



KOMITI NGĀ WAI HANGARUA WELLINGTON WATER COMMITTEE

21 July 2025

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

Monday 28 July 2025 commencing at 10:00 am

The meeting will be livestreamed on Hutt City 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
Monday 28 July 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

An apology from Helmut Modlik has 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

Meeting minutes Komiti Ngā Wai Hangarua | Wellington Water Committee,
30 May 2025 9

Meeting minutes Komiti Ngā Wai Hangarua | Wellington Water Committee,
25 June 2025 19

6. CHAIR'S STATEMENT

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

7. **VARIATION OF SOUTH WAIRARAPA DISTRICT COUNCIL'S MANAGEMENT SERVICES AGREEMENT**
- Report No. WWC2025/3/91 by South Wairarapa District Council 23
- CHAIR'S RECOMMENDATION:**
- "That the recommendations contained in the report be endorsed."
8. **COMPANY AND GOVERNANCE UPDATE**
- Report No. WWC2025/3/88 by Wellington Water Limited 87
- CHAIR'S RECOMMENDATION:**
- "That the recommendation contained in the report be endorsed."
9. **WELLINGTON WATER LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024**
- Report No. WWC2025/3/89 by Wellington Water Limited 128
- CHAIR'S RECOMMENDATION:**
- "That the recommendations contained in the report be endorsed."
10. **WELLINGTON WATER LIMITED ANNUAL GENERAL MEETING**
- Report No. WWC2025/3/90 by Wellington Water Limited 214
- CHAIR'S RECOMMENDATION:**
- "That the recommendation contained in the report be endorsed."
11. **INFORMATION ITEM**
- Wellington Water Committee Forward Programme 2025**
- Memorandum dated 9 July 2025 by the Senior Democracy Advisor 218
- CHAIR'S RECOMMENDATION:**
- "That the recommendation contained in the memorandum be endorsed."
12. **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.

13. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!
Unuhia!
Unuhia i te uru-tapu-nui
Kia wātea, kia māmā
Te ngākau, te tinana, te
wairua i te ara takatū
Koia rā e Rongo
whakairihia ake ki runga
Kia wātea, kia wātea!
Ae rā, kua wātea!
Hau, pai mārīre.

*Release us from the supreme sacredness of our
tasks
To be clear and free
in heart, body and soul in our continuing
journey
Oh Rongo, raise these words up high
so that we be cleansed and be free,
Yes indeed, we are free!
Good and peaceful*

Kate Glanville
SENIOR DEMOCRACY ADVISOR

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 30 May 2025 commencing at 10:00 am

PRESENT:

Mayor C Barry (HCC) (Chair)
Mayor A Baker (PCC) Mayor C Barry (HCC) (Chair)
Deputy Mayor M Sadler-Futter (SWDC)
Cr R Connelly (GWRC) (Deputy Chair)
Mayor W Guppy (UHCC)
H Modlik (Te Rūnanga O Toa Rangatira)
Mayor T Whanau (WCC) (via audio-visual link)

APOLOGIES:

K Puketapu-Dentice and A Rutene

IN ATTENDANCE:

W Walker, Chief Executive, Porirua City Council
J Miller, Chief Executive, Hutt City Council
M Prosser, Chief Executive, Wellington City Council
G Swainson, Chief Executive, Upper Hutt City Council
J Smith, Chief Executive, South Wairarapa District Council
K Glanville, Senior Democracy, Hutt City Council
H Clegg, Minute Taker, Hutt City Council

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>
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He tio, he huka, he hau hū	<i>A touch of frost, a promise of a glorious day.</i>
Tihei mauri ora.	

2. APOLOGIES

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25201(2)

"That the apologies from Kara Puketapu-Dentice and Andrea Rutene be received and 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.

5. MINUTES

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25202(2)

"That the minutes of the Extraordinary meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Monday, 10 March 2025, be confirmed as a true and correct record."

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25203(2)

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Friday, 14 March 2025, be confirmed as a true and correct record, subject to adding the following wording under item 8: 'Mayor Baker announced that an amendment was passed during the Porirua City Council meeting on 13 March 2025. She stated that the amendment directed Wellington Water Limited to undertake a full investigation into how much ratepayer money was overcharged by Wellington Water and committed to exploring all legal and financial avenues, in a cost-effective and prudent manner, to recover these funds on behalf of ratepayers. Any recovered funds should be incorporated into future budgets to reduce costs for Porirua residents'."

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25204(2)

"That the minutes of the meeting of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on Tuesday, 22 April 2025, be confirmed as a true and correct record."

6. CHAIR'S STATEMENT

The Chair provided a verbal update, attached as page 10 to the minutes.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 25205(2)

"That the Chair's Statement be noted."

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

The Programme Director, Water Reform – Wellington Water Councils gave a presentation that can be viewed here: [Local Water Done Well](#). He advised that all councils had been consulted on the available options for water service delivery. He said that while South Wairarapa District Council chose to consult on alternative options with neighbouring local authorities, the other councils in the Wellington region strongly supported the regional model. He noted that the draft Water Services Delivery Plan (WSDP) was 90% complete, with officer feedback currently being gathered. He confirmed that the draft WSDP met all legislative requirements.

The Programme Director, Water Reform, advised that a comprehensive report outlining governance proposals for the new entity would be presented at the next meeting. He also mentioned that the report would address the IT programme and the support available to councils as they make key decisions during the transition process.

In response to questions from members, the Programme Director, Water Reform, stated that day one of the new entity would focus on delivering a viable product, transferring functions from the former organisation, and maintaining accountability. He noted that while some systems would require more time to transition, a structured process would be implemented for effective management. He highlighted that further details would be shared later, acknowledging that the public might expect full operational readiness from day one.

8. **COMPANY AND GOVERNANCE UPDATE**

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

The Chief Executive, Board Chair and Chief Operating Officer of Wellington Water Limited (WWL) were in attendance for the item.

The Board Chair, WWL introduced Gillian Peacock as a new Board member, completing a full Board of seven directors, which now also included new members David Adamson and Ben Pitchforth. He elaborated on WWL's focus on three core workstreams: improvement, value for money and preparing for new systems. He noted that WWL was implementing structural changes, updating control systems, reviewing contracts, and enhancing risk management. He highlighted that direct engagement between the Chief Executive, WWL and councils had improved project oversight and cost efficiency.

The Chief Executive of WWL reported that ongoing collaboration with councils had led to improved contract reviews, reduced risks and resulted in lower tender prices. He mentioned that operational performance had improved, with reduced leaks, better attendance, and shorter resolution times. Although a recent staff survey showed low morale, attributed to negative media coverage, he expressed optimism about WWL's shift from a reactive to a proactive approach in project work.

In response to questions from members, the Chief Executive, WWL, acknowledged concerns regarding the volume of water stored in reservoirs and noted that emergency water standard levels were not being met in certain areas. However, he confirmed that funding had been allocated to address the issue and assured members that there were no urgent risks.

The Chief Operating Officer, WWL, stated that the community felt well-informed and that their needs were prioritised regarding the Seaview Wastewater Treatment Plant.

In response to further questions from members, the Chief Operating Officer of WWL explained that changes in funding allocation had resulted in underspending in some project accounts. He assured that these funds would be ring-fenced and carried forward, as significant spending typically happened in later project years. He committed to reporting on the Te Marua Plant upgrade and providing details on the underspent projects, while also highlighting improvements in WWL's forecasting.

Members commended WWL for successfully reducing the number of leaks.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 25206(2)

"That the Committee receives and notes the report."

9. WELLINGTON WATER - CULTURE AND VALUE FOR MONEY

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

Speaking under public comment, **Randall McDonnell** addressed issues with Wellington Water Limited (WWL) regarding a collapsed water main on his property. He urged that his unresolved case and other cases be addressed in the transition plans for the new entity. He called for satisfactory resolution and accountability from WWL.

The Chief Executive and Acting Chief Risk and Compliance Officer, WWL, elaborated on the report.

The Acting Chief Risk and Compliance Officer, WWL, recognised the strength of the report's recommendations and emphasised their prioritisation for implementation. She noted that the recommendations were themed for streamlined delivery and coordinated with the Local Water Done Well team for continuity.

In response to questions from members, the Acting Chief Risk and Compliance Officer of WWL confirmed that the audited performance report for the Alliance contract was available on the WWL website. She also mentioned that the audited Annual Report for 2024/2025 would be presented to the WWL Board at its upcoming meeting.

In response to a question from a member, the Chief Executive, WWL acknowledged the connection between internal practices and external regulatory expectations. He attributed the challenges faced by WWL to an outdated business model. However, he noted that, since his appointment, there had been a rapid cultural change, driven by new staff and a shared commitment to improvement.

Deputy Mayor Sadler-Futter left the meeting at 10.57am.

In response to a question from a member, the Acting Chief Risk and Compliance Officer, WWL, explained that WWL was enhancing data analytics through a new IT system and working with the Commerce Commission to improve access to contractor-held information. She highlighted that future governance and Alliance operations reporting would be presented to the committee, and guidance on staff protective disclosures from the Culture and Value for Money report would now set a standard for contractors and consultants.

In response to questions from members, the Chief Executive, WWL, announced the appointment of a Transformation Lead to drive business improvement and systems review. He addressed concerns about previous recommendations, stating it would not be financially viable to revisit them. He emphasised that key recommendations were included in identified themes, which demanded significant effort and resources. He highlighted that WWL aimed to focus on progress and providing regular updates to the committee.

Deputy Mayor Sadler-Futter rejoined the meeting at 11.04am.

Mayor Whanau left the meeting at 11.04am and rejoined the meeting at 11.06am.

RESOLVED: (Mayor Barry/Cr Connelly)

Minute No. WWC 25207(2)

"That the 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 that 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 draws a line in the sand regarding re-interrogating the reviews that have occurred."*

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

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

The Chief Executive and Principal Advisor, WWL, elaborated on the report.

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 25208(2)

"That the 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 that the draft of the Statement of Intent was circulated to the Wellington Water Committee on 14 March 2025 and the subsequent feedback incorporated;*
- (3) *receives the final Statement of Intent 2025-28, noting the amendment to Commitment of Delivery measure 7 to read: 'Percentage of targeted pipe replacement/renewal completed (8km) and measure 8 to read: Total capital delivery is between \$257M (75%) and \$308M (90%); and*
- (4) *notes the Organisational Capability Plan has been superseded by the Wellington Water Limited Value for Money Improvement Plan."*

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

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

The Acting Chief Risk and Compliance Officer, WWL, elaborated on the report. She said that WWL had taken a pragmatic approach to compliance, marking items as non-compliant when evidence of compliance was lacking. She also noted that WWL could not confirm full control over the entire water network, as some data was managed by external parties.

Mayor Whanau left the meeting at 11.18am.

RESOLVED: (Mayor Barry/Mayor Baker)

Minute No. WWC 25209(2)

"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."

12. **INFORMATION ITEM**

Wellington Water Committee Forward Programme 2025

Memorandum dated 12 May 2025 by the Senior Democracy Advisor

RESOLVED: (Mayor Barry/Mayor Guppy)

Minute No. WWC 25210(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."

13. **QUESTIONS**

There were no questions.

14. EXCLUSION OF THE PUBLIC**RESOLVED:** (Mayor Barry/Mayor Baker)**Minute No. WWC 25211(2)***"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)
<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>Minutes of the Wellington Water Committee Komiti Ngā Wai Hangarua held on 22 April 2025: 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>

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 of the meeting closed at 11.23am and the public excluded part of the meeting closed at 11.26am.

Mayor C Barry
CHAIR**CONFIRMED as a true and correct record**
Dated this 28th day of July 2025

Firstly, I want to say that I absolutely welcome the discussion today and the report from Wellington Water around value for money, including the recommendations that have been collated.

There's a real desire for us to move forward with the runway that we have as an organisation to implement what we can and navigate some of those other recommendations.

I also want to acknowledge the things that have already been done. Thank you to the team for the work that's gone into that, and I know we'll have a chance to discuss that later on.

On the governance front, I'd also like to congratulate Gillian Peacock, Ben Pitchforth, and David Adamson on their appointment to the Wellington Water Board.

Each of these individuals offers valuable expertise to guide the organisation, I know that they are welcomed and have had a good conversation with Nick Leggett about that as well. They are going to bring some really good experience.

I also want to acknowledge Nick Leggett, Mahina Puketapu and Bill Bayfield, whose terms were also extended by the committee.

I'd like to say a big well done to the Wellington Water team and contractors for the recent work on State Highway 2 where a wastewater pipe re-lining project was undertaken.

A pipe that, if it had failed, would have devastating impacts on our city but also the region given the number of vehicles which travel through the area each day.

This critical project was completed successfully and on time in just 2 weeks of around the clock work.

Starting mid-April, crews relined 589 metres of at-risk pipe beneath the State Highway.

It was a really good job, a job well done, even though we had some inclement weather towards the end of that project as well.

Looking ahead, as you know, Wellington's metropolitan councils are deciding on whether to establish a new combined water entity.

Wellington City (thank you Mayor Whanau) has made their decision, everyone would have seen that, and I know that the rest of the councils will be making their calls over the coming weeks as well.

It's a significant milestone as we start to see other councils around the country making their decisions on how they're going to move forward under Local Water Done Well.

HUTT CITY COUNCILKOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of an additional meeting held via Zoom on
Wednesday 25 June 2025 commencing at 10:05am

To watch the livestream of the meeting, please click the link here:

[Wellington Water Committee - 25 June 2025](#)

PRESENT:

Mayor A Baker (PCC)
(via audio-visual link) Cr R Connelly (GWRC) (Chair)
Mayor W Guppy (UHCC)
R Faulkner (Te Rūnanga O Toa Rangatira)
K Puketapu-Dentice (Taranaki Whānui ki Te Upoko o Te Ika)
Cr G Tupou (HCC)

APOLOGIES:

Mayor C Barry (HCC), Mayor T Whanau (WCC),
Deputy Mayor Sadler-Futter (SWDC) and Helmut Modlik.

IN ATTENDANCE:

(via audio-visual link) W Walker, Chief Executive, Porirua City Council
N Corry, Chief Executive, Greater Wellington Regional
Council
G Swainson, Chief Executive, Upper Hutt City Council
J Chetwynd, Chief Infrastructure Officer, Wellington City
Council
J Smith, Chief Executive, South Wairarapa District Council
K Glanville, Senior Democracy, Hutt City Council
H Clegg, Minute Taker, 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
Tīhei 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 Guppy)

Minute No. WWC 25301

"That the apology received from Mayor Barry, Mayor Whanau, Deputy Mayor Sadler-Futter 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 conflict of interest declarations.

5. **CULTURE AND VALUE FOR MONEY IMPROVEMENT PLAN**
JUNE 2025 PROGRESS UPDATE

Report No. WWC2025/3/82 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), elaborated on the report.

The Board Chair of WWL asked for feedback on the strategic priorities outlined in the Implementation Plan (IP). He stated that the goal of this plan was to enhance service delivery to meet compliance and effectiveness standards. He noted that this initiative aligned with long term goals and the upcoming transition to the new entity.

In response to questions from members, the Board Chair, WWL, acknowledged that the IP was more focused on technical functions than on cultural values or organisational behaviour. He emphasised the need to better incorporate 'Te Mana o te Wai, Manaakitanga', and internal values into the IP, highlighting the importance of showing how change occurs through organisational behaviour. He noted that clear metrics, regular reporting, and visible accountability are essential for tracking progress. He agreed to reword the first strategic outcome from “strong” to “trusted” and confirmed he would relay the feedback to the WWL Board, stressing that company values should guide all actions.

The Acting Chief Risk and Compliance Officer, WWL, noted that the IP would be fully executed over the next year, supported by recent organisational changes. She emphasised that system upgrades and competitive contract tension were key to enhancing value for money. She also emphasised that performance reporting would be made public and shared with the Commerce Commission to improve transparency. She noted that the Commerce Commission was currently consulting on disclosure documents, with a focus on value for money and performance metrics.

In response to questions from members, the Acting Chief Risk and Compliance Officer outlined cultural changes at WWL, including the end of self-appointments with competitive contracts, bringing project managers under direct control, and transitioning contractors to staff roles.

The Chief Executive, WWL, reported that regular staff meetings, revised contracts, and competitive procurement had improved internal processes. He noted progress on review recommendations, increased morale, and better operational stability, with enhanced IT funding expected to support further improvements.

In response to questions from members, the Chief Executive, WWL, outlined the benefits of the new organisational structure. He mentioned that the strategy and planning division at WWL was currently understaffed. He also noted that the investment in a new IT system was expected to enhance asset management and facilitate more proactive, cost-effective operations.

In response to questions from members, the Acting Chief Risk and Compliance Officer, WWL, stated that the water cost allocation model had been improved to reduce risk. She noted an increase in data reporting on performance and regulatory compliance, with further enhancements relying on a new IT system for improved data collection and analytics. She advised that she would provide Protected Disclosures documentation at the next meeting.

RESOLVED: (Cr Connelly/ R Faulkner)

Minute No. WWC 25302

"That the Committee receives the progress report on the implementation of the Improvement Plan."

6. QUESTIONS

There were no questions.

7. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!	<i>Release us from the supreme sacredness</i>
Unuhia!	<i>of our tasks</i>
Unuhia i te uru-tapu-nui	<i>To be clear and free</i>
Kia wātea, kia māmā	<i>in heart, body and soul in our continuing journey</i>
Te ngākau, te tinana, te wairua i te ara takatū	<i>Oh Rongo, raise these words up high</i>
Koia rā e Rongo whakairihia ake ki runga	<i>so that we be cleansed and be free,</i>
Kia wātea, kia wātea!	<i>Yes indeed, we are free!</i>
Ae rā, kua wātea!	<i>Good and peaceful</i>
Hau, pai mārire.	

There being no further business, the Chair declared the meeting closed at 10.54am.

Cr R Connelly
CHAIR

CONFIRMED as a true and correct record
Dated this 28th day of July 2025



Komiti Ngā Wai Hangarua Wellington Water Committee

10 July 2025

Report no: WWC2025/3/91

Variation of South Wairarapa District Council's Management Services Agreement

That the Committee:

- (1) receives and notes the report;
- (2) endorses the exclusion of capital projects from Wellington Water Limited's scope of services;
- (3) supports the refined definitions and responsibilities in alignment with the Water Services Act 2021; and
- (4) notes the draft status of the variation and encourages continued negotiation to finalise terms.

Appendices

No.	Title	Page
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2	Appendix 1: Management Services Agreement Third Variation	26

Author: External Author
South Wairarapa District Council



Wellington Water Committee | Komiti Ngā Wai Hangarua

17 July 2025

Third Variation of Management Services Agreement - South Wairarapa District Council

Purpose of Report

The Third Variation Agreement between South Wairarapa District Council (SWDC) and Wellington Water Limited (WWL) represents a continuation and refinement of the original Services Agreement dated 14 October 2019. This version reflects evolving operational needs and strategic priorities, particularly considering regulatory developments and anticipated structural reforms in New Zealand's water services sector.

Recommendations

That the Committee:

1. Receives and notes the report.
2. Endorses the exclusion of capital projects from WWL's scope of services.
3. Supports the refined definitions and responsibilities in alignment with the Water Services Act 2021.
4. Notes the draft status of the variation and encourages continued negotiation to finalise terms.

Variation Key Changes

- **Exclusion of Capital Projects:**
The management services provided by WWL have been amended to exclude capital projects, marking a significant shift in scope.
- **Effective Date:**
The varied terms are set to apply from 1 July 2025, aligning with the expiry of the Second Variation Agreement.
- **Amendments to the MSA:**
Changes to the operative terms of the Services Agreement are detailed in Appendix One the draft variation, with amendments tracked to show the current draft changes.
- **Clarifications and Refinements:**
Numerous clauses have been updated for clarity, including those related to statutory powers, performance measures, reporting obligations, and dispute resolution.

