

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

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

**No changes to objectives.**

Progress rating	1. Not started	2. Not achieved	3. Partially achieved	4. Largely achieved	5. Achieved/ exceeded objective
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Objective	Objective performance	Forecast progress rating to 30 June 26 <i>Overall objective</i>	Q2 action	Quarterly action performance	Progress rating Q2 Action
<b>Outcome 1.1: We will enhance organisational capability in the lead-up to the new entity</b>					
<b>1.1a:</b> Update and develop technology systems and increase capability - Technology Systems Investment Programme	<p>Once endorsed by the Wellington Water and Tiaki Wai Boards, the programme will enter Phase Zero with preferred vendors. This phase will begin integrated discovery and planning, with the outputs being the detailed business case for approval to enter implementation, and the associated implementation roadmap and plan.</p> <p>Information Management workstream will prepare for migration and execution for 'go live' of the new system on 1 July 2026.</p>	<b>4. Largely achieved</b>	Evaluate proposals	<p>The programme has completed the tender evaluation for the Towers Request for Proposal (RFP) and has identified preferred vendors. Negotiation with the preferred vendors for Phase Zero Statement of Work underway from mid-January 2026.</p> <p>Information Management workstream completed contract signing on 12 November 2025. Subject Matter Experts will be onboarded and involved in the Discovery and Architecture phase of the project, participating in structured workshops with the vendor and Wellington Water to support the design and development of the new Information Management solution over the next three months.</p> <p>Action not taken: RFP Towers - Contract award to preferred vendors for the Towers RFP.</p> <p>Why: The increase in scope in the procurement phase to include HR, billing, payroll and Health and Safety, as directed by the Tiaki Wai Establishment Group, resulted in more responses than expected.</p> <p>When will be completed: March 2026 - Q3 2025/26</p>	<b>4. Largely achieved</b>
<b>1.1b:</b> Prepare an Interim Capability Roadmap (numbers, process, systems) to de-risk our financial reporting	<p>The Finance team has been restructured to address known capability gaps. System needs have been scoped and fed into the Technology System Investment Programme. An initial draft capability roadmap has been developed.</p> <p>Action to be taken: An interim capability assessment and roadmap is anticipated to be completed during Q3 2025/26 with implementation aligning with Tiaki Wai Day 1 &amp; Day 2 timeframes.</p>	<b>5. Achieved/ exceeded objective</b>	Support delivery of water services strategy budgets	Initial Water Services Strategy budgets have been developed in line with agreed timeframes.	<b>5. Achieved/ exceeded objective</b>

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**Outcome 1.1: We will enhance organisational capability in the lead-up to the new entity**

<p><b>1.1c:</b> As required, support the development of the Water Services Delivery Plan <b>and Water Services Strategy</b> in preparation for the new entity</p>	<p>Continued involvement of relevant Wellington Water teams (i.e. Investment Planning, Capital Delivery, Finance, Business Planning, etc.) in developing the Water Services Strategy will assist in ensuring Tiaki Wai is able to deliver on the strategy from 1 July 2026.</p> <p>The Tiaki Wai establishment team are reporting the Water Services Strategy workstream as being on-track for delivery.</p>	<p><b>5. Achieved/ exceeded objective</b></p>	<p>As required to support transition timelines</p>	<p>Wellington Water has provided input into all key areas of the Water Services Strategy - investment plan, levels of service deliverability, and finance - as the Establishment Team works towards submission of a draft for council feedback and community consultation by 1 March 2026.</p> <p>The Tiaki Wai Establishment team is responsible for preparing the first Water Services Strategy with input/support from Wellington Water.</p>	<p><b>5. Achieved/ exceeded objective</b></p>
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<p><b>1.1d:</b> Create and implement a change framework for coordinated and systematic delivery of changes</p>	<p>A coordinated framework and approach to change across the Technology Systems Improvement programme and the Transition programme to fold into the new entity, will be developed to ensure alignment and interdependencies are well managed to support the successful establishment of Tiaki Wai.</p> <p>A governance oversight group will support this. Development and delivery of these two programmes are anchor points for setting the new organisation up for success, however they are in addition to Wellington Water's BAU delivery and Wellington Water has not been specifically funded for Transition, so resource constraints are likely.</p> <p>The Transition work to Day 1 will focus on the core requirements and foundations. It will also identify and recommend further areas of work for prioritisation by Tiaki Wai to continue building the strength and capability of the new organisation. Systemic delivery of changes needs to continue beyond 30 June 2026. Technology Systems Investment will be a work in progress at 30 June 2026, and delivery will continue into the new organisation.</p>	<p><b>4. Largely achieved</b></p>	<p>Recruit Change Lead for Technology Systems Improvement Programme. Commence Programme approach to change.</p>	<p>A Change Lead has been recruited and started. Work has begun on coordinating a programme approach, including creating a change heatmap and drafting a change strategy for the Technology Systems Improvement programme.</p>	<p><b>5. Achieved/ exceeded objective</b></p>
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<b>1.1e:</b> Engage with Watercare specifically to identify and convert practical future synergies	We will continue to engage with Watercare and build relationships to support progress on common interests, strategy, or practice.	<b>5. Achieved/ exceeded objective</b>	Explore opportunities	Watercare are engaged with on a regular basis. These conversations have provided valuable insights into areas such as metering practices and functional organisation, which we consider as part of our improvement or business initiatives.	<b>4. Largely achieved</b>
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**Outcome 2.1: Strengthen mechanisms for demonstrating value for money**

