

RISK PROFILE

Wellington Water Key Risks – Performance Summary Quarter 1 2021 / 2022

Key Risk	Risk Description	Risk mitigation measures	Quarter 1 Performance
Cybersecurity breach	Malicious acts compromising information, communications and technology systems that are critical for the supply of three waters services.	<ul style="list-style-type: none"> ○ Regular staff training and awareness. ○ Deployment of specialist cybersecurity expertise. ○ Independent experts used to advise on an enhanced cybersecurity roadmap and tools. 	<p>Risk level remains the same.</p> <p>Engaged an experienced supplier to support us in updating our business continuity plans in the cyber context and provide an incident response service in the event of a successful attack. We continue to track plan on the security controls assessments which enable development of options and associated investment required to enhance our cyber capability.</p>
Water supply shortage leading to drought levels of service	Demand for water has continued to increase over 2020/21 due to population growth. If the trend continues with current leakage levels, then restrictions needed to manage average summer demand will be greater than Level 2 (sprinkler ban) within two years. This could result in water shortage resulting in drought levels of service.	<ul style="list-style-type: none"> ○ Integrated water management model for water supply. ○ Integrated risk management model for summer supply. ○ Water restrictions and bylaws. ○ Water supply enhancements. ○ Customer communications. ○ Leakage management. ○ Smart meters. ○ Drought management plan ○ Business Continuity plan 	<p>Risk level remains the same.</p> <p>Sustainable water supply and demand programme established.</p> <p>Proactive lead detection programme is operative.</p> <p>Supply operational improvements at Te Marua (split-stream) on-track.</p> <p>Supply enhancements at Te Marua (optimisation upgrade) on-track.</p> <p>Customer communications strategy refreshed and launched with beginning of daylight savings.</p> <p>Smart metering pilot project underway.</p> <p>Summer demand risk framework activated.</p>

RISK PROFILE

Wellington Water Key Risks – Performance Summary Quarter 1 2021 / 2022

Key Risk	Risk Description	Risk mitigation measures	Quarter 1 Performance
Unplanned critical asset failure	Failure of a critical asset through asset condition that could result in unplanned disruption to the supply of three waters services.	<ul style="list-style-type: none"> ○ Establish very high critical asset health. ○ Secure funding to continue asset health assessments. ○ Initiate remedial plans as required. 	<p>Risk level remains the same.</p> <p>100% of the Very high criticality assets (VHCA) pumpstation and 99% of the above ground reservoirs have condition ratings and 85% of the water treatment plant assets now have condition ratings. The VHCA pipeline physical inspections are about 15% complete and is behind programme due to contractor resourcing and operational matters, such as difficulties accessing pressure pipes for inspections. An additional contractor has been engaged to accelerate progress.</p> <p>Work is underway to plan for the next priority of assets (High criticality assets) that will be assessed within Long term plan programme.</p> <p>As critical issues are identified these are being flagged for urgent repairs or replacement.</p>
Delivery of the capital programme into the future	Sub-optimal execution of the capital programme due to insufficient resources (staff, contractors and suppliers) to deliver on the larger programme of work in the Long Terms Plans.	<ul style="list-style-type: none"> ○ Market resources are secured to support delivery. ○ Procurement strategies to optimise delivery. ○ Ensure sustainable programme of work. 	<p>Risk level remains the same.</p> <p>Delivery strategy drafted and shared with each Council.</p> <p>Confidence in the mitigation measures and controls in place.</p> <p>Market remains difficult to recruit.</p>

RISK PROFILE

Wellington Water Key Risks – Performance Summary Quarter 1 2021 / 2022

Key Risk	Risk Description	Risk mitigation measures	Quarter 1 Performance
		<ul style="list-style-type: none"> ○ Drive efficiency in the programme delivery. 	
Treatment of wastewater	<p>The risk that wastewater treatment plant operations adversely impact environmental outcomes and/or does not meet regulatory requirements.</p>	<ul style="list-style-type: none"> ○ Review of asset management philosophies. ○ Review of critical assets condition. ○ Management relationship development. ○ Increased contract management oversight. ○ Independent contract review. 	New risk.

RISK PROFILE

Wellington Water Key Risks – Performance Summary Quarter 1 2021 / 2022

Key Risk	Risk Description	Risk mitigation measures	Quarter 1 Performance
Leadership, people, culture and behaviors	Not able to maintain stable organisational working environment (due to Covid, Three Waters Reform and growth) which leads to non-achievement of objectives.	<ul style="list-style-type: none"> ○ People Strategy ○ Resolve accommodation capacity issues. ○ Bring in leadership and change management expertise to support Managers through change. ○ Lift resource in the recruitment function. ○ Being deliberate about open conversations on wellbeing and developing tangible actions. 	New risk.