consolidate the planning/scheduling and dispatch functions – To assist in the allocation, management and monitoring of the works preparation and delivery functions.	Requires additional resources and system improvements
			Explore options for relocating the first point of contact, consolidate planning/scheduling and dispatch functions, and identify process gaps for potential delivery improvements. Proposed actions to support the recommendation include: Review the current works delivery processes to identify potential gaps within the existing business processes and further identify delivery improvements that may exist.	Requires additional resources and system improvements
	Review existing systems, applications and data architecture	Systems, applications and data	The objective being to continue developing asset data capture procedures, investigate system suitability for job planning and scheduling, and consider implementing a suitable CRM system. Proposed actions to support the recommendation include: Continue to develop the Asset Data capture procedures and supporting applications (Asset Management, field mobility), recognising there has been a significant focus in the area.	Requires additional resources and system improvements
AECOM Value for Money	O&M Alliance review	Operations and Maintenance Alliance review	Data integrity and analysis: Cost of rework analysis. Further analysis is required on this metric. We believe the first step in this would be to review and potentially strengthen data capture processes to enable this.	Requires additional resources and system improvements
			Data integrity and analysis: Coding of faults - Requests for service, coded to address, and response to these requests for service, including standardised fault cause and costs assigned to individual assets, could be improved to enable better analysis of faults and costs of response and rework.	Requires additional resources and system improvements
			Data integrity and reporting: Improvements to Taumata Arowai reporting. There are currently a range of measure interpretations and data confidence is not high when undertaking benchmark or comparative analysis.	Requires additional resources and system improvements
Cost Estimation Error Review	Rebuild trust and confidence of shareholding councils in Wellington Water		Work with Council CFO's to create a comprehensive and streamlined annual planning processes. (1.4.3)	Requires additional resources and system improvements
			The Board of Wellington Water works with the shareholders to determine if one standard set of monthly financial reports for all councils (both opex and capex) could be agreed, in order to minimise complexity within Wellington Water reporting. (1.5)	Change to the operating model



Appendix 2 Analysis and Categorisation of Recommendations

Group 3: Right thing to do, are more likely addressed in the long term

Report Short Name	Section in Report	Theme	Recommendation	Rationale
Cost Estimation Error Review	Rebuild the trust and confidence of middle management and staff in Wellington Water's senior management		Ensure Wellington Water's budget planning cycle starts at the same time as, or before, any Annual Plan/LTP planning for Councils. (2.1)	Requires additional resources and system improvements
	Review Wellington Water Annual Plan processes to deliver capital programmes for Councils		Streamline and clarify integrated planning and finance processes and ensure they are universally understood across the business; prioritise key risk areas and use best-practice guidance to create clear standards, ensuring guidance or policies around their use are in place. (5.1)	Requires additional resources and system improvements
			Create and update standard procedures for quality control, including Wellington Water-wide templates, checklists, gateways, audit requirements, authorisation, and communication. (5.3)	Requires additional resources and system improvements
	Strengthen Governance Oversight		Review the risk management system so that it is: Fit for purpose (best practice is unlikely to be achievable in the period leading to the establishment of the new entity but, in order for this function to have any impact, it needs to be refocused on key risks). (6.4.1)	Requires additional resources and system improvements
			Review the risk management system so that it is integrated into strategic and operational management. (6.4.2)	Requires additional resources and system improvements



Appendix 3 List of completed actions

Wellington Water Strategy Outcomes	Wellington Water Culture and Value for Money Improvement Plan Outcome	Reference	Objective	Status
Communities receive reliable three waters services	Orthodox organisational model with clear purpose and lines of accountability.	X10.1	Restructure of the Wellington Water Operations and Maintenance Alliance with the key change being to move the Performance, Operations Engineering, and Customer Experience teams back within Wellington Water and ensure the teams are well placed to focus solely on operations and maintenance of the network and increase efficiency.	Completed
		X5.1	Update Wellington Water Organisational Strategy - Define and confirm the desired outcomes and finalise the purpose statement	Completed
		X5.2	Update Wellington Water Organisational Strategy - Confirm the organisation's values remain fit for purpose	Completed
		X5.3	Update Wellington Water Organisational Strategy - Engage stakeholders to gather input and ensure buy-in for the strategy as required	Completed
		X6.1	Review operating model and reorganise functions for orthodoxy, ensuring accountabilities and responsibilities for role holders to deliver organisation strategy - Review and update the operating model and plan reorganisation of functions	Completed
		X6.2	Elevate focus on outcomes throughout the organisation - Communicate the new outcome-focused strategy to all employees, detailing its benefits and impact on processes. Ensure everyone understands the rationale for the shift and how it will affect their daily work	Completed
		X6.3	Implement the agreed organisational structure and embed with positive ways of working (WOW) - Communicate final decision	Completed
		X6.4	Implement the agreed organisational structure and embed with positive ways of working (WOW) - Roll-out new structure	Completed
		X6.5	Plan and review contractor arrangements for value for money and efficiency and effectiveness - Review external model for delivering communications and community engagement for capital programmes	Completed
		X6.6	Improve the level of accountability and responsibility of senior leadership - Best practice behaviours are agreed and then promulgated to all staff	Completed
		X6.9	Ensure compliance accountabilities are included in the organisational model change.	Completed
		X6.9	Increase engagement with Regulation and the requirements of regulatory bodies - Prioritise and integrate our regulatory compliance requirements through the work we do	Completed
		X7.1	Improve the level of accountability and responsibility of senior leadership - SLT are exemplars of agreed values-based behaviours across the organisation with feedback sought for performance assessment	Completed
		X7.2	Strengthen internal culture by adapting our performance management development process, and leaders are acknowledged for leading by example - Complete a rapid review of the current performance management process with a view to considering i) streamlining where possible ii) providing feedback to employees after each review iii) Introducing staff feedback on the performance of their senior managers	Completed
		X9.1	Ensure ELT identify and manage issues early - Develop and implement a targeted leadership development program to address the capability gap and develop the capabilities required over the 12 months	Completed
	Strengthen governance oversight and assurance internally and externally	X13.2	Re-alignment of accountabilities for Internal Audit to the Chair of the Audit Committee to ensure oversight of assurance activities.	Completed
		X13.3	Amended Wellington Water Internal Audit Programme that includes: 1. Finance process focussed internal audits. 2. Continued targeted auditing on costs.	Completed
		X16.1	Review current approach to the way we engage and build trust with our shareholding councils - Work with Board and SLT to conduct a review of our current CCR/Relationship Manager model with shareholders	Completed
		X17.1	Increase engagement with Regulation and the requirements of regulatory bodies - Strengthen relationships with all regulatory bodies	Completed
		X18.1	Improve WWTP compliance and focus on future asset funding while addressing recent external recommendations - Identify resourcing, revise and implement operations and maintenance audit programme post reorganisation	Completed
		X9.2	Strengthen the planning control environment through establishing a technical advisory group or community of practice or equivalent to ensure shared knowledge	Completed
	Strengthened culture of raising issues and overall awareness of controls	X29.1	Implement Fraud and Corruption Training.	Completed



Attachment C List of completed actions

Wellington Water Strategy Outcomes	Wellington Water Culture and Value for Money Improvement Plan Outcome	Reference	Objective	Status
Services delivered by Wellington Water are compliant	Strengthened financial controls that protects the integrity of financial transactions	X30.2	Establish controls so only Wellington Water staff can approve work orders and invoices.	Completed
		X31.1	Strengthen the capability of the finance team.	Completed
		X34.1	Increase maturity and capability for costing and financial planning - Re-design and improve the Corporate Cost Recovery Model	Completed
		X34.2	Increase maturity and capability for costing and financial planning - Document the process on how the level of corporate cost recovery is determined for the LTP	Completed
		X32.1	Increase maturity and capability for costing and financial planning - Complete a review of project costs and corporate costs for the triennium to provide assurance of costs recorded in 2024-34 Council Long Term Plans	Completed
		X33.1	Work with Council CFOs to identify and agree improvements and common financial reporting - Agree achievable delivery dates for AP LTPs	Completed
		X33.2	Work with Council CFOs to identify and agree improvements and common financial reporting - Work with CFO working group to support the delivery and appropriate financial assurance for 25/26 Annual Plan process	Completed
Water services are affordable and provide value	Strengthen mechanisms for demonstrating value for money	X19.1	Plan and review contractor arrangements for value for money and efficiency and effectiveness - Review Alliance and Contractor Panel for independent assurance of value for money	Completed
	Strengthen the control and oversight of our suppliers	X25.1	Improve WWTP compliance and focus on future asset funding while addressing recent external recommendations - Complete charter and clarify roles and responsibilities with Veolia, embed behaviours	Completed
		X25.2	Improve WWTP compliance and focus on future asset funding while addressing recent external recommendations - Continue programme of ongoing asset management planning and proactive risk management	Completed
		X26.1	Change how Wellington Water works with contractors and consultants to ensure that there is a direct contract and relationship with all suppliers and contractors. Ensure that Wellington Water has better control and oversight over who does the work and how it is done. Establish new contract agreements with the consultants and contractors (including terms and conditions).	Completed
	Strengthened commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money.	X27.2	Ensure that the Procurement Policy provides clear direction to the organisation on good practice procurement (including alignment to value for money, maintaining healthy competition, obtaining fair market rates, and maintaining the ability to effectively benchmark costs).	Completed