1

- Definitions and responsibilities have been refined to reflect current legal and operational standards, including compliance with the Water Services Act 2021.
- **Three Waters Reform Considerations:**
The agreement acknowledges the potential impact of the Crown Reform and outlines provisions for transition planning and cooperation should reforms proceed.
- **Partnering and Governance:**
Emphasis is placed on a collaborative “partnering” approach, with detailed expectations for communication, responsiveness, and mutual objectives.

Legal Consideration Regarding Operator Requirement

SWDC has identified that the additional requirement to become a registered operator under the Water Services Act 2021 presents some legal and operational implications.

Given the nature of this obligation SWDC intends to explore legal avenues to seek clarification on this requirement and how/if this change would open SWDC to any additional costs or legal/BAU risks.

This may include formal legal review, to ensure that the Council’s responsibilities remain consistent with its capacity and mandate. The Committee is advised to support this approach to safeguard SWDC’s interests and ensure compliance pathways are both fair and practicable.

Negotiation Status

The document is currently marked as “Draft,” indicating that it remains under negotiation and that there is ongoing dialogue between the parties regarding specific provisions.

Conclusion

This Third Variation Agreement reflects a strategic realignment of responsibilities and anticipates future sector changes. While it introduces substantive amendments, particularly the exclusion of capital projects, it remains a draft document subject to further negotiation and finalisation.

Appendix

There is one appendix for this report.

1.	Draft – Third Variation
----	-------------------------

Author: Jess Hughes

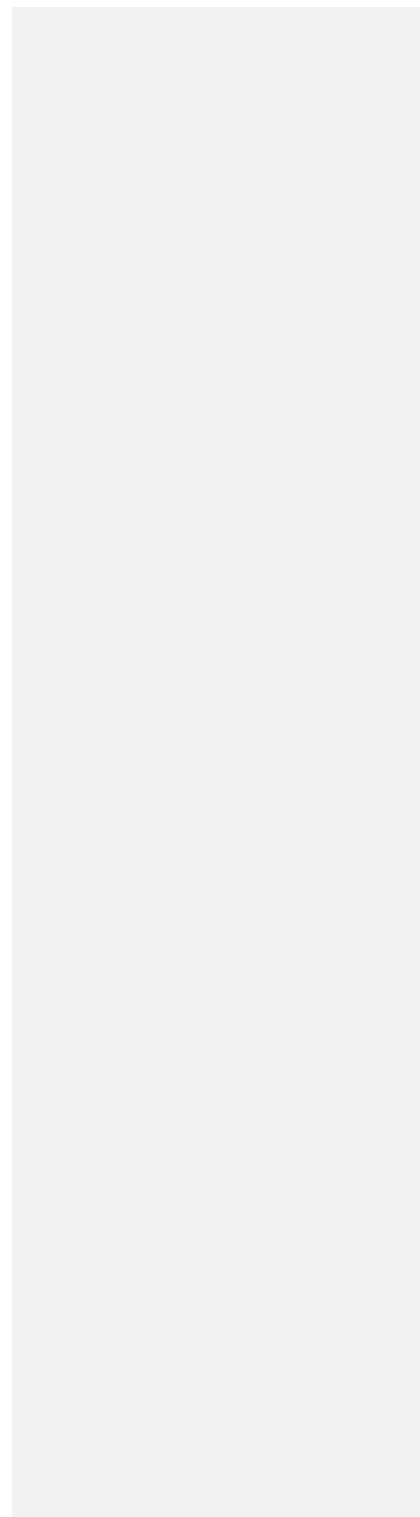
External Author (South Wairarapa District Council)

Third Variation Agreement in Respect of Agreement for Provision of Managed Services Relating to Water Services

PARTIES

South Wairarapa District Council (**Council**)

Wellington Water Limited (**Wellington Water**)



Amended and Restated Version

Agreement dated 2025

Parties

- 1 South Wairarapa District Council of 19 Kitchner Street, Martinborough 5711, New Zealand (**Council**)
- 2 Wellington Water Limited (company number 1337122) of 25 Victoria Street, Petone, Lower Hutt, 5012, New Zealand (**Wellington Water**)

Background

- A Council and Wellington Water have entered into a service agreement dated 14 October 2019 for the provision of management services relating to water services until 30 June 2019, which was amended and restated by an agreement dated 11 April 2022 (**First Variation Agreement**) to vary the terms of the Services Agreement to, amongst other things, incorporate provisions addressing the regulation of drinking water, wastewater and stormwater pursuant to the Water Services Act 2021 and the potential transition to a new arrangement for the delivery of three waters services in New Zealand (**Services Agreement**) and amended and restated by an agreement dated 1 July 2024 (**Second Variation Agreement**) to vary the terms of the Services Agreement to, change the expiry date to 30 June 2025.
- B Council and Wellington Water have agreed to vary the terms of the Services Agreement as outlined in this agreement (Third Variation Agreement) to, among other things, amend the management services to exclude capital projects.

IT IS AGREED:

1 Effective Date

- 1.1 The parties agree that the varied terms outlined in this Third Variation Agreement apply on and from the 1 July 2025 (**Effective Date**).

2 Agreed Variations to the Operative Terms

- 2.1 The parties agree that, on and from the Effective Date, the amendments in the Services Agreement (marked in [blue and underlined](#)) will take effect, as attached to this Agreement as **Appendix A**.

3 General

- 3.1 Each of the parties confirms that, except as expressly agreed in this Third Variation Agreement, its obligations and covenants under, and the provisions of, the Services Agreement continue and remain in full force and effect.
- 3.2 A party may not assign any of its rights or obligations under this Third Variation Agreement without the prior written consent of the other party.
- 3.3 This Third Variation Agreement may be signed in counterparts. All executed counterparts will together constitute one document.
- 3.4 Any copy of this Third Variation Agreement that is received via email in PDF or other document reproduction format (including any copy of any document evidencing a party's signature to this agreement) may be relied on by any party as though it were an original copy of this Third Variation Agreement. This Third Variation Agreement may be entered into on the basis of an exchange of PDF or other document reproduction format.

- 3.5 If a clause or part of a clause of this Third Variation Agreement can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this Third Variation Agreement, but the rest of this Third Variation Agreement is not affected.
- 3.6 No variation of this Third Variation Agreement will be of any force or effect unless it is in writing and signed by the parties to this Third Variation Agreement and is in accordance with clause 4.4 of the Services Agreement.
- 3.7 The fact that a party fails to do, or delays in doing, something the party is entitled to do under this Third Variation Agreement, does not amount to a waiver of any obligation of, or breach of obligation by, another party. A waiver by a party is only effective if it is in writing. A written waiver by a party is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.
- 3.8 This Third Variation Agreement is governed by the laws of New Zealand.

Execution

SOUTH WAIRARAPA DISTRICT COUNCIL
by:

Signature of Authorised Signatory

Name of Authorised Signatory

WELLINGTON WATER LIMITED by:

Signature by Authorised Signatory

Name of Authorised Signatory

APPENDIX A – AMENDED SERVICES AGREEMENT

**Contract for Provision of Management
Services Relating to Water Services**

South Wairarapa District Council

Wellington Water Limited

Amended and Restated Version

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Contract for Provision of Management Services Relating to Water Service

**Agreement dated 14 October 2019, as amended and restated on
2021**

Parties

South Wairarapa District Council of 19 Kitchener Street, Martinborough (**Council**)

Wellington Water Limited (Wellington Water) of 25 Victoria Street, Petone, Wellington

Background

- A Wellington Water was established in 2004 by Wellington City Council and Hutt City Council to co-operatively manage the delivery of Management Services to councils in the Wellington Region.
- B Wellington Water is jointly owned by Hutt City Council (**HCC**), Upper Hutt City Council (**UHCC**), Porirua City Council (**PCC**), Wellington City Council (**WCC**), Wellington Regional Council (**GWRC**) and South Wairarapa District Council (**SWDC**).
- C Wellington Water is a council-controlled trading organisation and a local government organisation under the Local Government Act 2002, and a company under the Companies Act 1993.
- D This agreement sets out the terms under which Wellington Water will provide the Management Services to, and exercise the Statutory Powers on behalf of, Council from the Commencement Date.

Operative provisions

4 Deliverables for Council communities

- 4.1 Council has in its Long Term Plan (**LTP**) committed to certain deliverables for the Council's community. In general terms, these deliverables relate to the health, safety and development of the community, and environmental sustainability.
- 4.2 Separately:
 - 4.2.1 Wellington Water is an operator of a drinking water supply pursuant to the performance of the Bulk Water Supply Services, a drinking water supplier, stormwater network operator and a wastewater network operator in respect of the Network; and
 - ~~4.2.2 Council is an owner of a drinking water supply, a drinking water supplier, and a stormwater network operator and wastewater network operator in respect of the Network.~~
 - 4.2.3 4.2.2 Council is an owner and operator of a drinking water supply, a drinking water supplier, and a stormwater network operator and wastewater network operator in respect of the Network.
- 4.3 The standard of Water Services affects the achievement of certain deliverables in Council's LTP and Annual Plans, and the ability of the Council to comply with the Water Services Act. Council has contracted Wellington Water to provide Management Services in respect of Council's function in providing the Water

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Contract for Provision of Management Services Relating to Water Service

Services because it believes it will better assist the achievement of these deliverables and at the same time provide cost and resource efficiencies.

- 4.4 Council requires Wellington Water to at all times manage the delivery of Management Services and operate its business in a way that will enable Council to achieve its LTP deliverables and performance measures and to discharge and/or assist the Council in discharging each of the Council's obligations under the Water Services Act.

5 Objectives

- 5.1 The parties will co-operate to achieve the following objectives with respect to the provision of the Management Services:

5.1.1 Delivery of Management Services for Council that are affordable, sustainable, accessible, and of the quality agreed in Council's LTP.

5.1.2 Delivery of Management Services for Council in a manner that meets or exceeds the agreed Key Performance Indicators and Performance Measures.

5.1.3 Compliance with Council's statutory, contractual and other obligations in respect of its provision of Water Services.

5.1.4 [Compliance with the Health and Safety at Work Act 2015 and maintenance of health and safety plans for all operational and capital project activities.](#)
[Compliance with the Health and Safety at Work Act 2015 and maintenance of health and safety plans for all activities under this agreement](#)

- (a) [having regard to the roles and responsibilities of each of the Parties Wellington Water and Council as set out in, or indicated by, the Management Services; and](#)
(b) [recognising that both parties are PCBUs for the purposes of the Health and Safety at Work Act 2015.](#)

5.1.5 Emergency management and response planning on behalf of Council, Wellington Water's other shareholders, and other organisations and services.

5.1.6 Continuous improvement in the delivery of the agreed LTP service level for Water Services.

5.1.7 That Wellington Water is familiar with and abides by all relevant Council Policies, subject to clause 7.20.

5.1.8 The prompt, constructive and fair resolution of all issues between the parties.

5.1.9 That Council retains direct ownership of the Network in its district, including assets and infrastructure built and purchased and asset information obtained during the term of this agreement or in existence prior to the Commencement Date of this agreement, or within the existence of this agreement.

5.1.10 That the Network of Council and the networks of other Shareholding Councils in the Wellington region are managed on a co-ordinated basis.

Contract for Provision of Management Services Relating to Water Service

6 Term

- 6.1 This agreement starts on the Commencement Date set out in Schedule 1 and will remain in force until the Expiry Date set out in Schedule 1, unless terminated earlier in accordance with this agreement.
- 6.2 Despite any other provision in this agreement, the Expiry Date of this agreement cannot exceed 30 June 2029.

7 The Management Services and Statutory Powers

Appointment and Powers

- 7.1 Council appoints Wellington Water to provide the Management Services to it and on its behalf. Wellington Water accepts this appointment.
- 7.2 Council authorises Wellington Water to perform on its behalf such acts, and gives Wellington Water such powers and authority, as are necessary to enable Wellington Water to provide the Management Services, including (without limitation) the powers specified in this agreement provided that Wellington Water shall:
- 7.2.1 Have no statutory powers other than those given by statute or expressly by Council in this agreement or by separate formal delegation;
- 7.2.2 Comply with the directions and conditions specified in every delegation, authority and instrument of appointment given to Wellington Water by Council;
- 7.2.3 Comply with any limitation on a power or delegation given by Council to Wellington Water, provided that Council will ensure that its delegations to Wellington Water enable Wellington Water's performance of the Management Services (including being principal to the contract under clause 11.4) in accordance with the Three Year Plan without further recourse to Council on a contract-by-contract basis except as agreed otherwise in relation to a particular project or service;
- 7.2.4 Have no power to delegate any of its functions or powers other than in accordance with this agreement or a delegation, authority or instrument of appointment given to Wellington Water by Council; and
- 7.2.5 Utilise all delegated functions or powers reasonably and prudently for their proper purpose.

Provision of Management Services

- 7.3 Wellington Water will at all times provide Management Services in accordance with this agreement. At all times during the term of this agreement, Wellington Water will provide the Management Services for Council:
- 7.3.1 in a proper, timely, cost effective and professional manner;
- 7.3.2 exercising all due care, skill and judgement, and in accordance with accepted professional and business practices and standards, including (without limitation) to the standard set out in Council's Asset Management Plans;

Contract for Provision of Management Services Relating to Water Service

- 7.3.3 in a manner designed to achieve the Objectives;
- 7.3.4 in the best interests of Council, recognising the obligations Council has to its ratepayers, citizens and stakeholders;
- 7.3.5 in a manner that does not reflect adversely on Council;
- 7.3.6 in the same priority as for other Shareholding Councils for which Wellington Water provides management services (except in an emergency affecting one or more, but not all Shareholding Councils, when priority may be given to the Shareholding Council or Shareholding Councils affected by the emergency); and
- 7.3.7 in accordance with any instructions and directions given by Council's Representative (which must be consistent with the intent and terms of this agreement), including the powers or delegations given by Council.

Variations to Management Services

- 7.4 Council may from time to time need to vary the Management Services provided by Wellington Water. In these circumstances Council will outline the proposed variation (including the need and outcomes sought) in writing.
- 7.5 Council and Wellington Water can then partner (refer Schedule 5 to determine the most effective and efficient method of achieving the outcome sought).
- 7.6 If the variation results in a change in the Management Services provided or costs incurred, Wellington Water will adjust the One Budget Charges as agreed with Council.

Variations to this Contract

- 7.7 This agreement may not be varied, apart from the specific Council information required in Schedules 1,2, 4, 8, and 9, without the prior written approval of all Shareholding Councils. This clause is for the benefit of and intended to be enforceable by the other Shareholding Councils under the Contract and Commercial Law Act 2017.

Performance Measurement and KPIs

- 7.8 Wellington Water's performance will be measured via the agreed Key Performance Indicators.
- 7.9 Wellington Water will report on other Council performance measures as agreed from time to time, but these will not form the basis of Wellington Water's performance measurement. Other Council LTP performance measures may be used to measure Wellington Water's performance, but only after these measures are agreed with Wellington Water.

Failure to perform Management Services

- 7.10 If at any time Wellington Water fails to perform any Management Services, or believes it is unlikely to be able to deliver any part of the Management Services for Council in accordance with the terms of this agreement, Wellington Water must immediately notify Council of the failure or belief in writing, and outline the steps considered necessary to remedy the situation.

Contract for Provision of Management Services Relating to Water Service

- 7.11 Council and Wellington Water can then partner (refer Schedule 5) to determine the most effective and efficient method of remedying the situation.
- 7.12 If Wellington Water fails to remedy the situation as agreed, and within a period which is reasonable in the circumstances taking into account any material risk to public health or safety or material threat to property or the environment, Council may, after consulting Wellington Water, take, or direct Wellington Water to take, any action Council considers necessary to ensure the Management Services are properly delivered and performed, and to minimise any loss or damage that might be suffered by Council or any other person as a result of Wellington Water's failure. Such action may include redirecting Management Services to a third party, the cost of which is to be met by Wellington Water.
- 7.13 Where any failure by Wellington Water to perform any Management Service materially and adversely impacts the provision of any Water Service that is essential to public health or safety or has or that threatens to damage property or the environment (or may reasonably have with the passage of time such impact or consequences) the Council may arrange for the provision of those Management Services and clauses 7.10 and 7.11 shall not apply.

Exercise of Statutory Powers

- 7.14 Council by this agreement appoints the Chief Executive Officer of Wellington Water (**CEO**) as its officer and gives the CEO the following powers to exercise on the Council's behalf:
- 7.14.1 the general powers of entry given to a local authority by section 171 of the LGA 2002;
 - 7.14.2 the powers given to a local authority in an emergency or where there is danger, by section 173 of the LGA 2002, provided Wellington Water notifies Council of the event as soon as possible; and
 - 7.14.3 the powers in relation to construction of works on private land given to a local authority by section 181 of the LGA 2002.
- 7.15 Council (acting through its Chief Executive) shall delegate to Wellington Water and Wellington Water Personnel such further Statutory Powers as are necessary to enable Wellington Water to provide the Management Services.
- 7.16 The CEO may, subject to the terms of any delegation, delegate any of the powers set out in clause 7.14 and 7.17 to Wellington Water Personnel, other than the power to further delegate the power.
- 7.17 Council may, by separate written delegation, delegate additional powers to the CEO.
- 7.18 Council may from time to time issue initial or additional sealed warrants to Wellington Water Personnel identified by Wellington Water as suitable to hold a warrant as are required to enable Wellington Water to provide the Management Services.

Compliance with laws

- 7.19 At all times during the term of this agreement Wellington Water must, in respect of operating its business, providing the Management Services and exercising the Statutory Powers:

Contract for Provision of Management Services Relating to Water Service

- 7.19.1 hold all authorisations, permits and licences required under any law; and
- 7.19.2 comply with the requirements of all applicable laws of any kind.

Compliance with policies and directions

- 7.20 Wellington Water will develop Approved Regional Policies wherever practicable. Approved Regional Policies will supersede the relevant Council policy.
- 7.21 Subject to clause 7.22, when providing the Management Services and exercising the Statutory Powers for Council, Wellington Water must, as a minimum, comply with:
 - 7.21.1 Approved Regional Policies; or
 - 7.21.2 where no Approved Regional Policy is in place, either:
 - (a) those Council Policies listed in Schedule 8 as varied from time to time and notified to Wellington Water; or
 - (b) Wellington Water's policies as agreed with Council from time to time.
- 7.22 Without limiting Wellington Water's duties and obligations under this agreement, Council may, after consulting Wellington Water, give Wellington Water by written notice such directions as Council considers reasonably necessary to:
 - 7.22.1 ensure that Council complies with its obligations under any law, bylaw, any document or Council Policy adopted by it, or any contract or arrangement to which it is a party; or
 - 7.22.2 achieve efficiency or co-ordination with any Council business or activity, provided that no consultation is required where a situation or event exists that is or may become a nuisance or danger to public health, or that threatens to damage property or the environment.
- 7.23 If:
 - 7.23.1 a variation to an Approved Regional Policy, a Council Policy or an agreed Wellington Water policy; or
 - 7.23.2 any direction provided by Council,results in a change in the Management Services provided or costs incurred by Wellington Water, Wellington Water will adjust the One Budget Charges as agreed with Council.

Protection of information systems

- 7.24 If ~~Wellington Water~~ either party is given access to ~~a Council~~ the other party's information technology system to enable Wellington Water to provide the Management Services ~~or enable Council to carry out capital works projects,~~ Wellington Water ~~the party receiving access~~ must:

Contract for Provision of Management Services Relating to Water Service

- 7.24.1 only use the system to provide the Management Services [or carry out capital works projects, as the case may be](#);
- 7.24.2 take all reasonable care in using the system, including all hardware, software and applications and observe all relevant licence agreements, Council Policies, security procedures and work practices;
- 7.24.3 not interfere with or disrupt or cause any damage to the system;
- 7.24.4 ensure that the system is protected from unauthorised access or use, or misuse, damage or destruction by any person;
- 7.24.5 ensure the integrity of all data and information held on the system is not compromised; and
- 7.24.6 follow the policies and procedures of the system to maintain the accuracy of data and information held within the system.