<b>2.1a:</b> Create healthy competition and establish clear benchmarks for what jobs should cost in the open market through putting more projects and contracts out to competitive bidding	Our progress towards the 30 June 2026 goal is on track to largely achieve objective.  We are now starting the development of FY26/27 portfolios and associated planning and design activities.	<b>4. Largely achieved</b>	Competitive tension in all work - professional services and construction contracts. Adjust procurement approached as benchmarks established.	<p>Projects and contracts delivered in Q2 2025/26 have continued to operate under commercial tension, with a mix of open and closed tenders issued via GETS in accordance with procurement principles and policy. Data capture and analysis processes have progressed further during the quarter, improving the consistency and visibility of procurement activity and commercial performance across the programme.</p> <p>Action not taken: Full implementation of end-to-end procurement reporting and completion of all capability training.</p> <p>Why: Further refinement is still required to fully embed new processes, confirm consistent reporting metrics, and align capability development with the evolving procurement framework. This work is being deliberately staged to ensure sustainable adoption.</p> <p>When will be completed:          Training and capability uplift remain ongoing and form part of the established operating rhythm through the remainder of the 2025/26 financial year.</p>	<b>3. Partially achieved</b>
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**Wellington Water Strategic Outcome 2: Water services are affordable and provide value**

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

**No changes to objectives.**



Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Quarterly action performance	Progress rating Q2 Action
<b>Outcome 2.2: Strengthen the control and oversight of our suppliers</b>					
<b>2.2a:</b> Implement value-focused performance metrics and regular reviews of performance against these for consultants and contractors	Our progress towards the 30 June 2026 goal remains on track.  The new process and system are being finalised to track contractors and consultants' performance.	<b>5. Achieved/ exceeded objective</b>	Contractors and consultant performance assessed through contract delivery performance	Tendering continues to be undertaken in accordance with the procurement policy, with open tendering driving value for money outcomes. Contracts are managed and supervised in line with the Construction Contracts Act and NZS391 requirements, with payments made only where works are completed in accordance with specifications and contract conditions.  Development of value-focused metrics and performance KPIs has progressed during the quarter and is expected to be implemented in Q3 2025/26.	<b>3. Partially achieved</b>
<b>2.2b:</b> Implement a value-focussed performance framework for the Operations and Maintenance Alliance that also includes pain/gain sharing	Further Alliance Performance metrics are under development and will be implemented and reported to the Programme Alliance Board as BAU.	<b>5. Achieved/ exceeded objective</b>	Performance of the Alliance is published and briefed to the Wellington Water Board	Implemented - Programme Alliance Board Quarterly reporting to Wellington Water Board and Water Committee is now in place. Final data points revised to improve data quality.	<b>5. Achieved/ exceeded objective</b>