Wellington Water Strategy Outcomes	Outcome	Objective	Owner	New Ref	Action (Q4 2024/25)	Action (Q1 2024/25)	Action (Q2 2025/26)	Action (Q3 2025/26)	Action (Q4 2025/26)
Wellington Water is a strong and capable organisation ready to old into a new asset-owning entity	Enhance organisational capability in the lead-up to the new entity	Update and develop technology systems and increase capability - Technology Systems Investment Programme	Chief Corporate Services Officer	X1.1		Request for Proposal to market.	Vendor selection.	Implementation	Implementation
		Prepare an Interim Capability Roadmap (numbers, process, systems) to de-risk our financial reporting.	Chief Corporate Services Officer	X2.1	Financial reporting structure including allocations.	Financial systems scoping as part of the Technology Systems Investment.	Commence business improvement programme focussed on financial processes.		
		As required, support the development of the Water Services Delivery Plan in preparation for the new entity	Chief Strategy and Planning Officer	X3.1	Provide information and insight to meet timelines	As required to support transition timelines	As required to support transition timelines	As required to support transition timelines	As required to support transition timelines
		Create and implement a change framework for coordinated and systematic delivery of changes	Chief Corporate Services Officer	X8.1	Recruit Head of Transformation.	Define how we positively influence transition through the improvement plan.			
		Engage with Watercare specifically to identify and convert practical future synergies	Chief Corporate Services Officer	X4.1	Explore opportunities.	Explore opportunities.			
Water services are affordable and provide value	Strengthen mechanisms for demonstrating value for money	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.	Chief Operating Officer	X21.1	For the rest of the 24/25 financial year put as many projects as possible out to tender.	Make an assessment of the percentage of work that will be tendered through the panel vs open market.	Check and adjust the amount of work tendered through the panel.	Check and adjust the amount of work tendered through the panel.	
	Strengthen the control and oversight of our suppliers	Implement value-focused performance metrics and regular reviews of performance against these for consultants and contractors.	Chief Operating Officer	X20.1	Develop performance metrics.	Commence	Check and adjust the amount of work tendered through the panel.	Check and adjust the amount of work tendered through the panel.	
		Implement a value-focussed performance framework for the Operations and Maintenance Alliance that also includes pain gain sharing.	Chief Operating Officer	X23.1	Performance Alliance Board agrees final algorithms of how performance measures calculate pain/gain sharing of any potential bonus.	Performance of the Alliance is published and briefed to the WWL Board.	Performance of the Alliance is published and briefed to the WWL Board.	Performance of the Alliance is published and briefed to the WWL Board.	Performance Alliance Board reviews algorithms of how performance measures calculate pain/gain sharing of any potential bonus. Performance of the Alliance is published and briefed to the WWL Board.
	Strengthened commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money.	Strengthen the Commercial and Procurement competency and functions for Wellington Water	Chief Corporate Services Officer	X27.1	Increase resource.	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.	Engage independent cost analysis to support validation of pricing. Assess progress with procurement competency and adjust.	Increase the internal competency for our procurement practices.	Engage independent cost analysis to support validation of pricing.

Wellington Water Strategy Outcomes	Outcome	Objective	Owner	New Ref	Action (Q4 2024/25)	Action (Q1 2024/25)	Action (Q2 2025/26)	Action (Q3 2025/26)	Action (Q4 2025/26)
Communities receive reliable three waters services	Orthodox organisational model with clear purpose and lines of accountability.	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	Chief Strategy and Planning Officer	X11.1	Develop a resourced action plan	Deliver against action plan	Deliver against action plan	Deliver against action plan	Deliver against action plan
		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.	Chief Risk and Compliance Officer	X12.1	Document process and control framework.	Commence critical process improvements.			
		Develop and implement group purpose statements	Chief Corporate Services Officer	X6.8	Develop group purpose statements.	Implement through group business plans.			
		Implement good practice approaches for recognising and rewarding values-based staff actions	Chief Corporate Services Officer	X9.2		Develop an approach as part of People and Capability work programme.	Implement		
	Strengthened culture of raising issues and overall awareness of controls	Communicate with staff through staff meetings and messages the importance of speaking up and raising risks early.	Chief Corporate Services Officer	X28.1		Initiate a set of staff workshops.	Incorporated into staff induction.		Retrospective review and refreshed plan.
		The Code of Conduct is reviewed to include positive, value-reinforcing behaviours across the organisation	Chief Corporate Services Officer	X28.2		Review Code of Conduct.	Implement changes.		
		Review the existing Protected Disclosures 'Speak up' Policy and the Items of Significance Policy to ensure they are easily understood and have mechanisms in place to use.	Chief Risk and Compliance Officer	X28.3	Implement a confidential mechanism for staff to make suggestions on how to improve Wellington Water.	Review Policies	Implement changes. Deliver training and awareness of policies.		
	Strengthen governance oversight and assurance internally and externally	Improve assurance through improving the quality and content of information provided to and reporting products from the Risk and Assurance function.	Chief Risk and Compliance Officer	X13.1	Amended Wellington Water Internal Audit Programme that includes: 1.Finance process focussed internal audits. 2.Continued targeted auditing on costs. Assurance provided to WWL Board over the development of annual planning advice	Assurance provided to WWL Board over the implementation of the Improvement Plan.	Assurance provided to WWL Board over the implementation of the Improvement Plan.	Assurance provided to WWL Board over the implementation of the Improvement Plan.	Assurance provided to WWL Board over the implementation of the Improvement Plan.
		Report on the implementation of the Improvement Plan.	Chief Corporate Services Officer	X14.1	Performance is published and briefed to the WWL Board and Water Committee.	Performance is published and briefed to the WWL Board and Water Committee.	Performance is published and briefed to the WWL Board and Water Committee.	Performance is published and briefed to the WWL Board and Water Committee.	Performance is published and briefed to the WWL Board and Water Committee.
		Meet the Foundational Information Disclosure Requirements from the Commerce Commission	Chief Risk and Compliance Officer	X15.1	Engage with the Commerce Commission	Establish reporting	Report	Report	Report
		Simplify the internal management framework by reviewing existing management committee framework and implement changes.	Chief Corporate Services Officer	X6.7	Capture the results of the first stages of streamlining post organisational change.	Further streamline.			

Wellington Water Strategy Outcomes	Outcome	Objective	Owner	New Ref	Action (Q4 2024/25)	Action (Q1 2024/25)	Action (Q2 2025/26)	Action (Q3 2025/26)	Action (Q4 2025/26)
Services delivered by Wellington Water are compliant	Maintain a relentless focus on effective fluoridation in both the short and long term	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.	Chief Strategy and Planning Officer	X35.1	Completion of the Phase 2 options investigations into an Activity Brief	Develop a multi-year programme of work and associated business case	Develop a multi-year programme of work and associated business case	Develop a multi-year programme of work and associated business case	Develop a multi-year programme of work and associated business case capital delivery in 2027/2
	Strengthen the control and oversight of our suppliers	Improve Wastewater Treatment Plant compliance.	Chief Operating Officer	X25.3	Make an assessment that changes to contract management and capital programme governance is reflected in improving compliance data.	Provide assurance to Board that the compliance projects are on track.			
	Strengthened financial controls that protect the integrity of financial transactions	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	Chief Corporate Services Officer	X30.1	No large purchase orders and automatic payment of invoices.	Financial system access resolved to enable implementation of delegations. Implement good practice financial management practices training.	No statement of claims.		
		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.	Chief Operating Officer	X30.3	Recruit internal project managers and ensure project managers are sourced from outside of the panel.	Recruit internal project managers and ensure project managers are sourced from outside of the panel.	Make an assessment of how the conflict is managed.		
		Implement a comprehensive set of company wide delegations.	Chief Corporate Services Officer	X30.4	Approved internal delegations from Chief Executive to employees.	Delegations communicated to all delegation holders via formal letters of delegation.	Review effectiveness of new delegations.		
		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	Chief Corporate Services Officer	X34.4	Agree the final allocation methodology and reporting.				



Komiti Ngā Wai Hanganua Wellington Water Committee

12 May 2025

Report no: WWC2025/2/69

Our water, our future Statement of Intent 2025-28

Recommendation

It is recommended that the Wellington Water Committee:

- (1) notes that the Wellington Water Constitution requires:
 - (a) the Wellington Water Board to deliver the completed Statement of Intent 2025-28 to the Committee, and
 - (b) the Wellington Water Committee to consider Wellington Water Limited's final Statement of Intent 2025-28;
- (2) notes the draft of the Statement of Intent was circulated to the Wellington Water Committee on 14 March 2025 April and the subsequent feedback incorporated;
- (3) receives the final Statement of Intent 2025-28 and
- (4) notes the Organisational Capability Plan has been superseded by the Wellington Water Limited Value for Money Improvement Plan.

Appendices

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Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

30 May 2025

Our water, our future: Statement of Intent 2025-28

Purpose of Report

1. The purpose of this paper is to present Wellington Water Ltd.'s final Statement of Intent 2025-28 to the Wellington Water Committee.