Continuous improvement and cost reduction initiatives

- 7.25 Council seeks to continuously improve processes and reduce costs in respect of the Water Services. Wellington Water must:
 - 7.25.1 initiate and contribute to improvement processes on an ongoing basis; and
 - 7.25.2 continuously use its best efforts to reduce Council's costs in respect of its Water Services.

4A Water Services Act

Water Services Act

- 4A.1 The Council and Wellington Water acknowledge that for the purposes of the Water Services Act:
 - 4A.1.1 Wellington Water is:
 - (a) an operator of a drinking water supply pursuant to the performance of the Bulk Water Supply Services, and is a drinking water supplier;
 - (b) a stormwater network operator in respect of the Network; and
 - (c) a wastewater network operator in respect of the Network;
 - 4A.1.2 Council is:
 - (a) an owner [and operator](#) of a drinking water supply, and is a drinking water supplier;
 - (b) a stormwater network operator in respect of the Network; and
 - (c) a wastewater network operator in respect of the Network.

Contract for Provision of Management Services Relating to Water Service

Obligations

- 4A.2 Without limiting any other provision of this agreement but subject to clauses 4A.3 and 4A.4 below, Wellington Water will:
- 4A.2.1 assist the Council to comply with its obligations under the Water Services Act in each of the capacities set out in clause 4A.1.2; and
 - 4A.2.2 provide to Council in a timely manner all documentation, information, assistance and/or co-operation as may be reasonably necessary in order for the Council to comply with each Owner Obligation,
- and the provision of such services will constitute Management Services for the purposes of this agreement.

Information

- 4A.3 Where Wellington Water requires Council to provide any information held by the Council (or any information that is held by a third party but which the Council is entitled to disclose to Wellington Water) in order for Wellington Water to comply with its obligations under this agreement (Required Information), then Wellington Water will, as soon as reasonably practicable after becoming aware that it requires such Required Information, request that Required Information from the Council in writing.
- 4A.4 As soon as reasonably practicable following receipt of a request for Required Information, Council will deliver (or procure the delivery of) such Required Information as is reasonably available to it. Any such Required Information delivered by the Council to Wellington Water will constitute Confidential Information for the purposes of this agreement.

Directions and compliance orders

- 4A.5 Where Wellington Water (acting reasonably) considers that compliance by it with any direction and/or compliance order issued to Wellington Water pursuant to the Water Services constitutes an:
- 4A.5.1 Unexpected Event, then clauses 11.14 to 11.15 will apply; and
 - 4A.5.2 Additional Service, then clauses 11.16 to 11.18 will apply.
- 4A.6 Where a conflict arises between any valid direction given to Wellington Water by the Regulator and any direction of the Council, Council Policy or Approved Regional Policy, the direction of the Regulator will prevail.

8 Representatives

Representatives

- 8.1 Each party appoints the Representative named in Schedule 1 as its Representative under this agreement. The Representatives are responsible for the day to day administration of this agreement on behalf of the party appointing them. In the case of Wellington Water, the Representative is also responsible for the day to day delivery of the Management Services and the supervision of all persons employed or engaged by Wellington Water in providing the Management Services.

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- 8.2 The Representatives must be available and able to be contacted during normal business hours. A party must notify the other party immediately should its Representative be removed or replaced, together with the contact details of its new Representative, or of any change to its Representative's contact details.
- 8.3 Each party is responsible for the acts, omissions and defaults of its Representative. Any direction, instruction, notice, approval or other communication made or given to a Representative will be deemed to have been made by or given to the party appointing that person.

9 Employees and Consultants

Employees and Consultants

- 9.1 Wellington Water must engage Personnel of good character and with the necessary skills, expertise, qualifications and training to carry out the Management Services. Wellington Water must ensure that its Personnel perform the Management Services with due care, skill and judgement, and in an efficient, professional and cost effective manner.
- 9.2 Wellington Water will require its Personnel to comply with Council Policies, Approved Regional Policies and instructions pursuant to clause 7.3.7 when performing the Management Services for Council, subject to clause 7.21, and must:
- 9.2.1 take all reasonable steps to ensure that Personnel comply with the applicable instructions, Approved Regional Policies, Council Policies or Wellington Water's policies (as applicable), and otherwise acts in a manner consistent with Wellington Water's duties and obligations under this agreement;
- 9.2.2 if it becomes aware that any Personnel has breached those instructions, Approved Regional Policies, Council Policies or Wellington Water's policies (as applicable), take all appropriate remedial steps and, in the case of a serious breach, forthwith advise the Council of the breach and the remedial steps taken; and
- 9.2.3 take appropriate action against Personnel who fail to follow, or breach, any instruction, Council Policy, Approved Regional Policy or Wellington Water policy or procedure when performing the Management Services.
- 9.3 Where a conflict occurs between a Council Policy and an Approved Regional Policy, the Approved Regional Policy will prevail.

10 Assets used to provide the Management Services and access to Water Services assets

- 10.1 Wellington Water must ensure that at all times it has sufficient and serviceable assets in order to operate efficiently and to meet its obligations under this agreement.
- 10.2 In respect of all assets accessed or used by Wellington Water in the provision of Management Services under this contract, Wellington Water must:
- 10.2.1 safeguard the assets from damage, loss and destruction; and

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- 10.2.2 keep the assets in good condition and repair (fair wear and tear excepted).
- 10.3 To the extent of carrying out Management Services, Wellington Water (or a nominated Wellington Water contractor) is entitled to access Council Water Services assets, property or infrastructure in order to discharge those Management Services.
- 10.4 Wellington Water has no power or authority to acquire or own Water Services assets or infrastructure used or to be used to provide the Water Services. All Water Services assets, property and infrastructure (whether or not in existence at the Commencement Date) used to provide the Water Services are to be owned solely by one or more Shareholding Councils.
- 10.5 The parties acknowledge that Wellington Water may acquire, lease and/or own assets used in its day to day operations in its capacity as provider of water services management services, including office space, furniture, vehicles and equipment (including IT equipment and software, tools and other technical equipment).

11 Contracts

Existing contracts

- 11.1 ~~Where, on the Commencement Date, Council is party to a contract for works, services or supply of assets relating to Water Services:~~
- 11.1.1 ~~the contract will remain with Council; and~~
- 11.1.2 ~~Wellington Water will, from the Commencement Date, manage the contract on Council's behalf to the extent that it was managed by Council prior to the Commencement Date, unless the parties (including third party contractor where required) agree to assign the contract to Wellington Water.~~
- 11.2 ~~The only exceptions to this are:~~
- 11.2.1 ~~Water races maintenance contract with Pope & Gray Contractors Ltd. However this may be reviewed in time and managed by Wellington Water.~~

Appointment of Wellington Water as principal's representative

- 11.3 So that Wellington Water may manage contracts referred to in clause 11.1 on behalf of Council, Council has or will appoint such Wellington Water Personnel as Council's representative and/or the engineer to the contract under every such contract. Council will give the required notice under each such contract to effect the appointment, and will at the same time copy that notice to Wellington Water. Wellington Water will appoint an alternative person Council's representative if Council, acting reasonably, requests this of Wellington Water. For the avoidance of doubt, clause 8.1 applies only to contracts for the Annual Work Programme.

Future contracts

- 11.4 Wellington Water will become the principal to all future contracts for Water Services, subject to clauses 11.5 through 11.12 and unless otherwise agreed in

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writing by the parties. [For the avoidance of doubt, clause 8.2 applies only to contracts for the Annual Work Programme.](#)

- 11.5 The parties acknowledge their intention that as existing contracts for operations and maintenance of Water Services and related assets expire or terminate, Wellington Water will use its best endeavours to obtain future operations and maintenance services for Council in a manner that delivers the best possible value (in terms of quality and cost) to Council including, where appropriate, by entering into procurement arrangements which benefit both the Council and one or more other Shareholding Councils.
- 11.6 Wellington Water will procure, negotiate and enter into all future contracts for Water Services in a manner:
- 11.6.1 consistent with the applicable Annual Work Programme and performance measures and approvals in relevant plans and budgets, all applicable Council Policies and/or Approved Regional Policies and using good public sector procurement practices; and
- 11.6.2 not inconsistent with Councils then current Annual Plan.
- 11.7 Wellington Water will deliver to Council:
- 11.7.1 an original of each new executed contract relating to Water Services to which Council is a principal or pursuant to which Council has rights and obligations, together with originals of all documents recording variations to such contracts. Wellington Water must retain a copy of all such contracts and any variation documents; and
- 11.7.2 on Council's request, a copy of each new executed contract relating to Water Services to which Wellington Water is a principal together with copies of all documents recording variations to such contracts.
- 11.8 Wellington Water requires prior written approval by Council before it can sign a works or construction contract that is not substantively based on either NZS3910: 2013 or NZS3915: 2005 (or any replacement or additional New Zealand Standard form construction contract) with appropriate amendments or any standard form template approved by the Shareholding Councils for use by Wellington Water.
- 11.9 The Council will pay Wellington Water any amount payable by Wellington Water as principal to a third party contract pursuant to this clause 11 as a result of the termination by Council of this agreement or Council no longer requiring Wellington Water to provide the Management Services and Wellington Water will:
- 11.9.1 use its best endeavours to reduce the amount of the payment required of it;
- 11.9.2 if requested by Council, co-operate with Council in a joint endeavour to reduce the amount of the payment; and
- 11.9.3 transfer the contract to Council as principal and Council will assume the contract.
- 11.10 Wellington Water shall ensure that each contract entered into pursuant to this agreement where Wellington Water is the Principal contains no prohibition on the transfer of such contract from Wellington Water to Council.

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- 11.11 ~~Any Water Services asset created pursuant to a contract for capital work entered into by Wellington Water will be owned by the Council or, where applicable, those Shareholding Councils which have jointly requested Wellington Water to procure the capital works in accordance with arrangements made between Wellington Water and the Shareholding Councils in relation to that asset.~~
- 11.12 ~~Any contract entered into by Wellington Water as principal pursuant to this clause 8 shall provide that any new asset shall vest in the Council on Practical Completion or handover of the asset pursuant to that contract. As between Wellington Water and Council it is agreed that any interest in any such asset vested in Wellington Water pursuant to a contract or at law shall vest in Council on Practical Completion or handover of the asset.~~
- 11.13 To the extent permitted by law the parties agree that this agreement is not intended and is not to be construed as a Construction Contract pursuant to the Construction Contracts Act 2002.

12 Resource Consents

- 12.1 Council will use its best efforts to transfer to Wellington Water all resource consents relating to Water Services assets and operations managed by Wellington Water on behalf of Council and owned by Council. Where required, Wellington Water will use its best efforts to transfer back to Council all resource consents relating to the Existing Projects: existing capital works projects.
- 12.2 Until such time as resource consents are transferred to Wellington Water or Council, as the case may be, pursuant to clause 12.1 above, Wellington Water will continue to act on behalf of Council, as if the resource consent had been transferred.
- 12.3 For the purposes of the Annual Work Programme, Wellington Water will maintain a direct relationship with the consent authority. For the purposes of capital works, Council will maintain a direct relationship with the consent authority. For resource consents in Wellington Water's name, the Council asset owner will ensure that Wellington Water's consent is obtained prior to the Council asset owner communicating with the consent authority. Such consent shall not be unreasonably withheld or delayed.
- 12.4 Wellington Water Both parties will keep Council each other informed in relation to discussions with the consent authority, according to the division of responsibility in clause 9.3. In line with clause 28.7, during discussions with the consent authority Wellington Water neither party will may not make any commitment or obligation on expenditure or other matter that may create the impression of a commitment by Council, the other party, without that party's without Council's prior written approval, such approval not to be unreasonably withheld or delayed.

13 Reports, information, reviews and records

Reports

- 13.1 Wellington Water shall deliver reports to Council in relation to the Management Services Wellington Water provides. The reports shall contain the information set out in Schedule 3 and other information Council may reasonably require to be included from time to time.

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Local Government Act 2002 Reporting

- 13.2 Wellington Water shall provide Council with reports to meet Council's reporting cycle, or at other such intervals as Council may specify to meet the requirements of the LGA 2002. This will include, but is not limited to, reports to support Council Bylaw reviews, and policy and strategy reviews.

Service Level Agreement Performance Report ("SLA Report")

- 13.3 Wellington Water shall deliver an SLA Report covering the information set out in Schedule 3 to Council in relation to the Management Services Wellington Water provides on a quarterly basis, to be delivered by the 20th day of the month following quarter end.

Activity and Operations Reports

- 13.4 Wellington Water shall provide all other reports as outlined in the agreed Annual Work Programme (**AWP**).

Budgeting and Financial Reports

- 13.5 Wellington Water shall provide all information required in a timely manner to meet Council's annual financial planning and financial reporting cycles.

Information and Audit

- 13.6 Wellington Water shall promptly provide such information relating to the Water Services and/or the Management Services as Council shall reasonably request:
- 13.6.1 where such information relates to a matter that is of material interest to an elected member or the community;
 - 13.6.2 where the information relates to a matter that constitutes a legal, financial or reputational risk or liability to the Council or could reasonably give rise to any such risk or liability;
 - 13.6.3 where the information is reasonably required to enable the Council to fulfil its obligations under any contract with a third party;
 - 13.6.4 where the information is reasonably required to enable the Council to fulfil its obligations and/or carry out its functions under any law or legislative provision; and
- Council will pay all of Wellington Water's costs and expenses incurred in fulfilling any such request.

Council audits

- 13.7 Subject to compliance with the Shareholders' Agreement entered into between the Shareholding Councils are complied with, Council may reasonably, and at its own cost, monitor and audit Wellington Water's performance in the delivery of the Management Services from time to time. An audit may take the form of spot checks and/or a more formal audit. The objective of such audit shall be to ascertain the level of compliance by Wellington Water with the requirements of this agreement, with a particular focus on the quality of the Management Services and compliance with legislation, consents and standards.

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- 13.8 Council will give the board of Wellington Water reasonable notice if a formal audit is to be undertaken and will consider feedback provided by the board on scope, timing or requisite reviewer expertise.
- 13.9 Wellington Water shall co-operate with Council and its auditors to provide access to such information, records, premises, Wellington Water personnel and subcontractors as shall be reasonably necessary to facilitate such audits.
- 13.10 In addition to the reports to be delivered under clause 13.1, Council may from time to time and at Council's cost, require Wellington Water to provide it with information concerning any aspect of the Management Services Wellington Water provides, acting reasonably. Wellington Water must endeavour to provide the information as soon as practicable or within a timeframe agreed with Council.

Reviews

- 13.11 The parties will meet to review this agreement at a time to be agreed, but no later than the third anniversary of the Commencement Date, and every third year after that. The purpose of the review will be to determine the extent to which:
 - 13.11.1 the provisions of this agreement are being complied with and are functioning adequately from a practical perspective;
 - 13.11.2 the Performance Measures and the Key Performance Indicators are appropriate; and
 - 13.11.3 any revision of the provisions of this agreement is necessary or desirable.

Records

- 13.12 Wellington Water must keep and maintain full records and documentation in relation to the Management Services and this agreement in accordance with the Public Records Act 2005, the Local Government Official Information and Meetings Act 1987, the Building Act 2004 the Water Services Act, and any applicable standards or policies. Wellington Water must keep copies of these records in hard copy and in electronic form and must deliver a full set of both to Council on termination or expiry of this agreement.
- 13.13 Wellington Water must comply with clause 13.12 during the term of this agreement and for 7 years after the agreement set out in this agreement ends.
- 13.14 On request by Council, Wellington Water must make all documents and records relating to the Management Services available to Council for inspection by Council and/or its Personnel and, if required, copying.
- 13.15 The following records are to be provided to Council when available:
 - 13.15.1 'as built' records and asset information,
 - 13.15.2 asset management system data,
 - 13.15.3 Project Information Memoranda information,
 - 13.15.4 Land Information Memorandum information,
 - 13.15.5 Building compliance information, and

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13.15.6 such other records as reasonably required by Council from time to time.

13.16 All asset data, records and documents referred to in clauses 13.12 to 13.15 must be kept and delivered (as applicable) in a form that is compatible with Council's information system and in accordance with a timeframe to be advised by Council from time to time.

14 Three Year Plan, Annual Work Programme, One Budget Charges and Additional Services

Three Year Plan and Annual Work Programme

14.1 By 1 September each year, or by another date agreed with Council, Wellington Water will provide to Council a draft rolling Three Year Plan, for the period from 1 July to 30 June of any one year.

14.2 The draft Three Year Plan will detail:

14.2.1 for the next Financial Year commencing 1 July:

- (a) the full draft Annual Work Programme;
- (b) the One Budget Charges for the next Financial Year commencing 1 July;
- (c) any proposed amendments to the Key Performance Indicators;
- (d) any amendments to the Opex Charge Scope, Management Charge Scope, Contingency Sum or the Unexpected Event Reserve Cap; and

14.2.2 for the following two Financial Years, the forecast high level Annual Work Programme and the forecast One Budget Charges.

14.3 Each year, Wellington Water and Council will agree a final Three Year Plan based on the draft provided under clause 14.1 and in accordance with the process and timeframes set out in Schedule 6. The final Three Year Plan will be approved by the Wellington Water Board and agreed in writing by the Chief Executives or delegated representatives of both Wellington Water and Council by 30 June each year, excluding any carry-forwards still to be agreed at that point.

14.4 Once agreed, the Three Year Plan may only be altered in terms of programme content and budget during the course of the Financial Year by written agreement of Wellington Water and Council.

One Budget Charges

14.5 Council will pay Wellington Water the One Budget Charges for each Financial Year as follows:

14.5.1 the Management Charge will be paid in twelve equal monthly instalments;

14.5.2 the Opex Charge will be paid in twelve equal monthly instalments; and

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- 14.5.3 the Capex Charge will be paid in monthly instalments of such sums as are agreed in the Three Year Plan, or as otherwise agreed from time to time, to finance the performance of Annual Work Programme.
- 14.6 Wellington Water will invoice Council (in advance) for each monthly instalment of One Budget Charges by the twenty fifth (25) day of the preceding month. Each invoice must separately identify the Management Charge, Opex Charge and Capex Charge.
- 14.7 Council must pay all valid GST invoices from Wellington Water for the One Budget Charges by the 10th business day of the month to which the invoice relates.
- 14.8 If the Three Year Plan is not agreed by 30 June for the following Financial Year, until such time as the Three Year Plan is agreed, the One Budget Charges will be based on the amount forecast for that year in the Three Year Plan adopted the previous Financial Year. Once the Three Year Plan is agreed, the One Budget Charges will be recalculated and the updated Three Year Plan (including the One Budget Charges) will be applied retrospectively from the start of the Financial Year.

Wellington Water to operate within One Budget Charges

- 14.9 Subject to clauses 14.4 and 14.15, Wellington Water must:
- 14.9.1 manage its operations within the agreed Management Charge; and
- 14.9.2 carry out the Annual Work Programme within the Opex Charge and the Capex Charge,
- 14.10 Wellington Water may, in its discretion and with its Board's approval, amend the allocation of funds between the Management Charge and the Opex Charge provided that the total sum of the Management Charge and the Opex Charge does not change.

Contingency Sum and treatment of overs and unders in expenditure

- 14.11 The parties acknowledge that the Opex Charge includes a Contingency Sum and agree that the Contingency Sum may be used by Wellington Water, at its discretion but subject to the reporting requirements in clause 13, during the Financial Year to manage its operations and/or fund Unexpected Events.
- 14.12 The parties acknowledge that there may be overs and/or unders in relation to expenditure of the Opex Charge and the Capex Charge against the Annual Work Programme and the following applies:
- 14.12.1 subject to clause 14.13, overs and/or unders in relation to expenditure of the Opex Charge do not require Wellington Water to repay any part of the One Budget Charges or entitle Wellington Water to increase the One Budget Charges.
- 14.12.2 the treatment of any overs and/or unders in relation to expenditure of the Capex Charge against the Annual Work Programme will be agreed by the parties as part of their regular review of expenditure and any agreed wash-up process.
- 14.13 At the end of each Financial Year, the unspent portion of the Contingency Sum (if any) will be:

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- 14.13.1 transferred to the Unexpected Event Reserve; and
- 14.13.2 to the extent that the Unexpected Event Reserve exceeds the Unexpected Event Reserve Cap, repaid to Council.