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Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Progress made this quarter	Progress rating Q2 Action
<b>Outcome 2.3: Strengthen commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money</b>					
<b>2.3a:</b> Strengthen the Commercial and Procurement competency and functions for Wellington Water	<p>The updated procurement thresholds will strengthen competitive sourcing by enabling direct procurement up to \$100k, requiring closed tendering with three suppliers for \$100k–\$500k, and mandating open tendering above \$500k with Procurement Decision Making Committee oversight from \$1m.</p> <p>These settings are expected to further reduce exemptions, support earlier planning, and maintain strong visibility through embedded monthly ELT reporting.</p> <p>Procurement training begins in January 2026 and will focus on applying the new thresholds, improving planning behaviours, and ensuring consistent use of competitive processes. The training is expected to lift organisational capability, reduce process variation, and support sustained value-for-money outcomes.</p>	4. Largely achieved	Start assessment of progress with strengthening the procurement competency and adjust.	<p>Updated procurement thresholds now require: direct sourcing up to \$100k, closed tendering with three suppliers for \$100k–\$500k, and open tendering for all procurements above \$500k, with Procurement Decision Making Committee oversight from \$1m+.</p> <p>Open-market tendering has strengthened across the organisation, with 25+ tenders released between August–November 2025 (values ranging from &lt;\$1m to \$10m) and a consistent monthly pipeline of 38–50 projects in planning. Monthly ELT reporting is now embedded, providing visibility of tenders, exemptions, and contract awards and improving governance confidence.</p> <p>Exemptions have reduced materially from 24 in July to 4 in November 2025 and the exemption-to-tender ratio has improved from 24:5 to 4:9 over the same period.</p> <p>Procurement training and guidance materials are being prepared to support the organisation.</p>	4. Largely achieved

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

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

Changes to objectives noted in red.

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**Outcome 3.1: Orthodox organisational model with clear purpose and lines of accountability**

<p><b>3.1a:</b> Implement improvements to asset management practice with a no-regrets basis <del>covering the following:</del></p> <ul style="list-style-type: none"> <li><del>–Implementation of asset management framework</del></li> <li><del>–Supporting Technology Systems Investment</del></li> <li><del>–Data quality</del></li> </ul> <p><b>Establish an Investment Delivery Group Executive Oversight (IDEO) Group to stabilise the capital programme, strengthen accountability, and create a single, integrated investment system across Strategy &amp; Planning, Delivery, Finance, and Operations.</b></p>	<p>Asset Management Engineers will be in place with a work programme.</p> <p>Investment Delivery Executive Oversight (IDEO) Committee will continue coordinating asset and capital programmes.</p>	4. Largely achieved	<p>Resource the asset management functions for oversight of asset management, monitoring and investment prioritisation.</p> <p>Establish Investment Delivery Executive Oversight (IDEO) Group</p>	<p>Wellington Water developed an Asset Management Framework in November 2025. An Investment Delivery Executive Oversight (IDEO) Committee has been established with an independent Chair.</p> <p>The purpose of this group is to provide unified executive governance and assurance across Wellington Water’s end to end investment and asset management system.</p> <p>In December 2025, approval was given for the recruitment of an additional seven FTE for asset management. This additional resource will have operational responsibility and oversight of asset management, monitoring, and prioritisation.</p> <p>The Technology Systems Investment programme has completed the RFP and discussions are underway with the preferred provider.</p>	3. Partially achieved
<p><b>3.1b:</b> Document a process and control framework that outlines the key elements and workflows that are involved in running a water services organisation and implement changes to critical assurance and control processes identified through internal audit</p>	<p>Implementing changes to critical assurance control processes will be an ongoing activity for Wellington Water. This coincides with the Technology Systems Investment programme and the significant change and maturity uplift that will be ongoing.</p>	3. Partially achieved	<p>Critical process improvements</p>	<p>Critical process improvements identified - financial; asset management; and technology systems.</p> <p>Action not taken: Formal process improvements.</p> <p>Why: Resourcing and restructuring within critical functional areas and other change and transformation activities in the business.</p> <p>Expected to commence Q3 2025/26 with ongoing work to improve maturity over time.</p>	3. Partially achieved
<p><b>3.1c:</b> Develop and implement group purpose statements</p>	<p>Group purpose statements have been developed and implemented.</p>	5. Achieved/ exceeded objective	<p>No further action required</p>	<p>All actions have been completed in Q1 2025/26. No further action required.</p>	5. Achieved/ exceeded objective

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**No changes to objectives.**



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**Outcome 3.1: Orthodox organisational model with clear purpose and lines of accountability**