Recommendations

It is recommended that the Wellington Water Committee:

- (1) notes that the Wellington Water Constitution requires:
 - (a) the Wellington Water Board to deliver the completed Statement of Intent 2025-28 to the Committee, and
 - (b) the Wellington Water Committee to consider Wellington Water Limited's final Statement of Intent 2025-28;
- (2) notes the draft of the Statement of Intent was circulated to the Wellington Water Committee on 14 March 2025 April and the subsequent feedback incorporated;
- (3) receives the final Statement of Intent 2025-28 and
- (4) notes the Organisational Capability Plan has been superseded by the Wellington Water Limited Value for Money Improvement Plan.

Background

2. Wellington Water (the Company), as a Council Controlled Organisation (CCO), is required to produce an annual Statement of Intent (SOI) that aligns with councils' Long-Term Plans (LTPs) and Annual Plans.
3. The purpose of a SOI is to outline for the public the activities and intentions of a CCO for the year, and how these will contribute to the objectives or outcomes sought.

4. The SOI provides shareholders the opportunity to influence the direction of the organisation and provides a basis for the accountability of the directors to their shareholders for the performance of the organisation.
5. Each year the Chair of the Wellington Water Board receives a Letter of Expectations from the Chair of the Wellington Water Committee (the Committee) on behalf of the shareholding councils. This letter sets out the council and mana whenua priorities for the coming year and is used to form the Statement of Intent.

Process for developing the Statement of Intent 2025-28

6. This year, Wellington Water received the Letter of Expectations on 7 February 2025 and a draft SOI was provided to the Wellington Water Committee on the 14 March 2025.
7. Councils were asked to forward any comments they had on the draft document to Wellington Water.
8. The Company received feedback on behalf of councils relating to the establishment of the new water services delivery model and from Wellington City Council which is included in the SOI along with amendments agreed by the WWL Board.
9. The Board approved the SOI at its meeting on 15 May 2025 and the final version is attached as Appendix 1.
10. The final Statement of Intent has some variations from the draft received by shareholders.
11. The financial statements reflect the financial advice for capital and operational expenditure programmes for the 2025-28 financial years as at May 2025.

Items of Note

12. The Statement of Intent reflects the themes of the Letter of Expectation – demonstrating effectiveness and efficiency, continuing our work with mana whenua, focusing on our core business in delivering the six strategic goals, and mitigating the risks of water shortage including through progressing water meters.
13. The Company will prioritise effectiveness and efficiency by focusing the Wellington Water Culture and Value for Money Improvement Plan, an agreed suite of recommendations from all Value for Money reports, superseding the activities in the Organisational Capability Plan. Our commitment to demonstrating efficiencies and effectiveness is unwavering to ensure best performance and value for our owners.
14. The measure related to the implementation of a Single Regional Performance Plan has been removed as while this work has been developed it is more appropriately provided as an artifact for any future water delivery model, due to systems, funding and resourcing constraints of implementation.

15. The prospective financial statements include proposed funding for the Technology Systems Investment programme and expenditure equal to the full funding amount, as per the programme timeframe. This is on the basis that the implemented technology solution will be Software as a Service (SaaS), this is the working assumption until procurement is undertaken.

Next steps

16. The SOI will be published and forwarded to council officers and published on the Company's website. Shareholding councils are required to also publish the final version on their websites within one month of receiving the Statement of Intent.
17. The Water Committee will receive quarterly updates on how the Company is progressing against the SOI 2025-28.

Appendices

No.	Title	Page
1	Our water, our future - Statement of Intent 2025-28	

Author: External Author (Wellington Water Ltd)

Wellington Water Statement of Intent 2025 - 2028

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Message from the Chair of Wellington Water Limited Board and Chief Executive of Wellington Water

As we finalise this Statement of Intent (SOI) for the period 2025 – 2028, we do so with the understanding that our shareholding councils will be making decisions about the future delivery of water services, under the *Local Water Done Well* initiative. They are also working towards the completion and adoption of their *Water Services Delivery Plan*, due in September 2025.

We are therefore planning for transition now, as Wellington Water will be impacted by any future delivery model as decided by councils within this SOI period. We anticipate that this is the last SOI developed for Wellington Water, and any future delivery model will prepare a SOI for 2026-2029.

What we do know is that, regardless of who is delivering the services, they need to be delivered uninterrupted, efficiently, and for the benefit of councils and their residents. We will continue to deliver in accordance with the five broader strategic priorities that have been set for us by the Wellington Water Committee. Additionally, as a Board we have set four outcomes to ensure our services are reliable, compliant, affordable, and that we are a strong, capable organisation ready to integrate into any future delivery model.

Last year we commissioned a number of reviews, in response to concerns we had about the performance of the organisation. These reviews confirmed what we thought – and what councils had been telling us. Our performance has not been good enough.

We have learned valuable lessons from these reviews. We have stepped up and taken responsibility for this, and we now focus on seeing through the changes that are needed.

Our response is the 'Wellington Water Culture and Value for Money Improvement Plan' which is designed to significantly lift the capability of Wellington Water. As we deliver some \$500m in capital and operating projects and services we will be relentlessly focused on ensuring value-for-money. The Board and Management of Wellington Water recognise the critical importance of delivering and demonstrating value for money to our shareholding councils and regional ratepayers. Fundamental changes to the way we work and operate are underway, and the resulting shifts in culture and direction will enable the organisation to generate the best returns from the funding entrusted to us.

Nick Leggett

Board Chair

Pat Dougherty

Chief Executive

Overview

Wellington Water exists so people in the Wellington Region have safe, reliable, compliant, affordable drinking water, stormwater, and wastewater services.

Our organisational values are: Tangata tiaki: we protect our most precious taonga; Whanau: united we support, connect with and respect each other; and Mana: we recognise, respect, value the mana of others and seek to build mana-enhancing relationships.

Wellington Water is a council-controlled organisation owned by Wellington City Council, Hutt City Council, Porirua City Council, Upper Hutt City Council, Greater Wellington Regional Council, and South Wairarapa District Council.

Councils own the water assets in the region and set the level of funding and investment provided. They then task Wellington Water to manage the infrastructure and deliver water services to communities.

Our governance structure within this ownership model comprises:

Wellington Water Committee, with representatives from each owner council, typically the Mayor/Chair, and representatives from Mana Whenua. The Wellington Water Committee provide an annual Letter of Expectation to the Wellington Water Board, along with leadership and direction.

An independent Board of Directors, selected by the Wellington Water Committee, is responsible for the direction and control of Wellington Water Limited.

Purpose of statement of intent (SOI)

This annual statement of intent, required by the Local Government Act 2002, states our activities and focus areas for the next three years and how they contribute to the councils' priorities and Board outcomes.

This statement of intent is for 2025-2028, acknowledging that Wellington Water may not exist beyond 2025/2026.

The process for developing and implementing our statement of intent includes receipt by the Board of a Letter of Expectations from the Wellington Water Committee, development of a draft statement of intent for the Board and Wellington Water Committee, comment provided, and SOI adjusted, with the final SOI approved by the Board and the Committee. Wellington Water then reports quarterly to the Board and Wellington Water Committee on progress delivering to the SOI.

Wellington Water outcomes

During 2024 the Board introduced four Outcomes for Wellington Water.

- Communities receive reliable 3 Waters services
- Services delivered by WWL are compliant
- Water services are affordable and provide value
- WWL is a strong and capable organisation that is ready to fold into any future water services model

Wellington Water Committee key expectations for 2025 - 2026

The Wellington Water Committee Letter of Expectations outlines Key Expectations to be delivered during 2025-26. The Letter of Expectations is on page 12 of this document.

Expectations to include in the 2025 -2026 plans

1. Prioritise and deliver the Organisational Capability Plan (superseded by the Wellington Water Culture and Value for Money Improvement Plan), as agreed by the Wellington Water Committee during 2025-2026, within funding and provide quarterly reporting that demonstrates tangible progress in the six workstreams:
 - a. Accountability
 - b. Assurance
 - c. Finance and Process controls
 - d. Rebuild trust and confidence of shareholders
 - e. Transition to a new entity
 - f. Ways of working.
2. These are our focus areas for 2025-26:
 - a. Demonstrate delivery of value for money in the work we do for our shareholders. This means ensuring that every dollar is used efficiently and effectively to maximise benefit to the Councils and Community
 - b. Prepare for transition to any future delivery model
 - c. Develop a prioritised programme of investment for key information technology systems.
 - d. Prepare for a future delivery model to address the challenge that our assets continue to fail, with obvious and high-profile consequences across the network
 - e. Continue to develop a water meter implementation plan across Councils to assist longer-term demand for water
 - f. Incorporate local Mana Whenua priorities into operations. Partnership agreements with Mana Whenua ensure mutual benefits
 - g. Orient drinking water investment and maintenance to mitigate the risk of an acute water shortage for the summer of 2026 and address long term risks and solutions – including bulk water storage.

In our pursuit of value for money, we will be aware of council priorities to ensure critical projects are delivered.