Unexpected Events and the Unexpected Event Reserve

- 14.14 The parties acknowledge that:
 - 14.14.1 the Management Services require Wellington Water to manage Unexpected Events from time to time;
 - 14.14.2 the Management Services required to respond to Unexpected Events are deemed to be Additional Services;
 - 14.14.3 despite clauses 14.16 and 14.17, Wellington Water may undertake Additional Services in response to Unexpected Events where it is impracticable for Council to instruct or authorise Wellington Water, providing that Council may subsequently, by written notice:
 - (a) instruct Wellington Water to cease such response; or
 - (b) require further Unexpected Events Costs to be agreed with Council in accordance with clause 14.17; and
 - 14.14.4 the Unexpected Events Costs will be paid in accordance with clause 14.15.
- 14.15 Unexpected Events Costs incurred by Wellington Water will be paid from the following sources, in the following order:
 - 14.15.1 from the Unexpected Event Reserve to the extent that such funds are available; then
 - 14.15.2 from the Contingency Sum, if such sum is available; then
 - 14.15.3 to the extent that the remaining balance of the Unexpected Events Costs is not available from the above sources, Council will ensure that sufficient funds are made available to Wellington Water to cover such Unexpected Events Costs.

Additional Services and contracts not covered by One Budget Charges

- 14.16 The parties acknowledge that, from time to time the parties may agree that Wellington Water will undertake Management Services that are Additional Services and, without limitation:
 - 14.16.1 Council may ask Wellington Water to carry out, or propose, Additional Services; and/or
 - 14.16.2 subject to clause 14.14.3:
 - (a) Wellington Water will notify Council if it considers that a direction from Council, or other circumstances, require it to carry out Additional Services; and

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- (b) Council will, as soon as reasonably practicable after receiving notice required by 14.16.2(a), notify Wellington Water whether or not it considers the direction or other circumstances to be Additional Services.
- 14.17 Where Council has asked Wellington Water to carry out Additional Services under clause 11.16.1, or has notified Wellington Water under clause 14.16.2(b) that it considers a direction or other circumstances to be Additional Services:
 - 14.17.1 Before the Additional Services commence (except in the case of an Unexpected Event where, for clarity, clause 14.14.3 applies) Wellington Water will advise Council as appropriate in the circumstances, either:
 - (a) the value of the Additional Services, their programme and their impact (if any) on the Annual Work Programme; or
 - (b) the mechanism under which the value of the Additional Services and the impact (if any) on the Annual Work Programme will be derived; or
 - (c) a proposed budget for the Additional Services that must not be exceeded without further agreement between the parties.
 - 14.17.2 Following receipt of Wellington Water's advice under clause 14.17.1, Council will agree, acting reasonably, with Wellington Water a value, a mechanism for valuing, or a budget (as applicable) for the Additional Services.
 - 14.17.3 If the parties are unable to agree under clause 14.17.1, the matter will be treated as a dispute and resolved in accordance with clause 25.
- 14.18 Subject to agreement having been reached under clause 14.17, Wellington Water will invoice the Council for Additional Services (in the form of a valid GST invoice and separately to invoices for the One Budget Charges) and:
 - 14.18.1 Subject to clause 14.18.2, such invoices must be paid by Council no later than the 20th of the month following the invoice date.
 - 14.18.2 Where the invoice relates to a contract where Wellington Water is the principal under the contract, Council must pay all valid GST invoices for capital works charges within seven (7) business days of receiving an invoice from Wellington Water.
- 14.19 Where, as part of the Management Services or Additional Services, Wellington Water manages a contract between Council and a third party (where Council is principal), Wellington Water must:
 - 14.19.1 ensure that invoices from the third party where appropriate are addressed to Council care of Wellington Water; and
 - 14.19.2 when satisfied that an invoice is in order for Council to pay, send an approval (as agreed between the parties) to Council to that effect together with the invoice.
- 14.20 An invoice from a third party will only be in order for Council to pay if:
 - 14.20.1 it is a valid GST invoice;

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- 14.20.2 all obligations of the third party that the invoice relates to have been met in accordance with the contract between Council and the third party;
 - 14.20.3 the invoice is for no more than the amount allowed under the contract for meeting those obligations; and
 - 14.20.4 there are no circumstances that entitle Council to, or suggest Council should as prudent business practice, dispute the invoice or withhold payment pursuant to the contract provisions.
- 14.21 Where, as part of the Management Services, Wellington Water manages a contract (where Council is principal) whereby the third party provides services to Council and another Shareholding Council, Wellington Water must:
- 14.21.1 ensure the third party accurately accounts for and invoices separately the services it provides to Council; and
 - 14.21.2 comply with clauses 14.19 and 14.20.
 - 14.21.3 Payments made by Council in relation to an invoice from Wellington Water for work undertaken on the provision of Water Services for Council must be paid promptly to the relevant supplier of that work.

Late payments

- 14.22 Where, as a result of any payment invoiced under clause 14 not being paid by the due date, Wellington Water is required to draw down on its credit facilities, the interest cost arising thereby will be charged to the Council or Shareholding Councils (as applicable).

GST

- 14.23 If any payment under this agreement is subject to GST, the amount payable is to be increased by the amount of the GST.

Disputed Invoices

- 14.24 Council will promptly pay all amounts payable by it to Wellington Water under this agreement and will not intentionally withhold or threaten to withhold any payment due to Wellington Water, notwithstanding any dispute between Council and Wellington Water, whether as to the performance of the Management Services, the amount of the invoice or otherwise.
- 14.25 On request by Council, Wellington Water will promptly provide Council with such information and analysis in connection with the calculation of any amount invoiced to Council by Wellington Water as Council may reasonably request.

15 Intellectual Property

Ownership of intellectual property

- 15.1 All Intellectual Property discovered, developed or otherwise coming into existence as a result of the performance of the Management Services for Council in particular (as opposed to as a result of the performance of the Management Services generally, which is dealt with under clause 15.2 will vest in, and belong to, Council on creation. Council grants Wellington Water a revocable, non-

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transferable and royalty free licence to exercise all Council intellectual property rights in its Intellectual Property, for the purposes of providing the Management Services to Council. Wellington Water's licence from Council terminates when this agreement terminates.

15.2 All Intellectual Property discovered, developed or otherwise coming into existence as a result of the performance of the Management Services generally and not for a particular Council, will vest in, and belong to, Wellington Water on creation. Wellington Water grants Council a perpetual, irrevocable, transferable and royalty free licence (including the right to sub-licence) to exercise all Wellington Water's intellectual property rights in its Intellectual Property.

15.3 All Intellectual Property discovered, developed or otherwise coming into existence as a result of the efforts of a third party in connection with the performance of a contract relating to Water Services between Council and that third party will, as between Council and Wellington Water, vest in, and belong to, Council. If Council obtains from a third party Intellectual Property relating to the Management Services, Council will endeavour to obtain a royalty free licence for Wellington Water to use that Intellectual Property to the extent necessary for Wellington Water to meet its obligations to Council under this agreement.

Wellington Water's material

15.4 If any material, matter or thing (including software, documentation or data) is owned by Wellington Water and such material, matter or thing is incorporated in or attached to any Intellectual Property owned by Council (whether pursuant to clause 15.1 or otherwise), Wellington Water grants Council a perpetual, irrevocable, transferable and royalty free licence (including the right to sub-licence) to exercise all intellectual property rights in such material, matter or thing for the purpose of accessing and using the Intellectual Property owned by Council as referred to in this clause.

No infringement

15.5 Wellington Water must not infringe the intellectual property rights of Council or a third party in connection with this agreement.

16 Operation and management of Wellington Water

16.1 Without limiting the obligations and duties of Wellington Water or its directors, Wellington Water:

16.1.1 must comply with the objectives in section 59 of the LGA 2002, including to be a good employer, to exhibit a sense of social and environmental responsibility and to conduct its affairs in accordance with sound business practice;

16.1.2 must make all decisions in accordance with its statement of corporate intent and its constitution in accordance with section 60 of the LGA 2002;

16.1.3 must maintain operative business continuity plans, emergency response plans, and alternative site arrangements for the Water Services and the Management Services;

16.1.4 must maintain operative and health and safety plans for all Water Services, Management Services, operational activities ~~and capital projects~~; and

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16.1.5 must comply with all relevant legislation.

17 Confidentiality

Obligations of confidence

- 17.1 Where ~~Wellington Water either party~~ receives Confidential Information from ~~Council the other party~~ under this agreement or otherwise in connection with the Management Services ~~or capital works projects~~, ~~Wellington Water the receiving party~~ must:
- 17.1.1 keep the Confidential Information confidential;
 - 17.1.2 not use, disclose or reproduce the Confidential Information for any purpose other than the purposes of this agreement;
 - 17.1.3 not, without ~~Council's the other party's~~ written consent, disclose Confidential Information to any person other than its personnel or ~~Council's the other party's~~ personnel who need the information for the purposes of this agreement; and
 - 17.1.4 establish and maintain effective security measures to safeguard the Confidential Information from unauthorised access, use, copying or disclosure.

Further permitted use and disclosure

- 17.2 Notwithstanding clause 17.1, ~~Wellington Water either party~~ may use or disclose Confidential Information to the extent necessary to:
- 17.2.1 comply with any law, binding directive of a regulator or a court order; or
 - 17.2.2 obtain professional advice in relation to matters arising under or in connection with this agreement.
- 17.3 Where ~~Wellington Water either party~~ believes it is required to disclose ~~Council's the other party's~~ Confidential Information pursuant to the Local Government Official Information and Meetings Act 1987, ~~Wellington Water that party~~ must notify and consult with ~~the other party Council~~ prior to any disclosure of the information and, where appropriate, ~~Wellington Water~~ will refer the request for Confidential Information to ~~Council the other party and Council who~~ will take responsibility for the request.

Exclusions

- 17.4 Clause 17.1 does not apply to Confidential Information:
- 17.4.1 which was known to ~~Wellington Water the parties~~ at the time of disclosure, unless such knowledge arose through the breach of an obligation of confidence known to ~~Wellington Water the other party~~; or
 - 17.4.2 which ~~Wellington Water either party~~ acquires from a third party (other than Council or ~~Wellington Water~~ personnel) where that third party was entitled to disclose it.

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Responsibility for Personnel

- 17.5 ~~Wellington Water Both parties~~ must ensure that its Personnel do not do, or omit to do anything, which if done or omitted to be done by ~~Wellington Water that party,~~ would breach this clause 17.

Undertakings from Personnel

- 17.6 ~~Council Either party~~ may at any time require any Personnel of ~~Wellington Water the other party~~ engaged in the performance of obligations under this agreement to give written undertakings in a form prepared ~~by Council agreed between the parties~~ relating to the non-disclosure of the Confidential Information and ~~Wellington Water the other party~~ must promptly arrange for all such undertakings to be given.

Notification of unauthorised use

- 17.7 ~~Wellington Water Both parties~~ must immediately notify ~~Council the other~~ of any potential, suspected or actual unauthorised use, copying or disclosure of Council's Confidential Information.

Return of Confidential Information

- ~~17.8~~ ~~Wellington Water Both parties~~ must immediately on demand or on completion or termination of this agreement, return to ~~Council the other~~ any documents in its possession, power or control containing Confidential Information. ~~Wellington Water must not retain copies of any Council Confidential Information in any form.~~

Obligations to continue after agreement ends

- 17.9 All obligations of confidence set out in this agreement continue in full force and effect after the agreement set out in this agreement ends.

18 Warranties

General warranties

- 18.1 Each party represents and warrants to the other on a continuing basis that:
- 18.1.1 it has full corporate power to enter into and give effect to this agreement and to complete the transactions contemplated by this agreement;
 - 18.1.2 it has taken all necessary action to authorise the execution, delivery and performance of this agreement;
 - 18.1.3 at the date of this agreement, the execution, delivery and performance of this agreement by it does not contravene any contractual, legal or other obligations that apply to it; and
 - 18.1.4 on execution of this agreement, its obligations under this agreement will be valid, binding and enforceable.

Performance of Management Services

- 18.2 Wellington Water represents and warrants to Council on a continuing basis that:

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- 18.2.1 Wellington Water holds all licences, permits, consents and authorisations required under any law in relation to the provision of the Management Services and will continue to do so at all times during the term of this agreement; and
- 18.2.2 Wellington Water will use its best endeavours to meet or exceed both the Performance Measures and the KPIs.

19 Liability

Limited liability

- 19.1 Subject to clause 19.2, Wellington Water will not be liable in damages to Council, nor will Council be liable in damages to Wellington Water, for any claims, actions, liabilities, loss, costs or expenses whatsoever arising directly or indirectly out of any damage or loss arising from any breach of this agreement by Wellington Water or Council (as the case may be), or from any negligence, act or omission of it or its respective Personnel.
- 19.2 Despite clause 19.1:
 - 19.2.1 a party is liable to pay all amounts properly payable by that party to another party pursuant to this agreement;
 - 19.2.2 ~~Wellington Water must undertake any actions necessary to protect Council's interests, including any follow up action required in situations of possible or actual loss (economic or otherwise) to Council; and~~
~~Both parties must undertake any actions necessary to protect the other party's interests, including any follow up action required in situations of possible or actual loss (economic or otherwise) to the other party; and~~
 - 19.2.3 if ~~Wellington Water either party~~ recovers compensation from a third party (including an insurer) in respect of an occurrence that ~~Wellington Water the party receiving compensation~~ would, in the absence of clause 20.1, ~~be liable to the other party for, the party receiving compensation be liable to Council for, Wellington Water will be liable to pay the other party the compensation recovered, less the party receiving compensation's reasonable costs, to Council the compensation recovered by Wellington Water, less Wellington Water's reasonable costs.~~

Third party claims

- 19.3 In respect of each claim made, or action taken, against Wellington Water by a third party (other than Wellington Water's Personnel) which Wellington Water may incur in, or which may arise from, it carrying out its duties and obligations to Council under this agreement, Council will pay the amount of:
 - 19.3.1 Wellington Water's liability to the third party; and
 - 19.3.2 Wellington Water's losses, costs and expenses,to the extent that Wellington Water cannot recover these amounts under its insurance (including the amount of any excess) or from a third party. Wellington Water will invoice the Council for these amounts (in the form of a valid GST invoice and separately to invoices for the One Budget Charges) and Council must

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pay each such valid GST invoice within seven (7) business days of receiving an invoice from Wellington Water.

19.4 Where a claim to which clause 19.3 may apply is made against Wellington Water, Wellington Water must:

19.4.1 forthwith advise Council of the claim; and

19.4.2 comply with any directions given at any time by Council to Wellington Water in relation to the claim to protect Council's interests including follow up action required in situations of possible or actual loss (economic or otherwise).

19.5 Council is authorised by Wellington Water to notify other Shareholding Councils of any such third party claim.

19.6 If Council has paid a liability of Wellington Water pursuant to clause 19.3 and Wellington Water recovers compensation under its insurance or from a third party in respect of the occurrence giving rise to the liability, Wellington Water will pay to Council the compensation recovered by Wellington Water, but not exceeding the amount paid by Council, less Wellington Water's reasonable costs.

19.7 Clause 19 refers to claims, actions, liabilities, losses, costs or expenses whatsoever arising directly or indirectly out of damage or loss of any activity undertaken by Wellington Water in the provision of Management Services without limitation, irrespective of whether the Management Services consist of capital works, maintenance, operations, activities or provision of advice.

20 Insurance

Insurance

20.1 While Wellington Water is providing services (whether to Council or third parties), Wellington Water must maintain:

20.1.1 public liability insurance for an amount not less than \$20 million in respect of any claim;

20.1.2 professional indemnity insurance for an amount not less than \$5 million in respect of any claim by a third party;

20.1.3 motor vehicle insurance for an amount not less than \$2 million in respect of any claim by a third party;

20.1.4 general insurance for repair and replacement of all items used by Wellington Water to provide the Management Services that are lost or damaged; and

20.1.5 statutory liability insurance for an amount not less than \$2 million in respect of any claim.

20.2 Council must maintain insurance of Water Services assets the subject of the Management Services as a council would reasonably procure which may include such self-insured portion as the Council shall elect.

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- 20.3 Subject to the termination transition arrangements in clause 23, Wellington Water's professional indemnity cover should be maintained for a period of 6 years after the expiry or termination of this agreement.

Insurer and terms

- 20.4 Each policy maintained in accordance with this clause 20 must be with a reputable insurer and be on terms commonly acceptable in the current insurance market.

Protection of insurance

- 20.5 Each party must comply with and observe the terms of all insurance policies referred to in clauses 20.1 and 20.2 and must not do anything which could result in any policy being rendered void or voidable. Each party must also comply with the terms of any notification or management process for a claim under a policy referred to in clauses 20.1 and 20.2.

Evidence of insurance

- 20.6 Each party must deliver to the other party evidence satisfactory to the other party that it has a particular insurance policy and that the policy is current. This should be delivered to each party's representative under this agreement as soon as possible following a request from the other party to do so.

21 Termination

- 21.1 Council may give Wellington Water written notice immediately terminating this agreement if Wellington Water ceases to carry on business, is about to become insolvent, or has a liquidator appointed to it or a receiver appointed for all or any of its assets.
- 21.2 Council may terminate this agreement on not less than twelve (12) weeks' written notice to Wellington Water if:
- 21.2.1 Wellington Water is in material breach of this agreement; and
 - 21.2.2 the breach is capable of remedy; and
 - 21.2.3 Wellington Water has not remedied the breach within sixty (60) days after receiving notice requiring it to do so.
- 21.3 Council may terminate this agreement on not less than six (6) months' written notice to Wellington Water if Wellington Water fails to achieve a Mandatory Key Performance Indicator in any three consecutive years.
- 21.4 Either party may terminate this agreement with effect as at 30 June in any year provided it gives written notice of termination to the other party no later than 30 June the previous year and the party giving notice has the written agreement of five (5) of the six (6) Shareholding Councils.
- 21.5 Council may terminate this agreement with effect from any given date provided it gives written notice of termination to Wellington Water and to the other Shareholding Councils no later than 36 months previous to that date.

Three Waters Structural Reform

- 18A.1 Council and Wellington Water acknowledge that the Crown (through the

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Department of Internal Affairs) has progressed a national programme for the transformation of local government three waters service delivery arrangements (**Crown Reform Proposal**), which would see the creation, by statute, of four new water service delivery entities that would be responsible for the ownership of all assets associated with, and the delivery, supply and management of, drinking water, stormwater and wastewater.

18A.2 Each of Council and Wellington Water acknowledges that if the Crown implements the Crown Reform Proposal, then it may be necessary to transition and migrate some or all of the Management Services, Bulk Water Supply Services, Network and/or any other matter contemplated by this agreement to one or more service delivery entities established as part of the Crown Reform Proposal. To the extent that any such transition or migration is required in connection with the Crown Reform Proposal, then each of Wellington Water and the Council will:

18A.2.1 act in good faith to:

- (a) jointly develop and agree a transition plan, setting out the respective tasks to be accomplished by each party in connection with an orderly transition to the arrangements as set out under the Crown Reform Proposal and a schedule for the completion of the tasks;
- (b) agree any amendments to the Management Services as may be necessary in connection with the transition to the arrangements as set out under the Crown Reform Proposal,

in each case on the basis that unless otherwise required pursuant to the Crown Reform Proposal, Wellington Water will continue to deliver the Management Services in accordance with the terms of this agreement and all applicable laws (until such time as these arrangements are terminated by the Crown Reform Proposal); and

18A.2.2 perform their respective tasks under the transition plan developed under clause 18A.2.1.

18A.3 The parties acknowledge that the Crown may request that Wellington Water assists with the transition to any Crown Reform Proposal, including by way of establishing a transition unit within Wellington Water and/or transferring or seconding personnel to a new agency (**Transition Services**). Following any such request, Wellington Water will use commercially reasonable endeavours to procure funding from the Crown for all or part of the costs of any new employees, seconded employees or transferred employees that Wellington Water is required to engage or provide in connection with the Transition Services, provided that any costs or expenses that Wellington Water incurs in connection with any such Transition Services and which it is not able to recover from the Crown will constitute Management Charges for the purposes of this agreement.