<p><b>3.1d:</b> Implement good practice approaches for recognising and rewarding values-based staff actions</p>	<p>The organisation was restructured in February 2025, introducing a clearer functional structure and create clearer group purpose and accountability. The subsequent quarterly actions to embed ongoing cultural improvement have also been completed.</p>	<p><b>5. Achieved/ exceeded objective</b></p>	<p>Implementation</p>	<p>Quarterly Action Completed. We have established formalised mechanisms for Executive Leadership Team members to regularly acknowledge staff contributions in their written communications and wider Groups engagement. They are designed to recognise values-based actions.</p> <p>Overall Action Completed. The outcome of creating an 'Orthodox organisational model with clear purpose and lines of accountability' has been completed. The organisation was restructured in February 2025, introducing a clearer functional structure aligned with a more orthodox organisational structure. It was also designed to create clearer group purpose and accountability. The subsequent quarterly actions were intended to embed ongoing cultural improvement. These actions have now been completed.</p> <p>Staff engagement has lifted 5% over the last 6 months (Q1 &amp; Q2 2025/26) and 10% over the calendar year 2025.</p>	<p><b>5. Achieved/ exceeded objective</b></p>
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**Outcome 3.2: Strengthened culture of raising issues and overall awareness of controls**

<p><b>3.2a:</b> Communicate with staff through staff meetings and messages the importance of speaking up and raising risks early</p>	<p>Continue to promote the importance of speaking up early, promoting the mechanisms to do so. Focus on supporting leaders to be proactive in encouraging their direct reports to highlight risks early.</p>	<p><b>4. Largely achieved</b></p>	<p>Within business as usual activities, e.g. leadership forum, on line sessions, and every day work, people are encouraged to speak up and raise issues</p>	<p>Within business as usual activities, e.g. leadership forum, online sessions, and every day work, people are encouraged to speak up and raise issues.</p> <p>An avenue to provide online suggestions has been implemented as part of the Value for Money work. The work on Protected Disclosures (objective 3.2c) also supports the importance of speaking up and raising issues early and provides a mechanism to do so.</p>	<p><b>4. Largely achieved</b></p>
<p><b>3.2b:</b> The Code of Conduct is reviewed to include positive, value-reinforcing behaviours across the organisation</p>	<p>A review of the Code of Conduct was undertaken in Quarter 4 2024/25. The Code of Conduct for internal contractors/consultants was also reviewed and updated.</p>	<p><b>5. Achieved/ exceeded objective</b></p>	<p>Implement changes</p>	<p>A review of the Code of Conduct was undertaken in Quarter 4 2024/25. The Code of Conduct for internal contractors/consultants was also reviewed and updated. This includes removal of company values, as contractual relationships are based on merit (cost and performance). It includes further clarity on demonstrating value for money. The revised code of conduct is now adopted into the onboarding and induction of new staff. No further action required.</p>	<p><b>5. Achieved/ exceeded objective</b></p>

**Wellington Water Strategic Outcome 3: Communities receive reliable three waters services**  
*Orthodox organisational model with clear purpose and lines of accountability, a strengthened culture of raising issues and overall awareness of controls, and strengthened governance oversight and assurance internally and externally.*

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**Outcome 3.2: Strengthened culture of raising issues and overall awareness of controls**

<b>3.2c:</b> Review the existing Protected Disclosures 'Speak Up' Policy, including disclosure requirements that extend beyond just staff, and the Items of Significance Policy to ensure they are easily understood and have mechanisms in place to use	Develop an online video about the key features of the Protected Disclosures ("Whistleblowers") policy, along with a multiple-choice questionnaire for mandatory viewing. Provide completion records to Risk and Compliance.	5. Achieved/exceeded objective	Review significance policy	<p>The Protected Disclosures ("Speak Up" policy is reviewed, updated and fully implemented for staff, ensuring clarity and accessibility.</p> <p>Action not taken: The Items of Significance Policy (drafted) now needs to be paused, given Tiaki Wai is about to consult on their Significance and Engagement Policy, which is a statutory requirement.</p> <p>This work is superseded by Significance Policy development for Tiaki Wai</p>	3. Partially achieved
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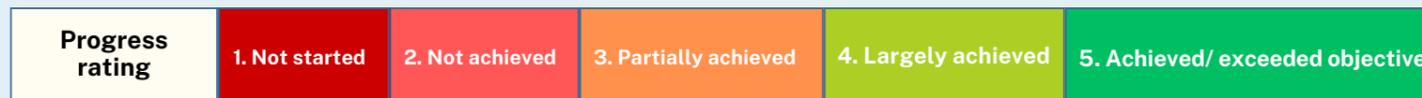
**Outcome 3.3: Strengthen governance oversight and assurance internally and externally**