Investment from councils

The shareholding councils consulted their communities on three waters investment for the 2024-34 Long-term Plan (LTP). Wellington Water initially advised that \$10 billion in regional capital investment was needed over the next 10 years but recommended \$7.6 billion as more feasible.

Councils agreed on a \$3.6 billion capital investment programme, with significant funding constraints from 2024 - 2027.

Wellington Water recommended \$1.7 billion regional operating expenditure with Councils providing approximately \$1.5 billion. The focus of this funding will be on existing infrastructure, but it is insufficient to address the backlog of pipe renewals and mitigate water shortages.

While the long-term focus will still be working towards a sustainable funding level, Wellington Water acknowledges the immediate need to achieve more with the funding provided (value for money).

The investment figures for each council owner for 2025-26 are below. Figures for the years beyond have been included to meet statutory obligations but we acknowledge any numbers in those years will need to be determined, subsequent to council decisions about a future water services delivery model.

Table 1: Council by council capital expenditure 2025-28

Council	2025/26	2026/27	2027/28
GWRC	\$68.3 M	\$39.6 M	\$50.4 M
HCC	\$101.8 M	\$166.5 M	\$155.7 M
PCC	\$56.9 M	\$50.9 M	\$60.6 M
SWDC	\$12.7 M	\$18.2 M	\$22.1 M
UHCC	\$13.3 M	\$9.6 M	\$8.3 M
WCC	\$89.3 M	\$58.2 M	\$131.5 M
Grand Total	\$342.3 M	\$343.0 M	\$428.6 M

All Wastewater Joint Venture costs are captured in HCC budgets. Thus, UHCC figures are understated by \$62M and HCC's figures overstated by the equivalent.

Table 2: Council by council operating expenditure 2025-28

Council	Water	25/26 Council	26/27 Council	27/28 Council
GWRC	Drinking Water	\$32.1 M	\$30.0 M	\$30.0 M
HCC	Drinking Water	\$13.3 M	\$14.4 M	\$14.9 M
HCC	Stormwater	\$4.8 M	\$4.6 M	\$4.7 M
HCC	Wastewater	\$6.6 M	\$5.4 M	\$5.6 M
HCC	Wastewater JV	\$13.8 M	\$13.4 M	\$13.4 M
HCC*	Total	\$38.4 M	\$37.8 M	\$38.5 M
PCC	Drinking Water	\$5.3 M	\$4.8 M	\$4.8 M
PCC	Stormwater	\$1.4 M	\$1.4 M	\$1.4 M
PCC	Wastewater	\$2.8 M	\$2.7 M	\$2.7 M
PCC	Wastewater JV	\$3.3 M	\$3.4 M	\$3.4 M
PCC	Total	\$12.8 M	\$12.3 M	\$12.3 M
SWDC	Drinking Water	\$3.1 M	\$3.1 M	\$3.1 M
SWDC	Stormwater	\$0.2 M	\$0.2 M	\$0.2 M
SWDC	Wastewater	\$2.4 M	\$2.9 M	\$2.2 M
SWDC	Water Races	\$0.2 M	\$0.2 M	\$0.2 M
SWDC	Total	\$5.9 M	\$6.4 M	\$5.6 M
UHCC	Drinking Water	\$3.3 M	\$3.2 M	\$3.2 M
UHCC	Stormwater	\$0.8 M	\$0.8 M	\$0.8 M
UHCC	Wastewater	\$1.9 M	\$1.8 M	\$1.8 M
UHCC	Wastewater JV	\$5.0 M	\$4.1 M	\$4.1 M
UHCC	Total	\$11.0 M	\$9.9 M	\$9.9 M
WCC	Drinking Water	\$23.9 M	\$22.7 M	\$22.6 M
WCC	Stormwater	\$6.0 M	\$4.3 M	\$4.3 M
WCC	Wastewater	\$32.0 M	\$27.7 M	\$27.8 M
WCC	Wastewater JV	\$4.7 M	\$5.6 M	\$5.6 M
WCC**	Total	\$66.6 M	\$60.3 M	\$60.3 M
Region		\$166.9 M	\$156.8 M	\$156.7 M

Risks associated with current levels of investment (for the next three years)

Risks and issues identified by Wellington Water include:

- A rise in unfixed leaks
- Increasing backlog of renewals and upgrade work needed
- Failure to invest at the recommended level means the proposed new entity will not be positioned to be successful
- Further interruptions to services
- Rising costs in maintenance and repairs
- Lack of investment by contractors and suppliers in people and equipment because of uncertain future work
- Putting public health at risk by deferring essential maintenance and upgrade work
- Potential impact to the environment through untreated wastewater entering local waterways; possible prosecution for non-compliances at the region's wastewater treatment plants
- Lack of engineering investigation work that is critical to understanding and monitoring the state of the region's network and condition of councils' assets so councils can make well informed decisions.

Corporate risks associated with current levels of investment (for the next three years)

Risks and issues identified by Wellington Water include:

- Difficulty demonstrating value for money, impacting the transition to any future delivery model
- Challenges in fully implementing recommendations from the recent independent reviews leading to potential future errors
- Risks associated with not investing in core technology systems, affecting efficiency, data management, performance reporting and increasing cyber risk
- Outdated corporate systems and processes causing inefficiencies and unexpected costs
- Inability to improve commercial risk management, business planning, assurance activities and processes, asset management, and information management.

Commitment of Delivery

Maintaining assets and delivering three waters services

We are focused on delivering our core services:

- Sufficient and safe drinking water for our communities
- Removing and treating wastewater before returning it to the environment
- Stormwater risks and impact are managed.

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target * 2027/28
1	We deliver a level of service that our customers expect.	The percentage of our customers that report being "Satisfied or Very Satisfied" with our services	≥ 57.5%	≥ 60%	≥ 62.5%
2	The yearly average level of fluoride leaving each Metropolitan Water	The yearly average level of fluoride leaving each Water Treatment Plant is within	Achieved at all plants	Achieved at all plants	Achieved at all plants

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target * 2027/28
	Treatment Plant is within the Ministry of Health guidelines 95% of the time.	the Ministry of Health guidelines (0.7-1.0 parts per million 95% of the time.			
3	We will deliver safe drinking water to metro Wellington.	We comply with Drinking Water Quality Assurance Rules (Treatment)**	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
4	We will deliver safe drinking water to South Wairarapa.	We comply with Drinking Water Quality Assurance Rules (Treatment)**	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
5	Our metropolitan Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
6	SWDC Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
7	We will replace/renew the targeted kilometres of pipe.	Percentage of targeted pipe replacement/ renewal completed. (TBA)	100%	To be set in 26-29 Statement of Intent	To be set in 27-30 Statement of Intent
8	We will deliver our capital programme within the expected range.	Total capital delivery is between \$240m (75%) and \$288m (90%)	Achieved	To be set in 26-29 Statement of Intent	To be set in 27-30 Statement of Intent
9	Our people remain engaged with our company and its purpose.	Our overall engagement score remains stable or increases.	Overall engagement greater than 60%	Overall engagement greater than 60%	Overall engagement greater than 60%
10	We will monitor and address critical health and safety risks for our people.	Health and Safety critical risks will be reviewed, and improvements implemented.	Two or more critical risks	Two or more	Two or more

*Targets for 27/28 may be reviewed by any future water services delivery model

**Measured separately at each Water Treatment Plant. The Metro Wellington drinking water treatment plants are Gear Island, Te Mārua, Wainuiomata and Waterloo. South Wairarapa treatment plants are Waiohine, Memorial Park, Martinborough and Pirinoa.

Note: that we are unable to meet the contact time requirements for chlorine at the Waterloo plant as the first customers serviced are too close to the plant.

Te Mana o te Wai – the korowai for water services

Te Mana o Te Wai prioritises the health and wellbeing of water first. The second priority is the health needs of people, and the third is the ability of people and communities to provide for their social, economic and cultural wellbeing.

The strategy work is on hold. Once restarted we will:

- Develop a clear understanding of Te Mana o te Wai and what this means for our work
- Apply Te Mana o te Wai in core areas of our work

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target * 2027/28
11	Give effect to Te Mana o te Wai.	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on where and how it will be applied to our planning, regulatory and operational activities.	Develop strategy	Implement and review strategy	Review and adapt strategy

*Targets for 27/28 may be reviewed by any future Water Services Delivery model

Partnering with iwi and mana whenua

We value relationships with mana whenua iwi, including Taranaki Whānui ki te Upoko o te Ika, Ngāti Toa Rangatira, Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua, and Rangitāne o Wairarapa.

We will:

- honour our agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui
- build our understanding of Te Ao Māori
- ensure Mana Whenua priorities are incorporated into operations
- engage with mana whenua iwi on Resource Management Act-related activity.