18A.4 Wellington Water confirms that it will provide the Transition Services, if any, in accordance with good industry practice and in a manner that minimises the costs and expenses of those Transition Services to the extent reasonably practicable.

18A.5 If the Crown requests that Wellington Water second and/or transfers any Wellington Water employees to a new agency in connection with the Crown Reform Proposal, then where Wellington Water considers (acting reasonably) that the secondment or transfer of such employee may adversely impact the performance of the Management Services, then:

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- 18A.5.1 Wellington Water will notify the Council, including such detail as may be reasonably necessary for the Council to assess the potential impact to the Management Services and/or costs arising out of the transfer or secondment of such employee; and
- 18A.5.2 Wellington Water will consult with each Shareholding Council (including the Council) in respect of any such secondment or transfer (including the terms thereof) prior to approving any such secondment or transfer.
- 18A.6 The parties acknowledge that clauses 19 and 20 of this agreement shall be without prejudice to any termination, transition and/or migration arrangements in respect of the Management Services, Bulk Water Supply Services, the Network and/or any other matter contemplated by this agreement pursuant to statute or other legislative instrument in connection with the Crown Reform Proposal.

22 Obligations at end of agreement

Return of property

- 22.1 When this agreement ends, whether by expiration of the term or on earlier termination:
- 22.1.1 all sums outstanding or incurred in relation to this agreement prior to the Expiry Date or termination must be immediately paid;
- 22.1.2 Council may instruct Wellington Water to:
- (a) continue providing all or part of the Management Services while termination transition takes place under clause 23, at a reasonable cost based on, and no more than, the charges then payable under this agreement;
 - (b) deliver all or any part of the Property to an address nominated by Council;
 - (c) make all or any part of the Property available for collection, at the premises of Wellington Water at an agreed time;
 - (d) permit Council's Personnel to have access to Wellington Water's premises for the purposes of removing all or any part of the Property;
 - (e) reasonably assist Council or its new service provider to install Council's equipment and any other equipment procured by Council in connection with the termination transition;
 - (f) retain or destroy all or any part of the Property; and/or
 - (g) proceed with termination transition under clause 23 in relation to the relevant Service(s).
- 22.2 Wellington Water must immediately comply with any instructions given by Council pursuant to clause 22.1.2.

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- 22.3 Council will pay Wellington Water's reasonable costs and expenses incurred in complying with clause 22.1 insofar as such compliance requires the performance of:
- 22.3.1 services in addition to the Management Services;
 - 22.3.2 the Management Services after the expiration or termination of this agreement.

Consequences of termination

- 22.4 If this agreement expires or is terminated for any reason:
- 22.4.1 each party retains its rights under this agreement and at law in respect of any breach of this agreement by the other party;
 - 22.4.2 Wellington Water will not be entitled to any other payment or any compensation as a result of termination, subject to clause 22.3; and
 - 22.4.3 the parties will agree in good faith whether any part of the One Budget Charges received by Wellington Water (and that have not been spent or irrevocably committed as part of the Management Services) should be repaid to Council.

Clauses survive expiration or termination of agreement

- 22.5 This clause and the following clauses will survive the expiration or termination (for whatever reason) of this agreement:
- 22.5.1 clauses 13.1 through 13.12 (Reports, information, reviews and records);
 - 22.5.2 clause 15 (Intellectual Property);
 - 22.5.3 clause 17 (Confidentiality);
 - 22.5.4 clause 19 (Liability);
 - 22.5.5 clause 22 (Obligations at end of agreement);
 - 22.5.6 clause 23 (Termination transition);
 - 22.5.7 clause 25 (Dispute resolution); and
 - 22.5.8 any other clauses that make provision for continued operation.

23 Termination transition

- 23.1 Wellington Water acknowledges and agrees that both prior to and following the expiry or termination of the agreement set out in this agreement, Council must be able to maintain continuity of services whilst finding a new service provider for the ongoing provision of the Management Services, or resume providing the Management Services itself.
- 23.2 Wellington Water will comply with Council's reasonable directions to effect an orderly transition and migration of the Management Services from Wellington Water to the new service provider in accordance with the following procedures:

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- 23.2.1 Wellington Water and Council will promptly and jointly develop and agree a transition plan, setting out the respective tasks to be accomplished by each party in connection with an orderly transition and a schedule for the completion of the tasks;
- 23.2.2 Wellington Water and Council will perform their respective tasks under the transition plan developed under clause 23.2.1;
- 23.2.3 Wellington Water and Council will discuss the transfer of any Wellington Water employees that Wellington Water identifies as being surplus to its requirements or who Council requests to be transferred;
- 23.2.4 Wellington Water will transfer to Council any assets originally transferred to Wellington Water by Council and which are still held by Wellington Water and have not been paid for, and any other assets which Wellington Water identifies are surplus to its requirements and which Council requests to be transferred;
- 23.2.5 Wellington Water will, upon request, provide Council with detailed specifications for any equipment which Council or any new service provider will require to properly perform the Management Services;
- 23.2.6 where it is reasonably necessary to do so in order to maintain continuity of the Management Services, Wellington Water will deliver to Council all data (in electronic form compatible with Council's information system) which is being used by Wellington Water in connection with the Management Services;
- 23.2.7 Wellington Water will provide any training reasonably requested by Council for its employees or employees of the new service provider who will have responsibility for the Management Services following termination transition; and
- 23.2.8 Wellington Water will provide all information relating to the Management Services reasonably requested by Council by written notice.
- 23.3 Unless this agreement has been terminated by Council due to a breach of the agreement by Wellington Water that has not been remedied in accordance with clause 21.2, Council will pay Wellington Water its reasonable costs and expenses in complying with clause 23.2 insofar as such compliance requires:
- 23.3.1 the performance of services which are in addition to the Management Services.
- 23.3.2 performance of the Management Services after the expiration or termination of this agreement.
- 24 Partnering**
- 24.1 Wellington Water and Council agree that where practicable their relationship under this agreement will be characterised by the 'partnering' style of relationship as set out in Schedule 5 and in accordance with the following:
- 24.1.1 Partnering is a method of operating a contractual relationship to promote prompt and constructive communication and a problem solving approach between the parties. Partnering has three primary objectives:

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- (a) ensuring that the contract operates smoothly;
 - (b) to promote value adding to both the provision of the Management Services and each party's separate interests; and
 - (c) to facilitate the avoidance of disputes;
- 24.1.2 the parties will implement partnering in this agreement in accordance with the style of partnering set out in Schedule 5.
- 24.1.3 the use of partnering techniques and the adoption of the style of partnering set out in Schedule 5 does not in any way imply any fiduciary obligations, obligation of good faith, partnership and/or joint venture between the parties; and
- 24.1.4 the partnering information set out in Schedule 5 is subordinate to the provisions of this agreement and shall not be considered as overriding, amending or waiving any contractual rights or obligations.

25 Dispute resolution

Meeting to attempt to resolve disputes

- 25.1 If a dispute arises under this agreement, a party to the dispute may at any time give written notice to the other party to the dispute requesting that a meeting take place to seek to resolve the dispute. The Representatives of the parties to the dispute must meet within ten business days of the giving of the notice and endeavour to resolve the dispute in good faith.
- 25.2 If such meeting does not take place or if five business days after the meeting the dispute remains unresolved, the dispute must be referred to the Chief Executives of the parties who must negotiate in good faith to resolve the dispute. If after five business days of the dispute being referred to the Chief Executive the dispute remains unresolved, a party to the dispute may refer it to the mediation of a single mediator.
- 25.3 The referral to mediation shall be commenced by one party to the dispute serving written notice (a Mediation Notice) on the other party requiring the dispute to be referred to a mediator to be appointed by the parties. Failing agreement within five business days after, and exclusive of, the date of service of the Mediation Notice, the mediator shall be appointed at the request of either party by the chairperson or any other office holder for the time being of the Resolution Institute, or the nominee of such chairperson or other office holder. The guidelines that govern the mediation shall be set by the parties. Failing agreement within five business days after the appointment of the mediator, either party may request the mediator to set the guidelines (whether or not in conjunction with such party) that govern the mediation proceedings.
- 25.4 The parties acknowledge that the purpose of exchange of information or documents or the making of any offer of settlement pursuant to clauses 25.2 and 25.3 is to attempt to settle the dispute between the parties. Neither party may use any information, documents or offer obtained solely by reasons of clauses 25.2 and 25.3 for any purpose other than in an attempt to settle the dispute in the context of negotiation and mediation.
- 25.5 Subject to any right any party may have to apply to a court for any interim or preliminary relief in respect of the dispute, completion or termination of the

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mediation shall be a condition precedent to the arbitration of the dispute or any part of it.

- 25.6 If the parties are unable to resolve the dispute by mediation within ten business days of the establishment of the mediation guidelines, the dispute shall be referred to and finally resolved by arbitration by a sole arbitrator under the Arbitration Act 1996. The arbitral proceedings shall be commenced by one party serving written notice (an Arbitration Notice) on the other and requiring the dispute to be referred to arbitration. The arbitrator shall be appointed by the parties, or failing agreement within five business days after, and exclusive of, the date of service of the Arbitration Notice, shall be appointed at the request of either party by the president or vice-president for the time being of the New Zealand Law Society or the nominee of such president or vice-president. The arbitration shall be conducted as soon as possible at Wellington, New Zealand. Clauses 3 and 6 of the Second Schedule of the Arbitration Act 1996 shall apply to any arbitral proceedings under this agreement. All other clauses in the Second Schedule shall not apply.
- 25.7 Each party shall bear its own costs, expenses and fees incurred pursuant to clauses 25.2, 25.3 and 25.6 and shall equally share the mediator's and arbitrator's fees and expenses.
- 25.8 Every party to a dispute shall act promptly with respect to the appointment of any mediator or arbitrator and in respect of all other matters and proceedings relating to the mediation and arbitration.
- 25.9 The parties to a dispute will be bound by any decision or award of the arbitrator made in accordance with the Arbitration Act 1996, subject to the rights of appeal provided by that Act.

Performance of obligations

- 25.10 During a dispute, the parties to it must continue to perform their respective obligations under this agreement.

Interlocutory relief and right to terminate

- 25.11 Clauses 25.1 to 25.10 do not restrict or limit the right of either party to obtain interlocutory relief, or to immediately terminate this agreement where this agreement provides such a right.

26 Priority

- 26.1 In the event of any inconsistency, this agreement must be interpreted in accordance with the following order of priority:
- 26.1.1 the terms and conditions set out in the body of this agreement; then
 - 26.1.2 the Schedules; and then
 - 26.1.3 any other documents or information incorporated by reference into this agreement.

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27 Notices

Giving notices

27.1 Any notice, consent, information, application or request that must or may be given or made to a party under this agreement is only given or made if it is in writing and sent in one of the following ways:

27.1.1 delivered or posted to that party at its address set out in Schedule 1; or

27.1.2 emailed to that party at the email address set out in Schedule 1.

Change of address or email

27.2 If a party gives the other party three business days' notice of a change of its postal address or email address, any notice, consent, information, application or request is only given or made by that other party if it is delivered, posted or emailed to the latest address or email address.

Time notice is given

27.3 Any notice, consent, information, application or request is to be treated as given or made at the following time:

27.3.1 if it is delivered, when it is left at the relevant address;

27.3.2 if it is sent by post, two business days after it is posted; or

27.3.3 if it is sent by email, one business day after it is sent.

27.4 If any notice, consent, information, application or request is delivered or received on a day that is not a business day, or if on a business day, after 5 pm on that day in the place of the party to whom it is sent, it is to be treated as having been given or made at the beginning of the next business day.

28 Miscellaneous

Approvals and consent

28.1 Except as otherwise set out in this agreement, an approval or consent to be given under this agreement may not be unreasonably withheld, and may be given subject to reasonable conditions.

Assignment

28.2 A party may not assign any of its rights or obligations under this agreement without the prior written consent of the other party.

Costs

28.3 Except as otherwise set out in this agreement, each party must pay its own costs in relation to preparing, negotiating and executing this agreement and any document related to this agreement.

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Execution of separate agreements

28.4 This agreement is properly executed if each party executes either this agreement or an identical agreement. In the latter case, this agreement takes effect when the separately executed agreements are exchanged between the parties.

Further acts

28.5 Each party must promptly execute all documents and do all things that another party from time to time reasonably requests to effect, perfect or complete this agreement and all transactions incidental to it.

No agency or partnership

28.6 The relationship between the parties is that of principal and contractor. Wellington Water must not represent itself as an agent or representative of Council except where required to perform the Management Services in accordance with this agreement.

No authority to act

28.7 No party has any power or authority to act for or to assume any obligation or responsibility on behalf of another party, to bind another party to any agreement, negotiate or enter into any binding relationship for or on behalf of another party or pledge the credit of another party except as specifically provided in this agreement or by express written agreement between the parties.

Severability

28.8 If a clause or part of a clause of this agreement can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way. If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this agreement, but the rest of this agreement is not affected.

Survival of indemnities

28.9 Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the indemnifying party and survives termination of this agreement.

Variation

28.10 No variation of this agreement will be of any force or effect unless it is in writing and signed by the parties to this agreement and is in accordance with clause 7.7.

Waiver

28.11 The fact that a party fails to do, or delays in doing, something the party is entitled to do under this agreement, does not amount to a waiver of any obligation of, or breach of obligation by, another party. A waiver by a party is only effective if it is in writing. A written waiver by a party is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

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29 Definitions and interpretation

Definitions

29.1 In this agreement the following definitions apply:

drinking water, drinking water supplier, drinking water supply, operator, owner, stormwater network, stormwater network operator, wastewater network, wastewater network operator have the meanings given to them in the Water Services Act.

Additional Services means management services:

- (a) included within the Three Year Plan or Annual Work Programme, but not covered by the Management Charge Scope, Opex Charge Scope or Capex Scope (as applicable);
- (b) not included in the agreed Annual Work Programme (including, without limitation, any management services in connection with a Supply Network Event); and/or
- (c) carried out in response to Unexpected Events.

Amendment Agreement (First) means the amendment and restatement agreement dated _____ 2021 between Wellington Water and Council, pursuant to which this agreement was amended and restated.

Amendment and Restatement Date means the "Effective Date", as such term is defined in Amendment Agreement (First).

Annual Work Programme means ~~the operations and maintenance and reactive renewals prepared and agreed in accordance with clause 11, of all Management Services to be undertaken in a financial year. For the avoidance of doubt, Annual Work Programme (as defined in this agreement) does not including any capital works projects. e programme prepared and agreed in accordance with clause 14, of all Management Services to be undertaken in a financial year including:~~

~~the detailed work programme;~~

~~timing of work;~~

~~any changes to Key Performance Indicator targets; and~~

~~any specific detailed Council requirements set out in Schedule 9.~~

Approved Regional Policy means a regional policy developed by Wellington Water and agreed by the Shareholding Councils, or:

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- (a) where the regional policy does not relate to Bulk Water Supply, agreed by the Four Cities; or
- (b) where the regional policy relates solely to Bulk Water Supply, agreed by GWRC.

Asset Management Plans means those as described as a requirement in the LGA 2002 and approved by Council.

Bulk Water Supply means the provision of drinking water to the points of supply to each of the Four Cities using GWRC's bulk water network.

Capex Charge means the annual charge agreed with the Council in the Three Year Plan (based on agreed values determined in Council's annual planning process), to be utilised by Wellington Water for [payments of capital expenditure due under Water Services capital works contracts payments of capital expenditure due under the Annual Works Programme](#) that fall within the Capex Charge Scope.

Capex Charge Scope means the capital works costs covered by the Capex Charge as detailed in the Annual Work Programme.

Commencement Date is as set out in Schedule 1.

Companies Act means the Companies Act 1993.

Confidential Information means any information provided by [Council either party \(or either party's Personnel\) for any of its Personnel to Wellington Water or any of its Personnel](#), or otherwise obtained by [Wellington Water either party](#) or any of its Personnel, whether obtained before or after execution of this agreement, in connection with Council [or Wellington Water](#), the Management Services or this agreement. It includes:

- (a) all confidential business information, documents, records, financial information, personal information under the Privacy Act 1993, reports, technical information and forecasts which relate to [Council either party](#) or its operations;
- (b) [Wellington Water or](#) Council's Property;
- (c) [Wellington Water or](#) Council's Intellectual Property; and
- (d) any information created under or arising out of the provision of Management Services under this agreement including information which Council could lawfully withhold under the Local Government Official Information and Meetings Act 1987.

It does not include:

- (a) information which is in or becomes part of the public domain, other than through a breach of this agreement of an obligation of confidence owed to [Council either party](#) or any of its Personnel; or
- (b) which [Wellington Water either party](#) can prove by contemporaneous written documentation was independently acquired or developed without breaching any of the obligations set out in this agreement.

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Contingency Sum means the values that are not allocated to specific services, work or projects in the Annual Work Programme but that are included in the operational budget agreed with Council as part of the Three Year Plan for performance of the Annual Work Programme.

Council Policies means standards, policies and similar written documents in force for Council that relate to or govern the provision of Management Services or Water Services. The Council Policies provided at Commencement date are listed in Schedule 8.

Drainage Services means the collection, treatment and disposal of wastewater, and the disposal of stormwater drainage in the jurisdiction of Council.

Expiry Date is as set out in Schedule 1.

Financial Year means a twelve month period commencing on 1 July and ending on 30 June.

Four Cities means WCC, UHCC, HCC and PCC.

Governance Charge means the monthly charge for Wellington Water's governing expenses including directors' fees and professional indemnity insurance, audit fees and other consultancy fees relating to Wellington Water's governance.

GST means the goods and services tax levied under the Goods and Services Tax Act 1985.

HSE Act means the Health and Safety at Work Act 2015.

Intellectual Property includes copyrights, patents, trademarks, designs, brands, logos and circuit layouts, inter alia.

Key Performance Indicators (KPIs) means the standards agreed by Wellington Water and Council annually by which Wellington Water's performance under this agreement will be assessed, as set out in Wellington Water's Statement of Intent (prepared in accordance with the LGA 2002) and/or as otherwise agreed from time to time (including in the Three Year Plan), with agreed individual targets for Council.

LGA 2002 means the Local Government Act 2002.

Long Term Plan (LTP) means as described as a requirement in the LGA 2002.

Loss means any loss including any liability, cost, expense (including legal costs on a full indemnity basis), claim, proceeding, action, demand or damage.

Management Charge means the annual charge agreed with the Council in the Three Year Plan in the relevant year for:

- (a) Wellington Water's internal costs of providing the Management Services (in respect of both operational and capital activities), in accordance with the Annual Work Programme;
- (b) complying with applicable law in connection with the performance of the Management Services; and

Contract for Provision of Management Services Relating to Water Service

(c) the Governance Charge,

as further described in the Management Charge Scope.

Management Charge Scope means the scope of management costs covered by the Management Charge, as set out in Schedule 4.

Management Services means both the internal and external supply of labour, personnel, professional and consultant services to the Council which are necessary or desirable to carry out on the Council's behalf the management of the Water Services as agreed in the Annual Work Programme [as set out in Schedule 2, and which may include, without limitation, those services listed in Schedule 2.](#)

Mandatory Key Performance Indicators means the critical KPIs agreed from time to time as mandatory KPIs and set out in Wellington Water's Statement of Intent (prepared in accordance with the LGA 2002) and/or the Three Year Plan.

Network means all of the pipelines, treatment stations, reservoirs and other assets of the Council that are owned by it or used in the provision of Water Services to consumers of the Council, the collection, treatment and disposal of sewage and stormwater drainage, and includes any additions or new assets added to the Network during the term of this contract.

Objectives means the objectives set out in clause 5.

One Budget Charges means the Management Charge, Opex Charge and Capex Charge.