<b>3.3a:</b> Improve assurance through improving the quality and content of information provided to, and reporting products from, the Risk and Assurance function	Within the resources allocated, we have uplifted assurance and performance reporting to Executive Leadership and Board and Commerce Commission. Stronger focus applied to assurance of the quality and content of information provided by the organisation.	4. Largely achieved	Assurance provided to Wellington Water Board over the implementation of the Improvement Plan	<p>Improvement Plan performance and assurance process have been implemented. Reporting of plan and performance were provided to the Wellington Water Board and Wellington Water Committee. Additional assurance provided through the internal audit programme with a focus on corporate financial transactions and controls, Alliance financial cost, procurement and purchasing, contract management, fraud and sensitive expenditure, and capital project management.</p> <p>Internal audit programme is on track to deliver assurance and performance insight to the Audit committee.</p>	4. Largely achieved
<b>3.3b:</b> Report on the implementation of the Improvement Plan	Implementation of the improvement plan reported as required. Strengthened oversight through multiple external parties an publishing information on external Wellington Water website.	5. Achieved/exceeded objective	Performance is published and briefed to the Wellington Water Board and Water Committee	Performance has been reported to the Water Committee on 12 December 2025, and the Wellington Water Board on 25 November 2025 . The Water Committee papers are available via Hutt City Council's website. Performance reporting is published via the Performance and Reporting webpage on the Wellington Water website.	5. Achieved/exceeded objective

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<b>Outcome 3.3: Strengthen governance oversight and assurance internally and externally</b>					
<b>3.3c:</b> Meet the Foundational Information Disclosure Requirements from the Commerce Commission	Requirements of the disclosures have been met to date. Maturity uplift in the processes for making formal regulatory submissions as per Commerce Commission requirements. Improvements continue to mature our systems and ways of working for efficiency and effectiveness in the context of the current low maturity technology and data.	<b>5. Achieved/ exceeded objective</b>	Report	The disclosure requirements were met in October, November, and December 2025, within the required deadlines.	<b>5. Achieved/ exceeded objective</b>
<b>3.3d:</b> Simplify the internal management framework by reviewing existing Management Committee Framework and implement changes	The list of current management committee meetings will be updated and further reductions in management committees approved if appropriate.	<b>4. Largely achieved</b>	N/A	No additional work has formally been undertaken on this objective. However, the implementation of the new Group structure in February 2025 and the revision of procurement practices have resulted in a reduction in the number of internal management meetings.	<b>3. Partially achieved</b>

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

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

**No changes to objectives.**



Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Quarterly action performance	Progress rating Q2 Action
<b>Outcome 4.1: Maintain a relentless focus on effective fluoridation in both the short and long term</b>					
<p><b>4.1a:</b> 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.</p>	<p>Once a preferred solution has been completed, the project will be transferred to Capital Delivery. It is anticipated that this will occur before 30 June 2026.</p>	<p><b>4. Largely achieved</b></p>	<p>Undertake optioneering and develop a multi-year programme of work to replace existing fluoridation systems.</p>	<p>A Project Brief has been prepared and optioneering is underway. Once completed, the project will be transferred to Capital Delivery. Wellington Water is also seeking clarification on the potential for chemical price increases in the short and medium term. While not critical for the redevelopment of the sites, it is important to resolve for ongoing operating budgets and may influence the final choice of operating model (liquid vs powder).</p>	<p><b>3. Partially achieved</b></p>

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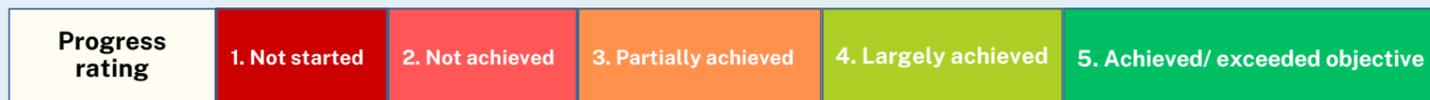


Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Quarterly action performance	Progress rating Q2 Action
<b>Outcome 4.2: Strengthen the control and oversight of our suppliers</b>					
<b>4.2a: Improve Wastewater Treatment Plant compliance</b>	<p>Numerous projects improving compliance outcomes are currently in delivery. Currently the high volume of projects underway is challenging daily operations.</p> <p>Over the coming years, compliance is forecast to improve as the capital investments are implemented as per the Water Services Delivery Plan investment profile, these projects extend over a number of years, meaning reliable compliance will take time.</p> <p>Moa Point Wastewater Treatment Plant - Currently non-compliant for air quality and for effluent quality. UV Treatment upgrade project has reduced treatment capacity by 50%, resulting in unconsented discharges during wet weather. Air treatment mitigations have not yet improved air discharge quality consistently. Further medium term mitigation work is required.</p> <p>Seaview Wastewater Treatment Plant - currently non-compliant for effluent quality mainly due to asset failures. UV Renewal project will commence in Q3 2025/26.</p> <p>Western Wastewater Treatment Plant - currently non-compliant for effluent quality due to an asset failure, effluent quality is improving. UV Treatment renewal will commence in Q3 2025/26.</p> <p>Across our metro wastewater treatment plants, numerous projects improving compliance outcomes are currently in delivery.</p>	<b>4. Largely achieved</b>	<p>Provide assurance to Board that the compliance projects are on track and regulatory enforcement is avoided.</p>	<p>Monthly updates on treatment compliance continue to be provided to the Wellington Water Board with dashboards - these dashboards provide commentary on compliance projects where appropriate. Further reporting of projects is provided to the Board via the Major Project Committee.</p> <p>We are delivering a capital programme under the Long Term Plan. Currently the high volume of projects underway is challenging daily operations.</p> <p>The Seaview miliscreen odour treatment equipment is now in service.</p> <p>Consent compliance continues to be affected by the condition of a large number of critical assets; this is being actively addressed through the capital renewals programme.</p> <p>The improved breach process is now being applied to ensure Veolia remain focused on achieving compliance wherever possible within their operations and maintenance responsibilities.</p> <p>The contract management team is currently seeking explanations for several compliance breaches that occurred over Q2 2025/26. Depending on the circumstances and whether these breaches are determined to have been avoidable, further contract breach penalties may be applied.</p>	<b>4. Largely achieved</b>

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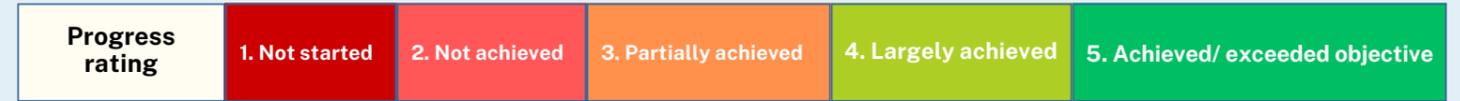
**Outcome 4.3: Strengthened financial controls that protect the integrity of financial transactions**

<p><b>4.3a:</b> 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</p>	<p>The practice of creating large value annual purchase orders have stopped, effective 1 July 2025, with a new process implemented to maintain the previous control of full approval (by the person with appropriate delegation) prior to commitment.</p> <p>Automatic payment of invoices for Fulton Hogan and monthly claims from consultant panel was stopped during the 2024/25 year.</p> <p>An approval process has been implemented for the Fulton Hogan claim, requiring the operations team to sign-off that the work had been completed (a process that was enabled by the Alliance restructure).</p> <p>Consultancy Statements of Claim ceased from 1 July 2025, with purchase orders now raised and approved for each project that consultants are involved in (i.e. the standard purchasing approach at Wellington Water). New delegations have been rolled out along with training on how they should be applied. Training focused on good financial practices management through clarifying individual responsibilities, strengthening controls and how these must be applied.</p> <p>External party access to Wellington Water’s financial system (TechOne) has been removed, with a check that all users have a Wellington Water email address. Access has also been limited to other systems, to the extent that is possible within current system constraints and working arrangements.</p> <p>Additional process improvements have been made, including the monitoring and payment of retentions and GST reasonableness checks.</p> <p>Action to be taken: The outstanding action of fully removing external party access to Wellington Water systems, other than the finance system, requires the implementation of new system solutions. Therefore the timing of delivering this will be informed by the systems implementation work.</p>	<p>4. Largely achieved</p>	<p>No statement of claims.</p>	<p>Consultancy Statements of Claim ceased from 1 July 2025, with purchase orders now raised and approved for each project that consultants are involved in (i.e. the standard purchasing approach at Wellington Water).</p> <p>An approval process has been implemented for the Fulton Hogan claim, requiring the operations team to sign-off that the work had been completed (a process that was enabled by the Alliance restructure).</p>	<p>5. Achieved/ exceeded objective</p>
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**Wellington Water Strategic Outcome 4: Services delivered by Wellington Water are compliant**