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target * 2027/28
12	To demonstrate our commitment to partnering with mana whenua iwi	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements
13	To demonstrate our commitment to partnering with mana whenua iwi	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Dependant on SWDC pursuing alternative options for water delivery		

*Targets for 27/28 may be reviewed by any future water services delivery model

Mitigate the risks of a water shortage

We will:

Orient drinking water and maintenance investments to mitigate the risk of acute water shortages for short and long-term, including:

- Invest in activities to reduce water loss and leaks
- Encourage customers to reduce water loss
- Complete the Te Mārua Water Treatment Plant upgrade
- Provide Taumata Arowai and Councils with regular updates as required
- Engage with the public early and consistently about water restrictions and risk
- Progress investment in water meters

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target* 2027/28
14	There is sufficient water to meet customer needs	Wellington Water and councils do not implement Level 4 Water Restrictions	Achieved	Achieved	Achieved

*Targets for 27/28 may be reviewed by any future delivery model

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target* 2027/28
15	We manage the region's water shortage risk in the medium to long term	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas.	Procurement commenced, funding agreed, water meter installation has commenced	Implementation of water meters continues	Implementation of water meters continues

*Targets for 27/28 may be reviewed by any future delivery model

Support transition to the future Water Services model

We will work with Council and their Water Services Delivery Plan team to identify and manage the key interdependencies with both the development of the WSDP and planning for the establishment of any future delivery model.

All key interdependencies will be identified, and an agreed way to manage these will be confirmed to align outcomes and avoid rework.

Compliance, assurance, and performance reporting

Measuring and Reporting on our performance

We report to councils and regulators on activities and performance measures set by legislation, councils, and the Wellington Water Committee, ensuring accountability for delivery, value for money, and continuous improvement. We seek a 'no surprises' approach.

Regular reporting includes:

- Monthly: Finance, operational, and capital delivery reports for each council; water performance (including average fluoridation levels) and wastewater treatment plant performance and compliance
- Quarterly and annually: Reporting on the measures set out in this Statement of Intent, and up to 35 mandatory Department of Affairs measures with council-specific targets
- Statutory reporting: Compliance reporting to Taumata Arowai under the Water Services Act 2021, and to Greater Wellington Regional Council on resource consent compliance
- Commerce Commission (Foundational Information Disclosure) including Value for Money
- As applicable: including service outages; wastewater discharges from the wastewater treatment plants and overflows from the wastewater network; key advice to councils; and responses to Local Government Official Information and Meetings Act requests.

We will:

- Provide timely reports on financial, non-financial, and compliance performance
- Proactively raise current and potential treatment plant non-compliances with councils
- Ensure transparency with the community on treatment plant non-compliance, particularly those impacting public health, safety, and the environment.

Demonstrating value for money

The Wellington Water Committee asked Wellington Water to provide assurance that it focuses on delivery and sustainable operational gains, both of which are important to us.

Recent reviews have told us we needed to improve our structure, systems, and processes to manage costs more effectively and ensure proper financial oversight. Value-for-money is a key focus for Wellington Water and recent changes to the organisational structure and contractual arrangements with contractors and consultants will support more prudent financial management.

From 1 July, Wellington Water will work with the Commerce Commission to fulfil foundational information disclosure requirements. Accordingly, we will put the single integrated performance framework on hold, to be provided as an artefact for any future water services delivery model.

We will continue to:

- Drive efficiency improvements across the organisation
- Set performance targets to enhance effectiveness, focusing on outcomes, quality, timeliness, safety, and value for money
- Support work of the Commerce Commission
- Explore benchmarking options for performance and cost comparisons
- Implement improvements from the review of the Fulton Hogan Wellington Water partnership (Alliance) and key contracting arrangements to ensure value delivery
- Provide the Wellington Water Committee with examples of value for money initiatives

- Deliver the actions set out in the Wellington Water Culture and Value for Money Improvement Plan to lift our capability.

We measure success by:

#	Purpose	Measure	Target 2025/26	Target 2026/27	Target 2027/28
16	Revisit supply chain to ensure efficiency and value for money	Review key contracting arrangements for maintenance and capital works	Agreed actions from review(s) are implemented	Agreed actions are implemented and reported to the Wellington Water Committee	Agreed actions are implemented
17	Lift our organisational capability	Implement actions agreed of the Wellington Water Culture and Value for Money Improvement Plan	Report Quarterly	Report Quarterly	Report Quarterly

*Targets for 27/28 will be reviewed by any future delivery model

Systems and technology improvements investment

Significant investment is required in WWL's technology and asset management systems to support effective and efficient operations.

We will:

- Develop a prioritised programme of investment for key information systems technology that can be utilised by WWL in the short-medium term and passed to the future delivery model in the longer term
- Undertake this in partnership with the intended shareholders of the future delivery model and include finance, asset management and scoping of customer relationship management system
- Report on progress quarterly.

Letter of Expectation

Mayor Campbell Barry
Chair, Wellington Water Committee
Private Bag 31912
LOWER HUTT

7 February 2025

Nick Leggett

Chair

Wellington Water Limited

Private Bag 39804

WELLINGTON

Kia ora Nick

Letter of Expectation 2025 - 2028

This letter sets out the priorities and expectations of the six shareholding Councils and Mana Whenua of Wellington Water Limited (WWL) for the period 2025-2028.

We expect these to be reflected in the development of WWL's draft Statement of Intent for the Wellington Water Committee's consideration. These priorities have been informed by discussions over the past year.

Context

Over the past year the pathway to water reform has become somewhat clearer with councils accountable for the development and adoption of Water Service Delivery Plans (WSDP) by 3 September 2025.

In our region five of the six shareholding councils remain committed to development of a joint WSDP and the establishment of a new regional water entity by 2026. In addition, South Wairarapa District Council is working with the other Wairarapa councils on a potential local CCO model.

The reform process and establishment of a new water entity will have implications for WWL. In particular:

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1. This responsibility sits outside the WWL governance arrangements but will require the active cooperation of the company especially in the provision of information and operational expertise.
2. The intent is that this process will lead to the eventual disestablishment of WWL, however it is intended that significant operational aspects of WWL, including staff, contracts and relationships would transfer to the new entity. As a result, WWL needs to maintain ongoing alignment with the establishment planning to ensure that it is in a position to support this process.
3. The focus in the short to medium term must be on WWL managing assets and delivering three water services efficiently and effectively with emphasis as outlined below and in line with Organisational Capability Plan 2024-2026.

Te Mana o Te Wai – the korowai for water services

Te Mana o te Wai prioritises the health and wellbeing of water first. The second priority is the health needs of people and the third is the ability of people and communities to provide for their social, economic and cultural wellbeing.

We expect WWL to give effect to te Mana o te Wai, in planning, regulatory and operational areas working in partnership with mana whenua.

Key Expectations of Wellington Water Limited for 2025-26

1. Within agreed funding, prioritisation and delivery of the Organisational Capability Plan 2024-2026 and respond to the key findings of recent reviews of WWL including the WWL Cost Estimation Error. In particular, provide regular quarterly reporting that demonstrates tangible progress in relation to:
 - Accountability – including organisational restructuring so that accountabilities are clear and capabilities can be enhanced in the lead up to a new entity, ensuring value for money
 - Assurance – establish effective risk management, align internal management with strategic goals, improve operational efficiency and Compliance, and oversee the implementation of review recommendations
 - Controls – finance and process: Strengthen the overall control environment by creating and enhancing internal controls that support consistency and quality in financial and other capability, planning, process and systems
 - Improve programme and project governance including performance monitoring
 - Responsibilities to shareholders: rebuild the trust and confidence of shareholding councils in WWL
 - Transition to a new entity: Prepare, support and engage in the transition to a new entity.
 - Ways of working: embed organisational values and behaviours into daily practices, defining clearer leadership expectations, and adapting performance management to ensure accountability and to support a positive workplace culture.

2. WWL will work with shareholders to deliver on a single integrated water meter implementation plan across the shareholding Councils.
3. Develop a prioritised programme of investment for key information technology systems that can be utilised by WWL in the short-medium term and passed to the new water entity in the longer term. This programme should be done in partnership with the intended shareholders of the new entity and will include finance, asset management and scoping of customer relationship management system (CRM).
4. For the next year, drinking water investments and maintenance should be oriented around mitigate the risk of an acute water shortage for the summer of 2026 while addressing the long-term risks and solutions – including bulk water storage.
5. The shareholding Councils endorse the five existing priority areas for WWL, and note that these need to be balanced:
 - Look after existing infrastructure.
 - Support growth.
 - Ensure sustainable water supply for the future.
 - Improve water quality in our rivers, streams, and harbours.
 - Reduce our carbon emissions and adapt to the impacts of climate change.
6. WWL must ensure that local Mana Whenua priorities are incorporated into operations.

This letter is communicated at a time where we are looking to a future delivery model in order to address the challenge that our assets continue to fail, with obvious and high-profile consequences across the network. The need for WWL and its shareholders to work together in pursuit of these expectations has never been greater.

The shareholding Councils look forward to receiving a concise draft of the WWL Statement of Intent no later than 1 April 2025.

Please contact wendy.walker@porirua.govt.nz should you have any queries.

Yours sincerely



Campbell Barry
Chair

Wellington Water Committee

Department of Internal Affairs (DIA) measures

The DIA sets non-financial performance measures (the Rules) for local authorities, which are consistent nationwide. Each council sets targets for these rules, and Wellington Water reports on these targets throughout the year.

The first two performance measures, related to Drinking Water safety, refer to Compliance with Part 4 and Part 5 of the Drinking Water Standards for New Zealand which were revoked as of 13 November 2022. Taumata Arowai is now the Water Services regulator and has set new measures. With reporting done monthly to the regulator. The DIA rules haven't been updated to reflect this change, so we report compliance with the closest approximation under the new framework.