Opex Charge means the annual charge agreed with the Council in the Three Year Plan for the relevant year (based on agreed values determined in Council's annual planning process), to be utilised by Wellington Water for payments of the operational costs due under Water Services operations and maintenance contracts as further detailed in the Opex Charge Scope, and includes the Contingency Sum.

Opex Charge Scope means the scope of operational costs covered by the Opex Charge, as set out in Schedule 4.

Owner Obligation means each of the following obligations of Council as owner of a drinking water supply under the Water Services Act that are not an obligation on the operator of such drinking water supply:

- (a) registering a drinking water supply, and renewing the registration of the drinking water supply, in accordance with ss23 and 56 of the Water Services Act;
- (b) preparing and lodging a drinking water safety plan with the Regulator in relation to Council's drinking water supply, in accordance with s30 of the Water Services Act; and
- (c) notifying the Regulator of any change in the registered drinking water supply information provided under s54(2), in accordance with s56(3) of the Water Services Act.

Performance Measures means any other performance measures that are not Key Performance Indicators (however described) relating to Management Services included in the Council LTP, Annual Plan, Asset Management Plans, business plans or contracts.

Contract for Provision of Management Services Relating to Water Service

Personnel means any director, officer, employee, agent, contractor or professional adviser of a party.

Property means all property of Council held by Wellington Water from time to time in connection with the performance of this agreement including, without limitation, documents, data and records relating to the Management Services and associated assets and infrastructure, and documents, data and records produced by Wellington Water in connection with providing the Management Services to Council.

Regulator means Taumata Arowai, in its capacity as water services regulator established by section 8 of the Taumata Arowai-the Water Services Regulator Act 2020.

Representative means each party's representative appointed under clause 8 and specified in Schedule 1.

Shareholding Councils means the councils that are shareholders in Wellington Water. At Amendment and Restatement Date, these are GWRC, WCC, HCC, UHCC, PCC and SWDC.

SLA Report means the reporting as outlined in Schedule 3.

Statutory Powers means the statutory responsibilities, duties and powers given to Council by statute, and delegated to Wellington Water by Council under this agreement.

Supply Network Event means any requirement issued by the Regulator to Wellington Water or Council that the Council must take action under section 127(2) of the LGA 2002.

Three Year Plan means the three year plan prepared and agreed in accordance with clause 14, of Management Services to be undertaken in the three year period covered by the plan, including the Annual Work Programme and the One Budget Charges.

Unexpected Event means an event requiring management of Water Services that is not in the Annual Work Programme, being an event beyond the reasonable control of Wellington Water or the Council including acts of god, floods, storms, earthquakes, fires, power failures, riots, strikes, lockouts, war, terrorism or government action.

Unexpected Event Costs means costs due under Water Services operations and maintenance contracts to manage Unexpected Events.

Unexpected Event Reserve means the amount of any unspent Contingency Sum (up to the Unexpected Event Reserve Cap) retained by Wellington Water and available to pay for operational costs incurred by Wellington Water due to Unexpected Events.

Unexpected Event Reserve Cap means the sum set out in Schedule 4.

Water Services means the provision of Water Supply and Drainage Services, [the operations and maintenance of the Network](#) ~~the maintenance and expansion of the Network~~, the planning for and provision of water conservation strategies to the public, and such other deliverables in relation to the supply and maintenance of a

Contract for Provision of Management Services Relating to Water Service

sustainable, accessible and high quality water service that Council determines that it wishes to provide and as set out in its then current Long Term Plan.

Water Services Act means the Water Services Act 2021 once relevant parts, or all, of that Act is in force.

Water Supply means the provision of drinking water to the point of supply of each dwelling house and commercial or industrial premise to which drinking water is supplied, in the jurisdiction of Council.

Interpretation

- 29.2 In the interpretation of this agreement, the following provisions apply unless the context otherwise requires:
- 29.2.1 headings are inserted for convenience only and do not affect the interpretation of this agreement;
 - 29.2.2 a reference in this agreement to a business day means a day on which banks are open for business generally in Wellington other than a Saturday or Sunday;
 - 29.2.3 if the day on which any act, matter or thing is to be done under this agreement is not a business day, the act, matter or thing must be done on the next business day;
 - 29.2.4 a reference in this agreement to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision;
 - 29.2.5 words and expressions in this agreement that are defined in the LGA 2002 have the meaning given in that Act;
 - 29.2.6 a reference in this agreement to any policy, plan, agreement or document is to that policy, plan, agreement or document as amended, noted, supplemented or replaced;
 - 29.2.7 a reference to a clause, part, schedule or appendix is a reference to a clause, part, schedule or appendix of or to this agreement;
 - 29.2.8 an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate, local authority or governmental agency;
 - 29.2.9 where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
 - 29.2.10 a word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders;
 - 29.2.11 references to the word 'include' or 'including' are to be construed without limitation;

Contract for Provision of Management Services Relating to Water Service

29.2.12 a reference to this agreement includes the agreement recorded in this agreement; and

29.2.13 schedules and appendices form part of this agreement.

Execution and date

Executed as an agreement.

Signed for and on behalf of **Council** by)
)
) _____
 [Chief Executive]

 [Authorised signatory]

Signed for and on behalf of **Wellington**)
Water Limited in the presence of:) _____
) Chair

 Director

Witness signature:

Witness name:

Occupation:

Address:

Contract for Provision of Management Services Relating to Water Service

Schedule 1

General Information

Term of agreement
(Clause 3)

Commencement date 1 October 2019

Expiry Date [30 June 2029](#)

Council's Representative
(Clause 5)

Name Harry Wilson

Position Chief Executive

Contact details Phone: 06 306 9611
Mobile: 027 444 4824 Email:
Harry.Wilson@swdc.govt.nz
Address: 19 Kitchener Street
Martinborough 5741

Postal: PO Box 6, Martinborough 5741

Wellington Water's Representative
(Clause 5)

Name Colin Crampton

Position Chief Executive

Contact details Phone: 04 912 4488
Mobile: 027 492 4419
Email: colin.crampton@wellingtonwater.co.nz

Address: Level 4, IBM House
25 Victoria Street, Petone

Postal: Private Bag 39 804
Wellington Mail Centre, Petone

Notices (Council)
(Clause 24)

Address 19 Kitchener Street
Martinborough 5741

Email Address Harry.Wilson@swdc.govt.nz

Contract for Provision of Management Services Relating to Water Service

Attention Harry Wilson

Notices (Wellington Water)
(Clause 24)

Address Level 4, IBM House
25 Victoria Street
Petone

Email Address colin.crampton@wellingtonwater.co.nz

Attention Colin Crampton

Contract for Provision of Management Services Relating to Water Service

Schedule 2

SCHEDULE 2 – MANAGEMENT SERVICES

Management Services

(Clause 26.1)

1 The Management Services include (without limitation) the following tasks and activities:

~~4.4.1.1~~ carrying out the functions, duties and responsibilities of the principal's representative and engineer's representative (where applicable) under all contracts for Water Services works to which Council is party; the delivery of the Annual Work Programme;

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~~4.2.1.2~~ carrying out all the functions, duties and responsibilities of the principal under all contracts for Water Services works to which Wellington Water is party; delivery of the Annual Work Programme;

~~4.3.1.3~~ project managing all contracts relating to Water Services for the delivery of the Annual Work Programme, including overseeing the provision of all works and services by contractors and consultants in accordance with the contract and managing contractor and consultant performance in accordance with recognised benchmarks;

~~4.4.1.4~~ monitoring, reporting on and administering all financial and operational aspects of contracts relating to Water Services; delivery of the Annual Work Programme;

~~4.5.1.5~~ any services as set out in clause 4A.2 (*Obligations*);

~~4.1~~ monitoring and managing Council's obligations under the HSE Act in respect of the Management Services, the assets and infrastructure used to provide Water Services and all works to or affecting such assets and infrastructure, to the extent there are any, and ensuring Wellington Water and/or Council do not breach their obligations under the HSE Act;

~~4.4.1.6~~ providing expert advice in respect of Management Services in conjunction with consultants and other experts engaged by Council or by consultants engaged by Wellington Water or by Wellington Water on Council's behalf;

~~4.2.1.7~~ arranging the provision of Water Services works in accordance with the approved Annual Work Programme, Council's Annual Plans and Long Term Plan, and approved Asset Management Plans;

~~4.3.1.8~~ providing costing advice to Council for the purposes of Council's charges for the provision of Water Services and related matters, including (without limitation) water rates and costs, trade waste charges, consent and permit fees, and user charges;

~~4.4.1.9~~ provide representation at wholesale and retail water supply negotiations and meetings; if applicable;

~~4.6.1.10~~ preparing for Council draft Asset Management Plans, business plans and the draft Annual Work Programme for assets and infrastructure used to provide Water Services, all in accordance with the requirements of this agreement, the LGA 2002 and industry best practice or Council's practice if that exceeds industry best practice;

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Contract for Provision of Management Services Relating to Water Service

- 1.7.1.11 managing on Council's behalf the wastewater and drinking water treatment plant owned by Council;
- 1.8.1.12 assisting Council to prepare budgets, financial statements and forecasts, and any other information required in a LTP, Annual Plan, Annual Report or any other document relating to the provision of the [Management Services delivery of the Annual Work Programme](#) by Wellington Water. All budgets are to be prepared in accordance with instructions given from time to time;
- 1.9.1.13 assisting Council (in the manner agreed between the Council and Wellington Water) to undertake asset valuations in respect of the Council's three waters assets;
- 1.10.1.14 assisting and co-operating with all audits of Water Services assets or infrastructure;
- 1.2 ~~providing Council with timely, accurate and quality data so that Council can keep its information systems up to date in respect of water assets and infrastructure;~~
- 1.5.1.15 monitoring the insurance cover required and held by Council in respect of Water Services and assets, prepare any required infrastructure insurance fund update and advising Council of any deficiency or insurance cover;
- 1.6.1.16 advising Council on its trade waste functions;
- 1.7.1.17 identifying and advising Council of all circumstances where a prosecution or claim for damage relating to water, waste water, sewage, trade waste, Water Services, or assets and infrastructure used to provide Water Services could be brought against Council or by Council, and providing all information and assistance for such prosecutions and claims;
- 1.8.1.18 responding to requests from Council for information required by it to administer any law, including (without limitation) the Resource Management Act 1991 and the Building Act 2004;
- 1.9.1.19 responding, within five business days or the response times set by Council's system, whichever is the lesser, to public and customer enquiries and requests for service in relation to Water Services, including meeting such persons where appropriate;
- 1.11.1.20 managing all routine, operational and ~~work programme~~Annual Work Programme related communications, marketing and community engagement. For the avoidance of doubt, any non-routine communications, marketing, community engagement or use of Council brand, will be carried out in collaboration and with approval of Council;
- 1.12.1.21 advising and assisting Council in identifying and quantifying the value of third party damage caused to Councils three water networks;
- 1.13.1.22 assuring compliance with Council's responsibilities under the Civil Defence and Emergency Management Act (CDEM Act) with respect to water and wastewater as a lifeline utility. This will include assisting with and responding to emergencies involving Water Services and the provision of an afterhours service outside of standard office hours;

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Contract for Provision of Management Services Relating to Water Service

- 1.14.1.23 providing services to assist meeting Council's community and stakeholder consultation obligations, including with mana whenua, in relation to matters involving [Water Services the Annual Work Programme](#);
 - 1.15.1.24 co-ordinating with other units of Council or with other parties to ensure that programmed work involving Water Services is planned around other relevant infrastructure work and around other planned events (for example festivals, sporting events or other special events);
 - 1.16.1.25 assisting Council to prepare and maintain its various plans in relation to the Water Services, including but not limited to its LTP, District Plan, Emergency Response and Recovery Plans, Risk Management Plans (strategic and operational), Code of Engineering Practice, Business Continuity Plan and Environmental Plan;
 - 1.17.1.26 undertaking any other emergency and civil defence planning in relation to Council's Water Services, as agreed with Council;
 - 1.18.1.27 continuously monitoring the appropriateness and effectiveness of bylaws and policies relating to Water Services, suggesting improvements and assisting Council draft bylaw amendments and policy papers;
 - 1.19.1.28 attending and participating in Council meetings, and meetings with Council officers, contractors, consultants and/or the public, including preparing reports and briefings for such meetings where reasonably required;
 - 1.20.1.29 preparing for Council's approval a report which complies with section 125 of the LGA 2002;
 - 1.21.1.30 in conjunction with Council, managing legal issues and services relating to Water Services, other than those related to prosecutions and claims for damage which Council will manage;
 - 1.22.1.31 assisting Council to maintain and update its asset register;
- 4.3 [obtaining resource consents required for Water Services](#):
- 1.141.1.32 preparing detailed current and future Water Services work programmes;
 - 1.141.1.33 maintaining Council's proactive water supply leak detection programme;
 - 1.141.1.34 administering Council's garden watering restrictions;
 - 1.141.1.35 promoting water conservation and education;
 - 1.141.1.36 undertaking any other water conservation and environmental sustainability planning in relation to Council's Water Services, as agreed with Council;
 - 1.141.1.37 planning and advice, including the provision of Asset Management Plans in respect of the Network and Water Services;
 - 1.141.1.38 providing the necessary inputs to the Council's Annual Plan and Long Term Plan so as to enable the Council to make appropriate decisions as to work necessary on an annual and long term basis to maintain, renew and as necessary expand the

Contract for Provision of Management Services Relating to Water Service

Network so as to be able to provide Water Services on an affordable, sustainable basis to a standard determined by Council;

~~1.23-1.39~~ managing the carrying out of all necessary ~~operating and reactive~~ renewal work on the Network ~~and treatment plants~~ as agreed in the Annual Work Programme and Council's Annual Plans and Long Term Plan;

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~~1.4~~ ~~managing the carrying out of all capital works on and for the expansion of the Network as agreed in the Annual Work Programme and Council's Annual Plans and Long Term Plan;~~

~~1.171.40~~ providing all strategic and policy advice reasonably necessary to ensure that the Water Services are delivered by Council on an affordable and sustainable basis;

~~1.5~~ ~~managing the application of resource consents necessary to ensure Water Services delivery;~~

~~1.181.41~~ any activities that would have been reasonably anticipated as constituting part of the Water Services offering by both parties at the Commencement date; ~~and~~

~~1.6~~ ~~any other services as agreed between the parties, subject to clause 4.6.~~

2 The Management Services do not include:

2.1 any activity relating to billing and the setting of water charges, apart from the providing of costing advice and the like as described above;

~~1.24.2.2~~ the approval of Council policies or strategies, Asset Management Plans, Statements of Intent, budgets, Annual Plans and LTPs; ~~and~~

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~~1.25-2.3~~ any service which reasonably, or as outlined in this agreement, remains with Council;

~~2.2.4~~ ~~obtaining resource consents required for Water Services; and~~

~~2.32.5~~ ~~managing the application of resource consents necessary to ensure Water Services delivery where the consent conditions refer to future strategies and capital investment.~~

Contract for Provision of Management Services Relating to Water Service

Schedule 3

Service Level Agreement (SLA) Reports

(Clauses 10.1 and 10.3)

- Monthly and quarterly reporting (including financial reports) as agreed between Council and Wellington Water
- The quarterly SLA reports shall be structured as follows:
 - 1 Introduction
 - 2 Quarterly Meeting Action Log
 - 3 Highlights
 - 4 Key Performance Indicators Reporting
 - 5 Agreed Performance Metrics
 - 6 Long Term Plan 3 Water Indicators
 - 7 Agreed Customer Performance Indicators
- And any other quarterly SLA reporting requirements arising from Schedule 9.

Contract for Provision of Management Services Relating to Water Service

Schedule 4

One Budget Charge details
(Clauses 11 and 26.1)

Opex Charge Scope

The Opex Charge covers controllable costs incurred by Wellington Water as further described in the detailed operational controllable cost budget agreed with Council as part of the Three Year Plan. Controllable costs include, for example, charges for repairs and maintenance of Water Supply assets, costs of consumables such as chemicals and consultants and contractors' charges.

The following costs are outside the Opex Charge Scope:

- Council's internal costs relating to Water Supply, such as allocations, financing and depreciation
- Costs identified as remaining with Council pending expiration of existing contractual terms and/or which may be transferred to Wellington Water at a later date.

Management Charge Scope

The Management Charge covers management costs incurred by Wellington Water as further described in the detailed management cost budget agreed with Council as part of the Three Year Plan. Management costs include, for example, Council's proportion of Wellington Water employees' salaries, lease payments and other operating expenses for Wellington Water's office (including IT and telecommunications costs), insurance premiums and vehicle expenses. The Management Charge also includes the Governance Charge.

Unexpected Event Reserve Cap

The Unexpected Event Reserve Cap is 5% of the Opex Charge for the current Financial Year.

Contract for Provision of Management Services Relating to Water Service

Schedule 5

Partnering
(Clause 21)

Partnering Philosophy

1. Partnering encourages the development of relationships of trust, co-operation, open communication and team work.

Definition

2. Partnering is a commitment between two or more organisations for the purpose of achieving specific business objectives by maximising the effectiveness of co-operation.

Expected Results

3. Results that partnering is expected to produce include:
 - 3.1 less adversarial relationships;
 - 3.2 improved problem solving;
 - 3.3 improved planning;
 - 3.4 improved responsiveness;
 - 3.5 increased openness;
 - 3.6 fewer errors;
 - 3.7 improved efficiency;
 - 3.8 improved quality;
 - 3.9 reduction in service charges; and
 - 3.10 potential for savings through innovation.

Dispute Prevention

4. Dispute prevention is recognised as the best dispute resolution. Partnering relationships of trust, open communication and processes for effective issue resolution can minimise the risk of issues escalating into disputes.
5. It is important however, that issues of conflict should not be 'brushed under the carpet', but rather, dealt with at the time the conflict occurs to avoid frustration and the threat to the continuation of the agreement.

Type of Relationship

6. Partnering relationships can be different for each contractual situation.
7. Partnering does not over-ride the agreement, but provides a 'way of working' that is mutually beneficial. If partnering fails, then the parties can still resort to contractual remedies.

Contract for Provision of Management Services Relating to Water Service

Key elements of partnering

A Commitment

8. Commitment to partnering must come from the top management of each stakeholder. This leadership must be visible, supportive and ongoing.

B Equity

9. All stakeholders' goals must be considered in reaching mutual goals and there is a commitment to meeting each stakeholder's requirements by searching for solutions to these goals.

C Trust

10. Successful partnering relies on relationships of trust.

D Mutual Objectives

11. Partnering takes into account the objectives of the parties set out in clause 2 which reflect the parties' requirements for a successful contract.

E Timely Responsiveness

12. Rapid issue resolution should minimise the number of issues that escalate into dispute. Partnering aims at problems being solved at the lowest possible level and the earliest possible time. Agreed processes can be established to ensure this occurs.

F Frank Discussion

13. Partnering helps the identification of each party's position by creating an environment where frank discussion is appropriate and legitimate. This can happen without precipitating confrontation.

G Risks Associated with Partnering

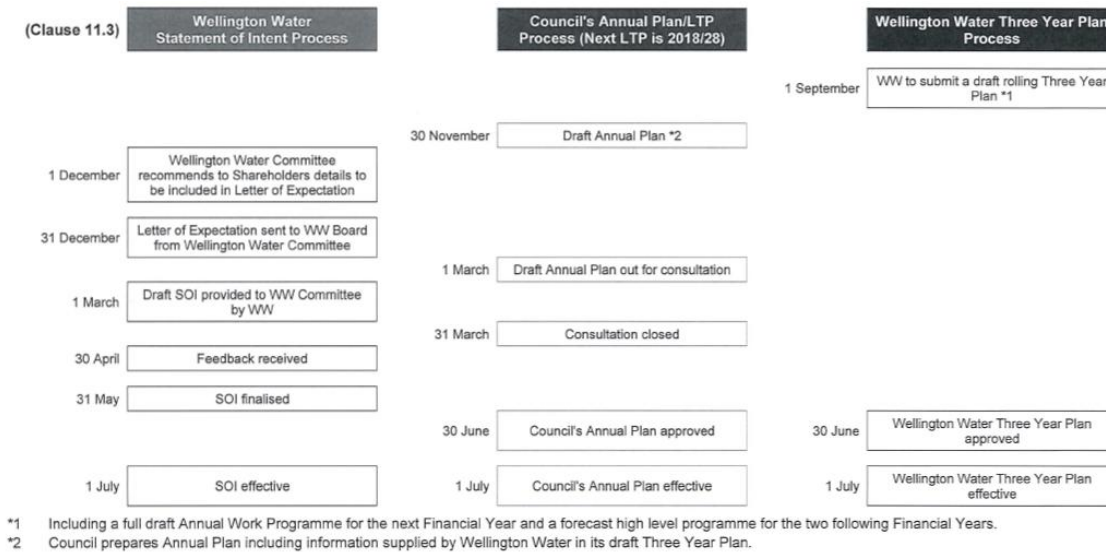
14. It is important to distinguish partnering from partnership. Both involve relationships of trust, long-term commitment and joint goals. Partnering is not a partnership or joint venture.
15. Partnering does not mean being soft and all parties to the relationship need to be vigilant for indications of potential dispute and seek resolution of problems before they escalate to dispute. If this occurs effectively, then the need to resort to contractual remedies is minimised.