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

**No changes to objectives.**



Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Quarterly performance action	Progress rating Q2 Action
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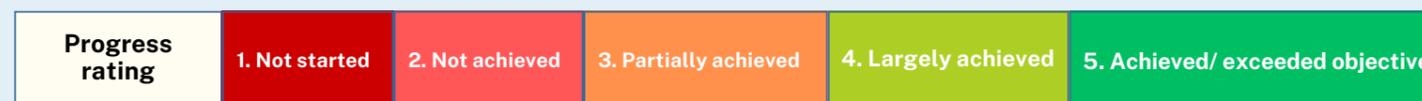
**Outcome 4.3: Strengthened financial controls that protect the integrity of financial transactions**

<p><b>4.3b:</b> 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</p>	<p>Strong leadership and structural foundations for a high-performing project management function are now in place through the appointment of the Head of Project Management, ongoing recruitment activity, and the establishment of internal and external resourcing frameworks. Capability assessment and Centre of Excellence development continue to progress.</p> <p>Action not taken: Full implementation and embedding of internal project management capability, including standardised practices, reporting, and consistent delivery across all projects.</p> <p>Why: A staged implementation approach is being applied to ensure quality, consistency, and alignment with parallel organisational changes, including procurement reform and broader capability uplift. Recruitment lead times and capacity constraints have influenced the pace of delivery.</p> <p>When will be completed: The objective is expected to reach full maturity with measurable performance improvement by the end of 2025/26, with key interim milestones achieved across Q3 and Q4 2025/26.</p> <p>Embed the new team, handover from external project managers to internal project managers and continue with the Centre of Excellence.</p>	<p><b>5. Achieved/ exceeded objective</b></p>	<p>Build internal competency and standard of practice with clear responsibility for oversight of external project manager performance,</p>	<p>The Head of Project Management has been appointed and is now embedded.</p> <p>Recruitment for internal project management resources has continued during Q2 2025/26, supported by an external client-side project management contract where required. Early work has progressed on establishing a Project Management Centre of Excellence, with priority training needs identified to lift capability and consistency across the function.</p> <p>Action not taken: Full establishment of the internal project management function, systems.</p> <p>When will be completed: Recruitment is expected to be substantially complete by Q3 2025/26, with training programmes underway and the Centre of Excellence becoming progressively operational through the remainder of the 2025/26 financial year.</p>	<p><b>5. Achieved/ exceeded objective</b></p>
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Objective	Objective performance	Forecast progress rating to 30 June 2026 <i>Overall objective</i>	Q2 action	Quarterly performance action	Progress rating Q2 Action
<b>Outcome 4.3: Strengthened financial controls that protect the integrity of financial transactions</b>					
<b>4.3c:</b> Implement a comprehensive set of company wide delegations	<p>Delegations have been implemented and have been kept up to date, reflecting role changes, and changes to the level and scope of delegations to support effective management and risk.</p> <p>Accountability for Delegations has shifted from Finance to Risk and Assurance. The current practice of maintaining delegations will continue.</p> <p>This work is now business as usual.</p>	<b>5. Achieved/ exceeded objective</b>	Review effectiveness of new delegations	<p>Company-wide delegations have been implemented and are actively maintained.</p> <p>Delegates are required to complete training before delegations are issued, ensuring understanding and accountability. Delegations have been extended to include Resource Management Act delegations. Feedback suggests active engagement with the delegations process, and anecdotal evidence indicates a reduction in complaints about bottle necks in expenditure approvals, through delegations being at the appropriate level.</p>	<b>5. Achieved/ exceeded objective</b>
<b>4.3d:</b> 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.	Action to be taken: The Capital Delivery team is reviewing their approach to contingency management.	<b>5. Achieved/ exceeded objective</b>	Review the management of contingency for programmes of capital investment.	<p>Corporate overhead allocations have been updated to a standard of 10% of project costs, and shows as a separate line within the finance system (budgets and actuals).</p> <p>Council memos with changes to approved work programmes have been provided to councils. Finance provide monthly dashboards to councils with updated forecasts and exception reporting.</p>	<b>5. Achieved/ exceeded objective</b>