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	(1) Performance measure 1 (safety of drinking water) The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking-water standards (bacteria compliance criteria).	Compliant	Compliant*	Compliant	Compliant*	Compliant	Compliant*
Part 2: Sub-part 1 - Water supply	(1) Performance measure 1 (safety of drinking water) The extent to which the local authority's drinking water supply complies with: (b) part 5 of the drinking-water standards (protozoal compliance criteria).	Compliant	Compliant	Compliant	Compliant*	Compliant	Compliant*
Part 2: Sub-part 1 - Water supply	(2) Performance measure 2 (maintenance of the reticulation network) The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this). ¹ Calculated as a regional mean value	+/- 0.25%	< 20% ¹	< 20% ¹	< 30%	< 17% ¹	< 20% ¹
Part 2: Sub-part 1 - Water supply	(3) Performance measure 3 (fault response times)	≤ 90 min	≤ 90 min	≤ 60 min		≤ 60 min	≤ 90 min

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured (a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site,				< 90% attendance in < 1 hour		
Part 2: Sub-part 1 - Water supply	(3) Performance measure 3 (fault response times) Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured (b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 8 hours	≤ 8 hours	≤ 4 hours	< 90% resolution in 8 hours	≤ 4 hours	≤ 8 hours
Part 2: Sub-part 1 - Water supply	(3) Performance measure 3 (fault response times) Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured (c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 72 hours	≤ 20 working days	≤ 36 hours	≥ 90% attendance in < 2 working days	≤ 36 hours	≤ 72 hours
Part 2: Sub-part 1 - Water supply	(3) Performance measure 3 (fault response times) Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured	≤ 20 days	≤ 20 working days	≤ 15 days	≥ 90% resolved in < 5 working days	5 days	≤ 20 working days

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption						
Part 2: Sub-part 1 - Water supply	(4) Performance measure 4 (customer satisfaction) The total number of complaints received by the local authority about any of the following: (a) drinking water clarity (b) drinking water taste (c) drinking water odour (d) drinking water pressure or flow (e) continuity of supply, and (f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	< 20 complaints per 1000 connections	≤ 20 complaints per 1000 connections	≤20 complaints per 1000 connections (Except (e))	< 75 per 1000 connections (Except (f))	< 60 complaints per 1000 connections	≤ 20 complaints per 1000 connections
Part 2: Sub-part 1 - Water supply	(5) Performance measure 5 (demand management) The average consumption of drinking water per day per resident within the territorial authority district	375L	≤320L	≤415L	<400L	<365L	≤385L
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(1) Performance measure 1 (system and adequacy) The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.	N/A	≤ 20 per 1000 connections	≤ 20 per 1000 connections	< 10 per 1000 connections	Zero	≤ 20 per 1000 connections
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:	N/A	Nil	Nil	< 2	Nil	Nil

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	(a) abatement notices received by the territorial authority in relation to those resource consents						
Sub-part 2 – Sewerage and the treatment and disposal of sewerage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (b) infringement notices received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewerage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (c) enforcement orders received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewerage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (d) convictions received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewerage	(3) Performance measure 3 (fault response times) Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	N/A	≤ 90 min	≤ 60 min	≥ 85% in < 1 hour	≤ 60 min	≤ 90 min

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DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(3) Performance measure 3 (fault response times) Where the territorial authority attends to sewerage over-flows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	N/A	≤ 8 hours	≤ 6 hours	≥ 90% resolved in < 4 hours	≤ 6 hours	≤ 8 hours
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(4) Performance measure 4 (customer satisfaction) The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system	N/A	≤ 30 total	< 20 complaints per 1000 connections	< 60 per 1000 connections < 15 per issue	< 30 complaints per 1000 connections	≤ 30 complaints per 1000 connections
Sub-part 3 – Stormwater drainage	(1) Performance measure 1 (system adequacy) (a) The number of flooding events that occur in a territorial authority district	N/A	≤ 2	Zero	0**	≤ 2	≤ 2
Sub-part 3 – Stormwater drainage	(1) Performance measure 1 (system adequacy) (b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 2020/21.	N/A	≤ 0.57	Zero	0**	≤ 0.13	≤ 0.24

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DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 3 – Stormwater drainage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (b) infringement notices received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (c) enforcement orders received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (d) convictions	N/A	Nil	Nil	Nil	Nil	Nil*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	received by the territorial authority in relation to those resource consents						
Sub-part 3 – Stormwater drainage	(3) Performance measure 3 (response times) The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	N/A	≤ 8 Hours	≤ 60 minutes	<3 hours	≤ 60 minutes	≤8 hours
Sub-part 3 – Stormwater drainage	(4) Performance measure 4 (customer satisfaction) The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.	N/A	≤ 20 per 1000 connections	≤ 20 per 1000 connections	Zero**	≤ 20 per 1000 connections	≤20 per 1000 connections

These targets may be worded differently in the councils' LTP, but are measuring substantially the same level of service

**SWDC does not have a stormwater system as defined by the DIA

Governance and shareholder information

Wellington Water Committee

The Wellington Water Committee is a joint committee of our councils under the Local Government Act 2002 and provides governance oversight of Wellington Water.

It does this by considering the company's half-year and annual reports, monitoring performance, recommending directors for appointments, and providing recommendations to shareholders on proposals.

Each shareholder holds an equal percentage of the voting shares ('A' shares) of Wellington Water.

The Wellington Water Committee writes an annual Letter of Expectations to Wellington Water's Board of Directors, which outlines key priorities and areas of focus. It is used to guide the development of our Statement of Intent. The Committee comprises:

Wellington Water Committee		
	Mayor Campbell Barry	Wellington Water Committee Chair Hutt City Council
	Ros Connelly	Wellington Water Committee Deputy Chair Greater Wellington Regional Council
	Mayor Anita Baker	Porirua City Council
	Mayor Tory Whanau	Wellington City Council
	Mayor Wayne Guppy	Upper Hutt City Council
	Deputy Mayor Melissa Sadler-Futter	South Wairarapa District Council

The Wellington Water Committee has three iwi appointments.

	Kara Puketapu-Dentice	Taranaki Whānui ki te Upoko o te Ika
	Andrea Rutene	Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua Treaty Settlement Trust
	Helmut Modlik	Te Rūnanga o Toa Rangatira

Information to be provided to shareholders

In each year, Wellington Water will comply with the reporting requirements of the Local Government Act 2002 and the Companies Act 1993 and regulations. In particular, Wellington Water will provide:

- A Statement of Intent, detailing all matters required under the Local Government Act 2002, including financial information for the next three years;
- Within two months after the end of the first half of each financial year, a report on the operations of Wellington Water to enable an informed assessment of its performance, including financial statements (in accordance with section 66 of the Local Government Act 2002); and
- Within three months after the end of each financial year, an annual report, which provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances, audited consolidated financial statements for that financial year, and an auditor's report (in accordance with sections 67, 68, and 69 of the Local Government Act 2002). Note that the LGA has been amended to temporarily extend the timeframe for this financial year to 30 November 2022 (s67(5)(b)).

Share acquisition

There is no intention to subscribe for shares in any other company or invest in any other organisation.

Compensation from local authority

It is not anticipated that the company will seek compensation from any local authority other than in the context of management services agreements and the shareholders' agreements with client councils.

Equity value of the shareholders' investment

The total shareholders' equity is estimated to be valued at \$1 million as at 31 December 2024. This value will be assessed by the directors on completion of the annual accounts or at any other time determined by the directors. The method of assessment will use the value of shareholders' funds as determined in the annual accounts as a guide.

Ratio of consolidated shareholders' funds to total assets

The ownership of infrastructural assets is retained by the shareholders (or other clients). The business returns all benefits to shareholders; the ratio of shareholders' funds to assets is 3% for the 2025/26 financial year.

Board of Directors of Wellington Water

All directors must be independent and are selected by the Wellington Water Committee. Each director can serve a maximum of two terms, or six years, unless agreed by the Wellington Water Committee.

The Board is responsible for the direction and control of Wellington Water Limited. The Chair of the Board reports to the Wellington Water Committee. The Board approves strategy, ensures legal Compliance, and monitors Wellington Water's performance, risks, and viability.

The Board establishes with management (and in consultation with shareholders) clear strategic outcomes that drive performance. The Board is mindful of the significant investment by its shareholder councils in its operations, and of the need to preserve, grow, and demonstrate shareholder value and regional prosperity through the provision of its three waters services.

The Board will ensure that the company focuses on the priorities set out in the shareholders' Letter of Expectations. The Board is also mindful of its relationship with the Wellington Water Committee and how both the Board and the Wellington Water Committee influence the company in different ways.

The Board supports the management team to deliver and report on performance using a 'no surprises' approach, by creating an environment of trust where information is freely available, decision-making is transparent, and strategic conversations provide insights and guidance for the company. Consistent with a high-performance organisation, Board members challenge management (and other Board members) to keep a healthy culture of inquiry and openness.