Summary

16. Partnering is a 'way of working' which is based upon mutual trust, and recognition that working together achieves better results than a confrontational, strictly contractual relationship.

Schedule 6

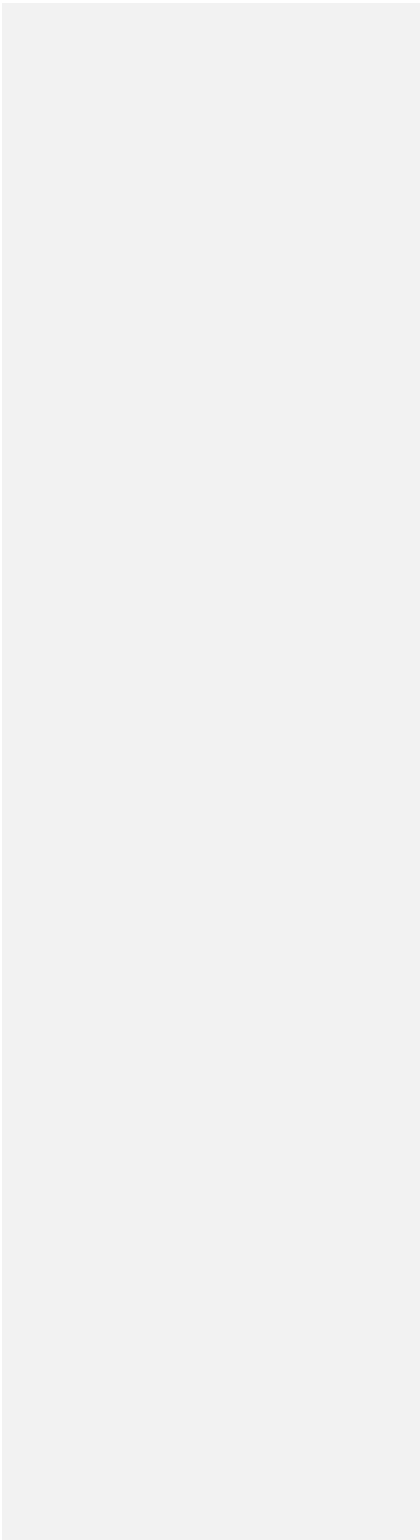
Three Year Plan approval process
(Clause 11.3) Three Year Plan approval process



Contract for Provision of Management Services Relating to Water Service

Schedule 7

Not used



Contract for Provision of Management Services Relating to Water Service

Schedule 8

Applicable Council Policies
(Clause 4.21)

South Wairarapa District Council Policies

1. To be confirmed by Council at a later date.

Contract for Provision of Management Services Relating to Water Service

Schedule 9

Additional Annual Work Programme Information Required
(Clause 26.1)

No additional information required.



Komiti Ngā Wai Hangarua Wellington Water Committee

09 July 2025

Report no: WWC2025/3/88

Company and Governance Update

Recommendation

That the Committee receives and notes the report.

Appendices

No.	Title	Page
1	Company and Governance Update	88
2	Appendix 1: Culture and Value for Money Improvement Plan - Q4 2024-25 Progress Report	95
3	Appendix 2: Dashboards - Metro and SWDC WWTP and WTP	102
4	Appendix 3: Operations Report May 2025	120
5	Appendix 4: Summary of papers	126

Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

28 July 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. Provided induction for the new Board directors;
 - ii. Received an update on the Culture and Value for Money Improvement Plan (provided to the Committee in a separate paper);
 - iii. Received the auditor's opinion for 2023/24 and approved the Annual Report to 30 June 2024;
 - iv. Approved variations to the Management Services Agreement with councils.

Summary of Performance

4. In recent months WWL has been getting on with BAU and keeping focus on delivering value for money for ratepayers.
5. We have good results to report on reducing water loss – see the *Sustainable water supply and reducing consumption* section for details.
6. The decision in late June by metropolitan councils to progress with Metro Water allows us now to ramp up planning for a smooth transition to the new entity.
7. We continue to make progress with the Culture and Value for Money Improvement Plan, including changing the reporting format to make it easier to read. The progress update to the end of June is included as Appendix 1.

The Water Committee Priorities

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

8. The CE and Board Chair are attending Advisory Oversight Group meetings.
9. Wellington Water continue to support the regional team, including with feedback on the draft WSDP and alignment of work on technology systems investment.
10. South Wairarapa District Council have taken over responsibility for delivery of capital projects from 1 July 2025. WWL and SWDC have negotiated a draft variation to the Management Services Agreement that reflects this change in responsibility. SWDC will be presenting this variation to the Committee for consideration today.
11. We provided information to staff about the decision by metropolitan councils to progress the set-up of 'Metro Water' and about their future job pathways.
12. The Finance and Expenditure Committee report back on the Local Government (Water Services) Bill was released on 3 July. We will consider the implications of any changes made to the Bill at Select Committee stage.

Three Waters Investment Planning for 2025-34

13. Councils have adopted their Annual Plans for 2025/26 (LTPs for Wellington City and South Wairarapa), and WWL will adjust programme budgets accordingly.

Sustainable water supply and reducing consumption

14. We are seeing positive trends in water loss in the metro Wellington region thanks to our ongoing efforts and investment from councils to find and fix leaks. Latest annual water loss estimates show that the average level of water loss in the 24/25 financial year was 37% (includes both public and private leaks) across the region. This is a drop from the levels seen in the 23/24 financial year, when the estimated average water loss was 41%. The reduction equates to around 11 million litres per day in water – just over four Olympic swimming pools worth of water every day. This reduction well exceeds

the water loss reduction target of 7.4 million litres that Taumata Arowai set for us last year.

15. Additionally, over the past 18 months the backlog of leaks on the public network across the region has reduced significantly from 1,720 in Jan 2024 to 288 as at the end of June 2025. The current backlog is below the sustainable backlog target of 325 (the sustainable backlog is the average number of leaks received over 10 working days, which is considered a manageable level of leaks to stay on top of).
16. While these results show the impact of continued investment into leaks, leak repairs are a short term solution. Significant investment into replacing old leaky pipes remains critical to preventing leaks from happening in the first place and keeping water loss at a sustainable level.
17. WWL have consulted with Council Officers on the draft Bulk Drinking Water Programme Investment Case. This document assesses the priority that should be given to water meters when compared to other regional water supply augmentation projects. The investment case will be presented to the next Board meeting for endorsement before being brought to this Committee.
18. The Metering Programme is in the final stages of developing a Business Case (that amongst other things will help decide what type of meters to install) and preparing to move to the implementation phase. This will enable WWL, where funded to do so, to start installing meters in the 2025/26 financial year.

Regulatory performance

19. Taumata Arowai has released its annual Drinking Water Regulation Report and Network Environmental Performance Report. These are both valuable resources, which help councils, communities and water service providers better understand the state of water services across the motu.
20. We continue to work with GWRC on the abatement notices for Seaview Odour issues.
21. Dashboards for water and wastewater treatment plant compliance during June are provided as Appendix 2.
22. The Commerce Commission released a consultation paper on their draft determination regarding foundational information disclosure (ID) for Wellington Water on 11 June.
23. The consultation paper proposal is that Wellington Water must:
 - i. publicly report its progress on objectives that are expected to improve value for money in a way that can be readily understood by interested persons, and
 - ii. publish on its website information that will provide:
 - i. a clearer picture on longer term trends in maintenance expenditure
 - ii. timely updates on consumer-centric performance information, and
 - iii. timely updates on delivery performance.

24. WWL provided a submission requesting some minor changes to align with data held. Final decisions will be made on 12 August, then the disclosure requirements will apply until 1 July 2026, when the enduring ID dates are set (subject to the Local Government (Water Services) Bill passing). From that date, Wellington Water will be subject to the enduring ID determination.

Operational Achievements and Issues

People

25. Our unplanned turnover is currently sitting at 12% and continues to track steadily (12 month rolling average).

Health & Safety

26. There have been several serious incidents involving the metro wastewater treatment plant operator Veolia.
27. Over a three-week period, during scheduled maintenance at the Seaview Wastewater Treatment Plant, the following occurred; hand injury during bucket maintenance resulted in the amputation of a workers' fingertip, a worker slipped over resulting in a cut to head, and a truck mounted crane toppled over during a lifting operation. WorkSafe notification was required, and carried out, for two of these incidents (fingertip amputation and crane topple).
28. There have been issues raised regarding excessive hydrogen sulphide levels at Moa Point Wastewater Treatment Plant, and the Sludge Dewatering Plant at Carry's Gully.
29. We are communicating with Veolia at a senior level on these individual incidents, and their wider health and safety performance, so that we can be assured that they have a strong health and safety culture with risks being proactively identified and appropriately managed.

Wellington Water corporate budget

We are forecasting a corporate budget deficit of \$1m for 2024/25 (compared to the budgeted deficit of \$3.7m).

Opex Delivery

30. At the end of May we had fixed 8800 leaks around the region in the financial year. As at the end of May, we had 656 open leaks for repair, down from 733 in April. We are within the sustainable backlog level.
31. Councils' regional opex programme is forecasting a spend of \$154m for the year, which is 5% (\$8m) below budget.
32. Operational reports are provided as Appendix 3.

Capex Delivery

33. For the financial year to date (as at 31 May 2025), spend on the capital delivery programme was \$222m at a regional programme level.

Council	YTD capital spend for 2024/25
Greater Wellington Regional Council	\$65.8m
Hutt City	\$49.8m
Porirua City	\$46.7m
South Wairarapa District	\$4.3m
Upper Hutt City	14.3m
Wellington City	\$41.1m
Total	\$222.0m

34. We are forecasting a significant underspend (\$111m) due to delays on some large projects, budgets which have been ring-fenced, and additional time required for the significant shift in procurement approach.
35. 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 & May 2025.

Councils	Water	Wastewater	Stormwater	Q1 Total	Q2 Total	Q3 Total	YTD Total	Year End Forecast
HCC	7,887	944	75	2,986	850	2,438	8,906	9,247
WCC		635		240	45	158	635	660
UHCC	1,416	232		374	401	716	1,648	1,728
PCC	110	566	-	70	-	236	676	806
GWRC	500			30	330	140	500	500
SWDC	-	-	-	-	-	-	-	-
Total	9,912	2,377	75	3,700	1,626	3,688	12,364	12,940

Figures are in metres

Treatment Plants status as at end of May 2025

36. Western, Porirua, Featherston and Lake Ferry wastewater treatment plants were compliant with effluent quality parameters. The Moa Point, Seaview, Greytown, and Martinborough wastewater treatment plants were non-compliant due to capacity, mechanical or environmental factors.
37. The Te Mārua, Wainuiomata, Gear Island and all four South Wairarapa water treatment plants were compliant with bacterial and protozoal compliance rules. The Waterloo Water Treatment Plant remains non-compliant with bacterial compliance rules due to network configuration issues but was compliant with protozoal rules.
38. Waterloo and Gear Island water treatment plants did not maintain fluoride levels for May due to both planned and reactive maintenance on the dosing equipment.

39. Details of the status of plant compliance are provided in the latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, attached as Appendix 2.

Growth update

40. Nothing of significance to note.

Environmental Water Quality update

41. Greater Wellington decided at its Council meeting on 26 June 2025 to pause PC1 hearings and process until there is more certainty on national direction and the content of a new NPS-FM, which is due to land in the first part of 2026. As part of this decision to pause, Greater Wellington will initiate a limited variation to some provisions (regards financial contributions and hydrological controls from small sites) to ensure the notified plan is implementable between now and when a decisions version of PC1 has legal effect.
42. WWL will now consider the impact of this pause and integrate it into the network discharge consent programme and consenting strategy.

Technology Systems

43. We released a Request for Proposal for an information management system in June.
44. The Technology Systems Investment (TSI) Programme team is well underway with preparing the second Request for Proposal for the remaining suite of systems (project management, asset, finance, customer and H&S) required to improve WWL's capability and set up 'Metro Water' to succeed. This will go to market in August.
45. Councils (through the CE Steering Group) have requested that people management, payroll and billing systems be added to the scope of TSI. The future need for them had already been signalled in the draft of the second RFP but will be now strengthened.
46. The Wellington Water team is working with the Metro Water team to create a single integrated plan for system capability uplift.

Connecting the Water Committee to Individual Councils

47. 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.
48. We have provided a summary report (Appendix 4) to assist with individual councils' understanding of the material the Committee is working on.

Climate Change Impact and Considerations

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

Appendices

There are four appendices for this report.

1.	Culture and Value for Money Improvement Plan
2.	Water Treatment Plant and Wastewater Treatment Plant dashboard reports for May
3.	Regional and Council Operations Reports for May
4.	Summary for Councillors of papers to the WWC meeting

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External Author (Wellington Water Ltd)

Wellington Water

Culture and Value for Money Improvement Plan

Progress Report
Q4 2024/25

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

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome1.1: We will enhance organisational capability in the lead-up to the new entity			
1.1a: Update and develop technology systems and increase capability - Technology Systems Investment Programme		Information Management RFP released to market in June. Accelerated go-to-market plan for remaining in-scope capability developed, resourced and in-flight. Release to market of RFP for remaining scope of the Programme planned for 4th of August.	Quarterly action completed
1.1b: Prepare an Interim Capability Roadmap (numbers, process, systems) to de-risk our financial reporting	Financial reporting structure including allocations	The finance team has been restructured to provide increased capability and resilience, with particular emphasis on strengthening budgeting and forecasting oversight and process improvements. Budgeting processes have been enhanced to reduce complexity and improve visibility and understanding.	Quarterly action completed
1.1c: As required, support the development of the Water Services Delivery Plan in preparation for the new entity	Provide information and insight to meet timelines	In parallel with undertaking annual and long term-planning, significant investment and contextual information provided to support the delivery of the May 2025 draft.	Quarterly action completed
1.1d: Create and implement a change framework for coordinated and systematic delivery of changes	Recruit Head of Transformation	Head of Transformation appointed May 2025	Quarterly action completed
1.1e: Engage with Watercare specifically to identify and convert practical future synergies	Explore opportunities	Capital Delivery have met online with their Watercare counterparts to discuss project management and optimisation of workflow and structures, to inform the best use of Project Management coming back in house	Quarterly action completed

Wellington Water

Culture and Value for Money Improvement Plan

Progress Report
Q4 2024/25

WWL Strategic Outcome 2: Water services are affordable and provide value

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 2.1: Strengthen mechanisms for demonstrating value for money			
2.1a: 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	For the rest of the 24/25 financial year put as many projects as possible out to tender	All projects and contracts subject to commercial tension in Q4 and open tenders posted to GETS. All council councillors briefed in Q4.	Quarterly action completed
Outcome 2.2: Strengthen the control and oversight of our suppliers			
2.2a: Implement value-focused performance metrics and regular reviews of performance against these for consultants and contractors	Develop performance metrics	Not complete. Value-focused performance metrics have been drafted and will be refined and implemented if/when procurement resumes through the panels.	Partially complete. Work is ongoing.
2.2b: Implement a value-focussed performance framework for the Operations and Maintenance Alliance that also includes pain/gain sharing	Performance Alliance Board agrees final algorithms of how performance measures calculate pain/gain sharing of any potential bonus	Performance Framework implemented and contains pain/gain sharing. Measuring performance has proven difficult given poor WWL systems, and is now the focus.	Quarterly action completed
Outcome 2.3: Strengthen commercial and procurement competency and capability across the organisation that drives a focus on delivery of value for money			
2.3a: Strengthen the Commercial and Procurement competency and functions for Wellington Water	Increase resource	New staff recruited	Quarterly action completed

Wellington Water

Culture and Value for Money Improvement Plan

Progress Report
Q4 2024/25

WWL Strategic Outcome 3: Communities receive reliable three waters services

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 3.1: Orthodox organisational model with clear purpose and lines of accountability			
3.1a: 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	Develop a resourced action plan	Resourced action plans have been developed to start the implementation of the Asset Management Framework and deliver the 2025/26 asset condition assessment programme. Asset management practice improvements are informing the Technology Systems Investment Programme ahead of the release of the Request for Proposal.	Quarterly action completed
3.1b: 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	Document process and control framework	Not complete. Process framework drafted that outlines key elements for running a water services organisation. Next will be re-orientating the organisation to be more process and system driven. In the current context this will be a challenge with the pace of change anticipated to be slow. First steps will be to implement the controlled document system, the asset management framework and Technology Systems Investment programme. Control framework scoping complete in line with findings of Cost Estimation Error Review, which includes aligning control framework to lines of defence model. Current maturity of the control environment means change will be focussed on financial systems and critical risk areas.	Partially complete. Work is ongoing.
3.1c: Develop and implement group purpose statements	Develop group purpose statements	Purpose statements have been developed to articulate the objective of each WWL group in delivering the organisation's overall purpose. Ongoing refinement will be undertaken as needed to ensure they remain clear, relevant and aligned with the WWL purpose.	Quarterly action completed
3.1d: Implement good practice approaches for recognising and rewarding values-based staff actions	A subset action of creating clearer accountabilities through structural changes is the approach taken to create the specific organisational culture we want. The key action this quarter is to revise the Internal Communications and Engagement Strategy and include mechanisms that support values and actions.	The Communications and Engagement Team drafted a revised strategy that was agreed by ELT on 28 May 2025. Weaved through the strategy's core pillars was the underlying theme of developing the culture WWL needs by aligning behaviours to company values. It included methods to recognise and reinforce values-based actions.	Quarterly action completed

Wellington Water

Culture and Value for Money Improvement Plan

Progress Report
Q4 2024/25

WWL Strategic Outcome 3: Communities receive reliable three waters services

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 3.2: Strengthened culture of raising issues and overall awareness of controls			
3.2a: Communicate with staff through staff meetings and messages the importance of speaking up and raising risks early	Develop an Internal Communications and Engagement Strategy which reinforces the importance of speaking up and raising risks early. Create and deliver key messaging to staff regularly through multiple channels (i.e. Leader-led conversations, CE and ELT comms, all-staff comms) that sends this message.	Internal Communications and Engagement Strategy signed off by ELT. Key messaging regularly delivered by CE and ELT.	Quarterly action completed
3.2b: The Code of Conduct is reviewed to include positive, value-reinforcing behaviours across the organisation	Review Code of Conduct	The rapid review of the Code of Conduct was undertaken initially after the Cost Estimation Error Review, and minor amendments were made to the employee version. Further changes were made to the contractor Code of Conduct to remove references to a 'whānau approach' to reinforce the commercial realities and the need to provide value for money.	Quarterly action completed
3.2c: Review the existing Protected Disclosures 'Speak Up' Policy, including disclosure requirements that extend beyond just staff, and the Items of Significance Policy to ensure they are easily understood and have mechanisms in place to use	Implement a confidential mechanism for staff to make suggestions on how to improve Wellington Water	A Protected Disclosures (Protection of whistle-blowers) Policy was developed in 2024 and is scheduled for review to ensure it remains clear, accessible and fit-for-purpose. As part of this, the policy will be re-communicated across WWL to raise awareness and support staff confidence in using it. Work has also been undertaken to design a confidential mechanism for staff to make suggestions on how to improve Wellington Water. This initiative aims to foster a culture of continuous improvement and open communication. The proposed mechanism will be approved by ELT prior to implementation which is planned for week of 28 July 2025.	Partially complete. Work is ongoing.