Board of Directors		Appointed to
	Nick Leggett (Chair)	30 October 2026
	Leanne Southey	1 July 2027

	Mahina Puketapu	30 October 2026
	Bill Bayfield	30 October 2026
	David Adamson	30 October 2026
	Gillian Peacock	30 October 2026
	Ben Pitchforth	30 October 2026

Wellington Water Limited

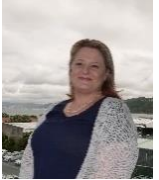
Wellington Water is a council-controlled organisation as defined by section 6 of the Local Government Act 2002. Wellington Water is also covered by the Companies Act 1993 and governed by law and best practice. The Shareholders' and Partnership Agreement relating to Wellington Water outlines the way the shareholders manage their shareholdings in Wellington Water and their respective relationships with each other.

The principal objectives of Wellington Water as set out in our Constitution are to:

- Manage drinking-water, wastewater, and stormwater services in the greater Wellington region for local authority shareholders
- Achieve the objectives of its shareholders
- Be a good employer
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the company operates and by endeavouring to accommodate or encourage these when able to do so
- Conduct its affairs in accordance with sound business practice.

Each shareholding client council owns its own three waters assets (pipes, pump stations, reservoirs, and treatment plants), and decides on the level of service it will purchase from us, the policies it will adopt, and the investments it will make (after considering our advice) in consultation with its community.

We operate under the Companies Act 1993 and the Local Government Act 2002 and comply with the Health Act 1956, requirements of the Drinking Water Regulator Taumata Arowai under the Water Services Act, and other legislation such as the Resource Management Act 1991, the Wellington Regional Water Board Act 1972 and the Health and Safety at Work Act 2015.

Executive Leadership Team			
		Pat Dougherty	Chief Executive
		Julie Alexander	Chief Strategy and Planning Officer
		Charles Barker	Chief Operating Officer
		Erin Ganley	Acting Chief Risk and Compliance Officer
		Wayne Maxwell	Chief Corporate Services Officer

Prospective financial statements

The financials in this SOI are draft and include a number of assumptions that are subject to change. Final council approved budgets were not available at the time of publishing.

Prospective Statement of Comprehensive Revenue and Expenses

	Projection 2026 \$000	Projection 2027 \$000	Projection 2028 \$000
Council work programme	455,283	460,973	546,650
Management & advisory services	24,259	24,259	24,259
Technology Systems Investment (TSI) Programme Funding	13,800	9,000	2,200
Other revenue	1,400	1,200	1,200
Total revenue	494,742	495,432	574,309
Council capex and Council opex programme	(455,283)	(460,973)	(546,650)
Salaries and wages	(57,941)	(57,207)	(57,496)
Corporate (Direct) costs charged to capex and opex programme	57,869	54,177	55,514
Superannuation	(1,866)	(1,855)	(1,864)
Directors' fees	(240)	(240)	(240)
Audit - financial statements	(303)	(309)	(315)
Operating leases	(2,747)	(2,747)	(2,747)
Other personnel costs	(2,936)	(2,963)	(2,988)
Other operating expenses	(30,490)	(22,685)	(16,681)
Depreciation and amortisation	(1,769)	(1,820)	(1,585)
Total expenses	(495,704)	(496,621)	(575,050)
Surplus/(deficit) before tax	(962)	(1,189)	(741)
Tax (expense)/credit	269	333	207
Total comprehensive revenue and expenses	(693)	(856)	(533)
Attributable to:			
Wellington City Council	(277)	(342)	(213)
Hutt City Council	(139)	(171)	(107)
Upper Hutt City Council	(55)	(68)	(43)
Porirua City Council	(83)	(103)	(64)
Greater Wellington Regional Council	(104)	(128)	(80)
South Wairarapa District Council	(35)	(43)	(27)
Total comprehensive revenue and expenses	(693)	(856)	(533)

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

Prospective Statement of Changes in Equity

	Retained Earnings \$000	Issued Capital \$000	Total \$000
Balance at 1 July 2025	4,252	1,000	5,252
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(693)	-	(693)
Projected balance at 30 June 2026	3,559	1,000	4,559
Balance at 1 July 2026	3,559	1,000	4,559
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(856)	-	(856)
Projected balance at 30 June 2027	2,704	1,000	3,704
Balance at 1 July 2027	2,704	1,000	3,704
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(533)	-	(533)
Projected balance at 30 June 2028	2,170	1,000	3,170

The financials in this SOI are draft and include a number of assumptions which are subject to change.
Final council approved budgets were not available at the time of publishing.

Prospective Statement of Financial Position

	Projection 2026 \$000	Projection 2027 \$000	Projection 2028 \$000
Cash and cash equivalents	32,845	32,630	32,625
Receivables and prepayments	41,229	41,286	47,859
Total current assets	74,073	73,916	80,484
Intangible assets	134	107	99
Property, plant and equipment, vehicles	3,589	2,643	1,914
Total non-current assets	3,723	2,749	2,013
Total assets	77,796	76,665	82,497
Payables and provisions	70,128	69,745	76,110
Employee entitlements	3,084	3,192	3,192
Total current liabilities	73,212	72,937	79,302
Employee entitlements	25	25	25
Total non-current liabilities	25	25	25
Total liabilities	73,237	72,962	79,327
Net assets	4,559	3,703	3,170
Issued capital	1,000	1,000	1,000
Retained earnings	3,559	2,703	2,170
Total equity	4,559	3,703	3,170
Shareholder equity ratio	6%	5%	4%

The financials in this SOI are draft and include a number of assumptions which are subject to change.
Final council approved budgets were not available at the time of publishing.

Prospective Statement of Cash Flows

	Projection 2026 \$000	Projection 2027 \$000	Projection 2028 \$000
Receipts from customers	479,542	485,232	570,909
Interest received	1,400	1,200	1,200
Proceeds from operating grants	13,800	9,000	2,200
Employees and suppliers	(493,936)	(494,801)	(573,465)
Net cash flow from operating activities	806	631	844
Purchase of intangibles	(168)	(121)	(124)
Purchase of property, plant and equipment, vehicles	(1,228)	(725)	(725)
Net cash flow from investing activities	(1,397)	(846)	(849)
Net cash flow from financing activities	-	-	-
Net cash flow	(590)	(215)	(5)
Add: cash at the beginning of the year	33,435	32,845	32,630
Cash at the end of the year	32,845	32,630	32,625
Comprising:			
Cash at bank and on hand	32,845	32,630	32,625

The financials in this SOI are draft and include a number of assumptions which are subject to change.
Final council approved budgets were not available at the time of publishing.

Additional content of statement of intent of council-controlled trading organisations

The statement of intent for a council-controlled trading organisation must include, as well as the information required by [Part 2](#) of this schedule, the following information:

Major accounting policies

Revenue

Revenue is derived from the six council shareholders, and from occasionally charging third parties for work performed. Revenue is billed and recognised monthly and consists of management and advisory services, council operational expenditure (opex) programme and council capital expenditure (capex) programme.

Management and advisory services

The management and advisory services revenue is recognised using the percentage of completion method and is agreed with councils and performed on a financial year basis. Management and advisory services revenue has been fully recognised because services have been fully provided at balance date.

Operational expenditure programme and unexpected event reserve

The operational expenditure programme fee is recognised using the percentage of completion method. Wellington Water develops an Annual Work Programme from the Long-Term Plans of councils which is delivered on a financial year basis. Wellington Water enters into contracts with contractors to perform the work and manages the programme. Wellington Water is acting as a principal in relation to these transactions. Wellington Water employees also perform some of the work.

Operational expenditure programme revenue has been fully recognised because services have been fully provided at balance date.

Any part of the operational expenditure charge that remains unspent is transferred to the unexpected event reserve (up to an agreed cap). This reserve is used to fund unexpected events that may occur in relation to the three waters network and is ring fenced for each council. Funds that are transferred to the unexpected event reserve are accounted for as deferred revenue at balance date, as the reserve reflects revenue received in advance of providing services.

Capital expenditure programme

The capital expenditure programme fee is recognised using the percentage of completion method and based on the costs incurred as a percentage of total costs under the contracts. The capital expenditure programme fee also comprises a portion of Wellington Water labour costs that are directly attributable to the capex programme.

Wellington Water develops an annual work programme that is jointly agreed with councils. Wellington Water is responsible for the procurement process including selection of contractors and contract pricing, enters into contracts with contractors to perform the work, and manages the programme. Wellington Water is acting as a principal in relation to these transactions. Wellington Water has recognised capital expenditure programme revenue and expenses equivalent to the invoices paid or payable to third parties for the financial year.

Property, plant and equipment, vehicles and intangibles

Property, plant and equipment (PPE) consists of fit-out and equipment. Vehicles consist of commercial vehicles used for operational purposes. Intangible assets consist of computer software and systems. These assets are carried at cost less accumulated depreciation or amortisation and accumulated impairments. Assets are reviewed annually for indicators of impairment.

Cost

These assets are initially measured at cost. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Assets under construction are recorded as capital work in progress and include operational and intangible assets under construction. Costs that do not meet the criteria for capitalisation are expensed.

The cost of assets includes the purchase cost and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised.

Depreciation and amortisation

Depreciation is calculated on a straight-line basis, to allocate the cost or value of the asset over its useful life. The useful lives and depreciation rates are reviewed annually and adjusted if appropriate at each balance date.

The range of depreciation and amortisation rates for each class of asset is:

Fit-out and equipment 6% – 67%

Vehicles 13.5% – 20%

Intangibles 40%



Komiti Ngā Wai Hanganua Wellington Water Committee

12 May 2025

Report no: WWC2025/2/70

Reporting of Drinking Water Annual Measures to Taumata Arowai

Recommendation

That the Committee:

- (1) notes the report; and
- (2) notes that the data provided to Taumata Arowai will be published in the Drinking Water Regulation Report.

Appendices

No.	Title	Page
1 ¹	Reporting of Annual Measures to Taumata Arowai - May 2025	125

Author: External Author (Wellington Water Ltd)
WW



Wellington Water Committee | Komiti Ngā Wai Hangarua

12 May 2025

Reporting of Drinking Water Annual Measures to Taumata Arowai

Purpose of Report

1. This report provides the Water Committee with an overview of the drinking water annual reporting provided to the Water Services Authority - Taumata Arowai.

Recommendations

That the Committee:

- (1) notes the report; and
- (2) notes that the data provided to Taumata Arowai will be published in the Drinking Water Regulation Report.

Summary

2. Annual reporting of the Drinking Water Quality Assurance Rules was due to the regulator in February 2025 (for the reporting period 01 January – 31 December 2024). WWL met that reporting requirement.
3. In June 2025 the Water Regulator -Taumata Arowai will release the Drinking Water Regulation Report for 2024 that summarises the performance of registered drinking water supplies across New Zealand under the Drinking Water Quality Assurance Rules (DWQAR). It is anticipated that the detailed data that was used to inform this report will also be published on their website.

Assurance

4. The Drinking Quality Assurance Rules required the application of 3681 rules to the various components of the WWL drinking water networks.
5. The verification approach was developed by WWL in 2023 and includes an internal audit and assurance philosophy that was utilised to assist assigned rule owners to adopt a best practice risk-based approach to reporting compliance.
6. Each rule owner was also provided the internal audit assessment questions that their rule would be audited against and empowered to be conservative in their assessment of compliance. The results will be utilised internally to inform the effectiveness of the controls in the councils' Drinking Water Safety Plans and through that risk-based mechanism that informs investment.

Page 1

Compliance

7. All DWQAR rules for all six councils were reported to Taumata Arowai on time. The table below provides the high-level summary of DWQAR compliance.

DWQAR 2024 Submission Summary															
		Assurance Rules*					Monitoring Rules*					SUB TOTAL	TOTAL	Water Supply Group	
		Compliant	Non-Compliant	Total #	% Compliant	% Non-Compliant	Compliant	Non-Compliant	Total #	% Compliant	% Non-Compliant				
Water Supply Group	Water Supply														
CWS	Buick St, Petone	13	2	15	87%	13%	7	0	7	100%	0%	22	44	CWS	
	Civic Square, Dowse	13	2	15	87%	13%	7	0	7	100%	0%	22			
SWDC	Featherston (S3,T3,D3)	25	25	50	50%	50%	140	15	155	90%	10%	205	696	SWDC	
	Greytown-Memorial Park (S3,T3,D3)	31	32	63	49%	51%	161	25	186	87%	13%	249			
	Martinborough-Ruamahanga (S3,T3,D3)	31	28	59	53%	47%	128	31	159	81%	19%	218			
	Pirinoa (S1,T1,D1)	16	1	17	94%	6%	7	0	7	100%	0%	24			
Metro	Wellington Region Bulk Water + 4 WTP's (Gear Island, Te Marua, Wainuiomata, Waterloo)	391	538	929	42%	58%	1734	278	2012	86%	14%	2941	2941	Metro	
Totals		520	628	1148	45%	55%	2184	349	2533	86%	14%	3681	3681	All	

^ Community Water Stations

* Rules reported individually by Supply Component ID

Taumata Arowai Feedback and Drinking Water Regulation Report

8. Taumata Arowai has provided a summary, based on the submitted data, that they will use in generating a yearly Drinking Water Regulation Report. This summary provides a general indication that a requirement applies or not. This is not an indication of compliance.

Overall Summary

									Supply Name:
Supply ID	Supply Name	Acceptable Solution	Has DWSP	Protozoa Barrier	Bacterial Barrier	Residual Disinfection	Rules reports received	Last Processed	
BUJ002	Buick Street	No	Lodged	✓	✓	NA	Rule reports attempted but not submitted	6 May	
CIV001	Civic Square	No	Lodged	✓	✓	NA	Rule reports submitted	6 May	
FEA001	Featherston	No	Lodged	✓	✓	✓	Rule reports submitted	6 May	
GRE002	Greytown	No	Lodged	✓	✓	✓	Rule reports submitted	6 May	
MAR003	Martinborough	No	Lodged	✓	✓	✓	Rule reports submitted	6 May	
PIR004	Pirinoa	No	Lodged	✓	✓	✓	Rule reports submitted	6 May	
WEL003	Wellington Region Bulk Water	No	Lodged	✓	✓	✗	Rule reports submitted	6 May	

9. The one area that is assessed as required and not satisfied, in the above summary, is in the Wellington Region Bulk Water. This is due to the non-compliance of chlorine contact time at the Waterloo Water Treatment Plant for properties located near the treatment plant. The status of chlorine contact time at the Waterloo Water Treatment Plant is known to Wellington Water and has been well socialised with our client councils.
10. The Waterloo Water Treatment Plant bulk mains are directly connected into a number of the Hutt City Council water mains in the vicinity of the plant (cross-connections). This means that the standard for contact time is not met. We are working with Hutt City Council and Greater Wellington on the programme of works to enable compliance. This will require capital investment and modification to the reticulated network including pump stations.
11. The 2023 Drinking water regulation report, published by Taumata Arowai, noted that of the 230 networked supplies, and service a population of 500 or more, 145 supplies were reported as not meeting bacterial treatment performance (either by UV and/or ozone and/or chlorine). Cities with populations of 10,000 or more that do not fully meet the bacterial treatment requirements are provided below.

Supply ID	Supply Name	Supply Type	Supplier Name	Supply Population	Bacterial Treatment Performance
TOK001	Tokoroa	Networked supply	South Waikato District Council	13,300	Partially met
CHR009	Christchurch	Networked supply	Christchurch City Council	389,290	Partially met
WAN001	Whanganui	Networked supply	Whanganui District Council	45,000	Partially met
TIM001	Timaru City	Networked supply	Timaru District Council	27,144	Partially met
NAP001	Napier	Networked supply	Napier City Council	62,150	Partially met
WEL003	Wellington Region Bulk Water	Networked supply	Wellington Water	350,000	Partially met
FEI001	Feilding	Networked supply	Manawatu Rangitikei Shared Serv	17,350	Partially met
PAL001	Palmerston North City	Networked supply	Palmerston North City Council	72,284	Partially met

Note 1: Acceptable Solutions are a ready-made option to help drinking water suppliers meet their compliance obligations under the Water Services Act 2021. They apply to specific supply types and situations and must be implemented in their entirety. Suppliers of our scale wouldn't use this option.

Note 2: Taumata Arowai's reporting portal (Hinekōrako) confirmed the Buick Street report was successfully submitted. The overall summary note is incorrect.

There are no appendices.

Author: External Author (Wellington Water Ltd)



TO: Chair and Members
Wellington Water Committee | Komiti Ngā Wai Hangarua

FROM: Kate Glanville

DATE: 12 May 2025

SUBJECT: WELLINGTON WATER COMMITTEE FORWARD
PROGRAMME 2025

Purpose of Memorandum

1. To provide the Wellington Water Committee (the Committee) with a Forward Programme of work and workshops planned for the committee for 2025.

Recommendation

That the Committee receives and notes the attached draft Forward Programme and future workshop topics for the Wellington Water Committee for 2025, as detailed in Appendix 1 of the memorandum.

Background

2. The Terms of Reference for the committee require the committee to provide governance and leadership across issues relating to the planning, delivery and management of water services to communities serviced by Wellington Water Limited (WWL).
3. The Forward Programme provides a planning tool for members, officers and WWL staff to coordinate programmes of work.
4. The draft Forward Programme for 2025 is attached as Appendix 1 to the memorandum.

Forward Programme

5. The Forward Programme is a working document and is subject to change regularly. Any changes to the Forward Programme made by officers and WWL staff will be made in consultation with the Chair.

Appendices

No.	Title	Page
1 ↓	Wellington Water Committee Forward Programme 2025	129

Author: Kate Glanville, Senior Democracy Advisor

Approved By: Kathryn Stannard, Head of Democratic Services

Draft Wellington Water Committee Forward Programme 2025

25 June	28 July
<i>Hutt City Council</i> Wellington Water Update on implementation of Culture and Value for Money Improvement Plan	<i>Hutt City Council</i> Wellington Water Committee - Chairperson's Statement - Local water done well – legislation and water service delivery plan update - WWC Forward Programme Wellington Water - Company and Governance Update - Update on implementation of Culture and Value for Money Improvement Plan - WWL Annual General Meeting
Workshop Placeholder	Workshop Placeholder