Wellington Water

Culture and Value for Money Improvement Plan

Progress Report
Q4 2024/25

WWL Strategic Outcome 3: Communities receive reliable three waters services

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 3.3: Strengthen governance oversight and assurance internally and externally			
3.3a: Improve assurance through improving the quality and content of information provided to, and reporting products from, the Risk and Assurance function	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	Direction provided from the Chair of the Wellington Water Audit Committee as to required changes to the audit programme to improve assurance. Audit programme amended to include cost auditing, procurement/purchasing and contract management. Draft 2025/26 programme endorsed by Audit Committee 7 May 2025. Implementation of 2025/26 programme on track. Level of confidence assessment provided to the WWL Board at 15 May 2025 meeting over the development of the annual planning advice. High confidence that all practicable steps were taken to ensure that a similar error would not be made.	Quarterly action completed
3.3b: Report on the implementation of the Improvement Plan	Performance is published and briefed to the WWL Board and Water Committee	Tracking form and progress report format developed. Report provided to Wellington Water Committee.	Quarterly action completed
3.3c: Meet the Foundational Information Disclosure Requirements from the Commerce Commission	Engage with the Commerce Commission	Engagement ongoing and positive. Timely response provided to three requests for information. Commerce Commission published their draft determination for consultation on 11 June 2025. Submission made on the draft determination.	Quarterly action completed
3.3d: Simplify the internal management framework by reviewing existing Management Committee Framework and implement changes	Capture the results of the first stages of streamlining post-organisational change	An initial review of the existing Management Committee Framework has been partially completed, and 12 of the 39 committees were identified as being no longer required. In the main, this reflects the recent consolidation of Operations Groups, which has reduced the need for cross-group coordination by these committees, and cessation of consultancy panels. The next step involves completing the review, staff consultation and discussion, and ELT approval to formally decommission these committees.	Quarterly action completed

Wellington Water

Organisational Capability Plan

Progress Report
Q3 2024/25

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

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 4.1: Maintain a relentless focus on effective fluoridation in both the short and long term			
<p>4.1a: The 2022 Phase 1 response focused on restoring full fluoridation to the Wellington region's drinking water supply with containerised solutions with a lifespan of 7 years. This has given time for Phase 2 to be well planned and invested in through the LTP. The objective is to establish permanent fluoride dosing systems at all four Drinking Water Treatment Plants, ensuring they are safe for operators and capable of consistently meeting WWL's fluoride performance targets.</p>	<p>Completion of the Phase 2 options investigations into an Activity Brief</p>	<p>Phase 2 options investigations completed.</p>	<p>Quarterly action completed</p>
Outcome 4.2: Strengthen the control and oversight of our suppliers			
<p>4.2a: Improve Wastewater Treatment Plant compliance</p>	<p>Make an assessment that changes to contract management and capital programme governance is reflected in improving compliance data</p>	<p>Over Q4 intense contract management has been applied involving formal correspondence.</p> <p>We are seeing improvements in the delivery of renewal projects by Veolia. We have also made progress in contract management, which is reflected in the latest compliance data. Currently, two out of four plants are achieving compliance. The other two plants are progressing toward compliance, with daily compliance already being met.</p>	<p>On track for completion by 30 June 2026</p>

Wellington Water

Organisational Capability Plan

Progress Report
Q3 2024/25

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

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

Objective	Q4 action	Progress made this quarter	Progress rating
Outcome 4.3: Strengthened financial controls that protect the integrity of financial transactions			
4.3a: Strengthen financial controls including large purchase orders, automatic payments of invoices, approvals for spending and payment (including Alliance statement of claim), financial system access, stop disclosing operational and capital budget information	No large purchase orders and automatic payment of invoices	Consultant Statements of Claim Purchase Orders disestablished from 1 July 2025, replaced by POs per project. Amended approval process for consultant and Fulton Hogan payments implemented requiring Chief Operating Officer approval prior to payment.	Quarterly action completed
4.3b: Reduce the conflicts of interest in key roles associated with the consultant panel through building internal project management capacity and ensuring client project managers are independent from the panel	Recruit internal project managers and ensure project managers are sourced from outside of the panel	Recruitment of Internal Project Managers has begun with FTEs recruited and in place. Every prudent opportunity is being taken to switch these to internal Project Managers.	Quarterly action completed
4.3c: Implement a comprehensive set of company wide delegations	Approved internal delegations from Chief Executive to employees	The internal delegations for finance, contracts and people have been approved by the Chief Executive and Letter of Delegation will now be provided to Delegates	Quarterly action completed
4.3d: Increase transparency and quality of delivery/investment planning information shared with Councils. Standardised approach to contingency management (for programmes of capital investment and delivery provided to Councils), including separate line for corporate costs for increased transparency.	Agree the final allocation methodology and reporting	Allocations finalised at 10% of projects and shown as a separate item, at a programme level	Quarterly action completed

A

AS: Activated Sludge Process: A biological wastewater treatment technology.

Abatement notice: Formal instruction issued to require someone to do something or stop doing something, in order to comply with a resource consent, a regional plan or the Act, or to avoid, remedy or mitigate an adverse effect on the environment.

Advisory notice: These are a non-statutory means for addressing non-compliance. Their purpose is to identify the non-compliance issue and to outline the action or actions required to rectify the problem .

Advice Letters: To request compliance where minor environmental effects or poor site management has been identified.

B

BOD: Biochemical Oxygen Demand: Amount of oxygen required by the microorganisms to breakdown the organic pollutants present in wastewater and is use as a indirect measure of the amount of organic matter in wastewater.

Biofilter: A type of odour control system that uses microorganisms to remove odour causing compounds generated in the wastewater treatment process.

D

DAF: Dissolved Air Flotation: A wastewater and drinking water treatment technology that removes pollutants by injecting air into the water causing them to float.

DBP: Disinfection Byproduct: A chemical compound that can form when disinfectants react with organic matter in water.

DO: Dissolved Oxygen: The amount of oxygen dissolved in water.

DWS: Drinking Water Standards 2022 (or NZDWS): Standards for the quality of drinking water in New Zealand.

E

Enforce Orders: Issued by the Environment Court requiring someone to do something or stop doing something, to resolve an environmental effect and/or comply with regulatory requirements. Failure to comply with an enforcement order may result in further enforcement action.

F

FOG: Fats, Oils, & Grease: Food industry byproducts that can cause problems for sewer systems.

Formal Warnings: A letter directed to those responsible for the non-compliance to ensure that they are fully informed of the breaches they are responsible for, and potential consequences should a similar incident occur.

Faecal Coliforms: A type of bacteria found in the intestines of warm-blooded animals. Their presence in water indicates faecal contamination and serves as an indirect measurement of the level of pathogens present in water

Fully treated: Wastewater that has undergone all necessary treatment processes to meet regulatory standards for discharge or reuse.

G

GAC: Granular Activated Carbon: A material used to adsorb organic pollutants from wastewater and in the water treatment process.

GI: Gear Island WTP: Gear Island Wastewater Treatment Plant.

H

HFA: Hydrofluorosilicic acid: A chemical compound used in water fluoridation.

I

Infringement notice: Issued for specified offences under the Resource Management Act 1991, and impose fines, ranging from \$300 to \$1000 depending on the nature of the offence.

L

LPD: Litres Per Day: A unit of measurement for the flow rate of water.

LPM: Litres Per Minute: A unit of measurement for the flow rate of water.

M

MBR: Membrane Bioreactor: A wastewater treatment technology that combines biological treatment with membrane filtration.

MAV: Maximum Acceptable Value : The highest level of a contaminant allowed in drinking water.

MLD: Mega Liters per Day: A unit of measurement for the flow rate of water.

MLSS: Mixed Liquor Suspended Solids: a measurement of the level of microorganisms in the biological treatment process, and is also referred to as “activated sludge”

N

NTU: Nephelometric Turbidity Unit: A unit of measurement for the turbidity of water.

O

O&M Plan: Operation and Maintenance Plan: A plan for the operation and maintenance of a wastewater treatment system and water treatment plants.

P

P&ID: Process and Instrumentation Diagram: A diagram that shows the process flow and instrumentation of a system.

Partially treated: Wastewater that has undergone some treatment but have failed to undergo one or more wastewater treatment process available **PW: Potable Water:** Water that is safe to drink.

PWTP: Potable Water Treatment Plant: A facility that treats water to make it safe to drink.

R

RAS: Return Activated Sludge: The portion of activated sludge that is returned to the aeration tank to continue the wastewater treatment process.

RO: Reverse Osmosis: A water purification process that uses a semipermeable membrane to remove impurities.

S

SCADA: Supervisory Control and Data Acquisition: A system for monitoring and controlling industrial processes.

Suspended Solids: Solid particles that are suspended in water.

Sewerage: Infrastructure that transports sewage, like storm water, meltwater, rainwater, by using sewers.

Sewage: (See wastewater)

T

TDS: Total Dissolved Solids: The total amount of dissolved solids in water.

TM: Te Marua WTP: Te Marua Water Treatment Plant.

TSS: Total Suspended Solids: The total amount of suspended solids in water.

U

UF: Ultrafiltration: A type of membrane filtration that removes particles and some dissolved substances from water.

UV: Ultraviolet: A type of electromagnetic radiation used to disinfect water.

Undisinfected: Water that has not been disinfected.

Unconsented discharge: The discharge of wastewater without the necessary permits or approvals.

W

WAS: Waste Activated Sludge: The excess activated sludge that is removed from the system.

Wet weather discharge: The discharge of wastewater during heavy rain events.

WI: Wainuiomata WTP: Wainuiomata Water Treatment Plant.

WL: Waterloo WTP: Waterloo Water Treatment Plant.

WS: Water Supply: The provision of water for domestic, industrial, and agricultural use.

WSN: Water Supply Network: A network of pipes and infrastructure that delivers water to consumers.

WW: Wastewater: Water that has been used for domestic, industrial, or agricultural purposes.

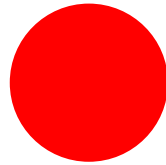
WWPS: Wastewater Pump Station: A facility that pumps wastewater from one location to another.

WWTP: Wastewater Treatment Plant: A facility that treats wastewater.

WTP: Water Treatment Plant: A facility that treats water to make it safe to drink.

Moa Point Wastewater Treatment Plant performance

Update – May 2025



Current status: Non-compliant

Commentary

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 in early June.

Discharges

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

Odour complaints

There was 1 odour complaint in May relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant.

Infringement Notices issued

GWRC issued two infringement notices for ongoing discharge of non-compliant effluent and for breach of Abatement Notice A981 relating to discharge of non-compliant effluent.

Items of significance:

Clarifier #1 Renewal Project

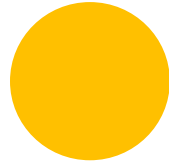
Physical works on the clarifier are progressing well; the project is nearing the closing stages and is expected to be back in service by end of July. With two of three clarifiers in operation, processing capacity is reduced.

Odour Management System

Investigations continue 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. The team are actively working with overseas odour experts to help identify the root cause of the issue, to enable them to adjust operational set points of the scrubber system and other actions to restore performance.

Porirua Wastewater Treatment Plant performance

Update – May 2025



Current status: Compliant (with noted issue*)

Commentary

*The plant is compliant for effluent quality, however, has been operating with a higher risk of sludge carryover in wet weather, see “items of significance”.

Discharges

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

Odour Complaints

No odour complaints in May.

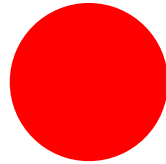
Items of significance:

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 resulting in solids build up in the system. Improvements in the process has recently returned solids to a more manageable level, with encouraging trends observed in the dewatering efficiency. This has reduced the likelihood of sludge carryover events and work continues to improve this further.

Seaview Wastewater Treatment Plant performance

Update – May 2025



Current status: Non-compliant

Commentary

The plant became non-compliant with the 90-day percentile for faecal coliforms on 30 May but remains compliant for both suspended solids and biochemical oxygen demand.

Discharges

There were three discharges to the Waiwhetū Stream in May. The first discharge was unconsented due to a pressure issue in the main outfall pumping station and is under investigation. The other two discharges were consented and due to wet weather.

Odour Complaints

No odour complaints in May.

Items of significance:

Effluent Non-compliance

Several wet weather events over the past six weeks has affected daily effluent quality resulting in this non-compliance. An improvement in the weather is expected to enable the daily results to recover and the 90-day percentile to move back into compliance.

Thermal Dryer - planned shutdown

A planned two-week shutdown of the dryer is scheduled to begin on 3 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.

Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – May 2025

What has been completed:

Community meeting was held on 28 May 2025

The contractor has commenced the design work that they are undertaking

The critical long lead procurement items have been ordered

The new community odour monitors have been ordered

What is coming up:

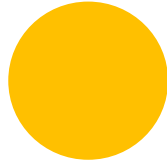
The final contractor design to be completed and approved by Wellington Water

Contractor establishment on site at the WWTP

The new community odour monitors to be installed, and website interface completed

Western Wastewater Treatment Plant performance

Update – May 2025



Current status: Compliant (with noted issue*)

Commentary

The plant is compliant for effluent quality.

Discharges

*There was one unconsented discharge of undisinfected effluent to the Coastal Marine Area in May. The incident is currently under investigation.

Odour complaints

No odour complaints in May.

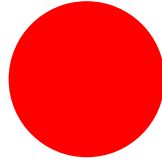
Items of significance:

Outfall pipe remedial works

The annual inspection of the pipeline began in May and progressed over halfway before inclement weather meant the inspection was paused for safety reasons. The remainder of the pipeline is scheduled to be completed early June when it is safer to do so.

Greytown Wastewater Treatment Plant performance

Period – May 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 desludging levels do not meet this requirement.

A project is currently underway to develop a second stage of desludging and 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

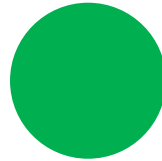
New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

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 – May 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:

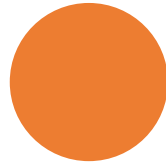
The Plant continues to require ongoing management of resources, focused on effluent quality, to maintain compliance with consent requirements.

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 – May 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**.

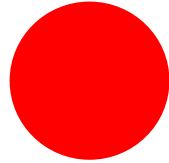
Projects underway:

Sodium Bicarbonate dosing improvements.

Optioneering various dripline leaks – some repaired, more require repair

Martinborough Wastewater Treatment Plant performance

Period – May 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.

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.

As at 30 May, 324t of dry solids have been removed from the ponds.

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.



Wellington Metropolitan Water Treatment Plants – May 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 93.8% of the time. The low level of fluoride was due to both planned and reactive maintenance on the dosing equipment.		
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 98.1% of the time.		
Te Mārua	Te Mārua 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 99.6% of the time. 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 recommended levels 93.9% of the time. The low level of fluoride was due to both planned and reactive maintenance on the dosing		

-  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 - May 2025

Supply risk	Comments	Risk level
Short term supply	The Wellington metropolitan 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




South Wairarapa Water Treatment Plants – May 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. A desktop survey of the backflow prevention risks within the Pirinoa network was undertaken, as per the Water Services Authority's requirements. However, a		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 May 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



Operations Report

NETWORK OPERATIONS GROUP

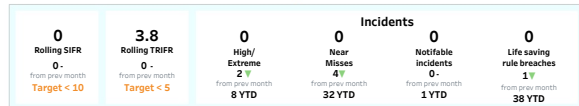
Reporting Date: 4th July 2025

GLOSSARY OF TERMS

Acronyms

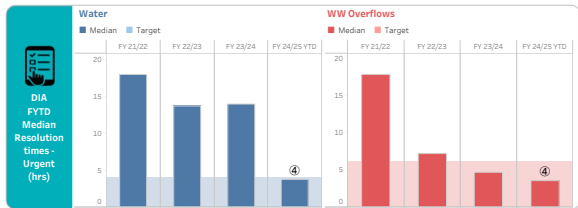
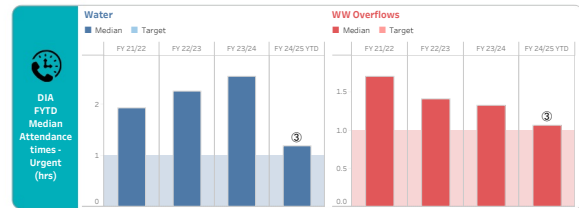
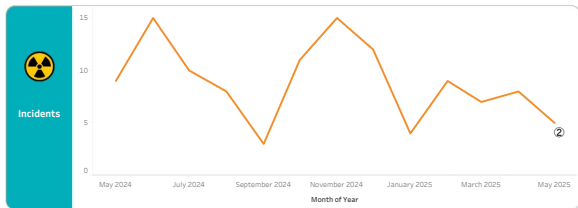
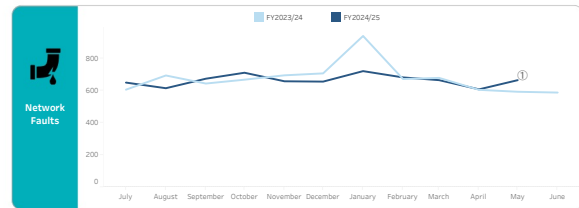
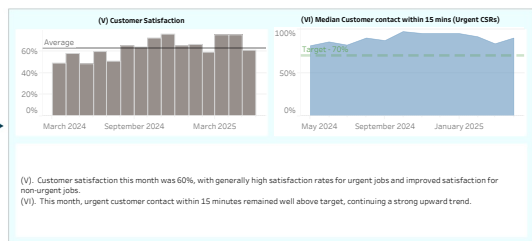
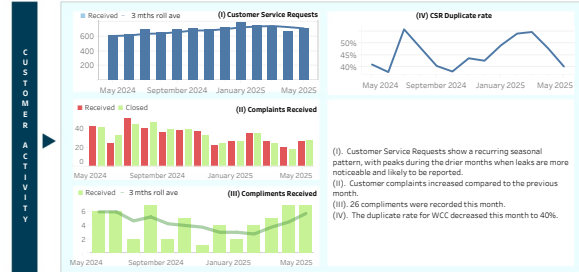
Total Recordable Injury Frequency Rate	TRIFR
Severe Injury Frequency Rate	SIFR
Case Action Management System	CAMs
Financial Year To Date	FYTD
Customer Operations Group	COG
Customer Service Request	CSR
Service Level Agreement	SLA
Department of Internal Affairs	DIA
Drinking Water	DW
Storm Water	SW
Wastewater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

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE)*

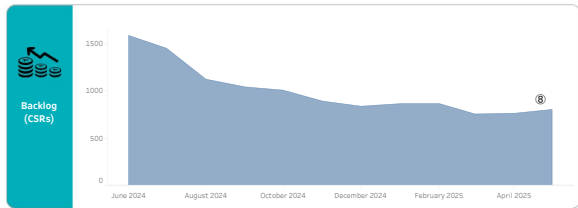
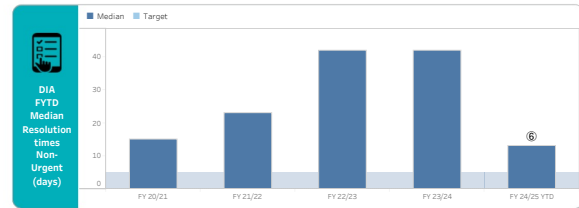
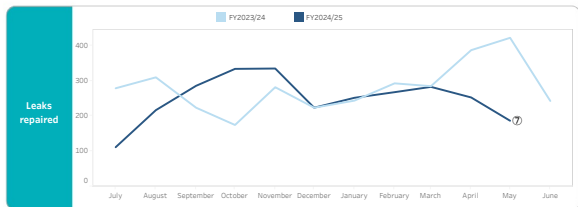
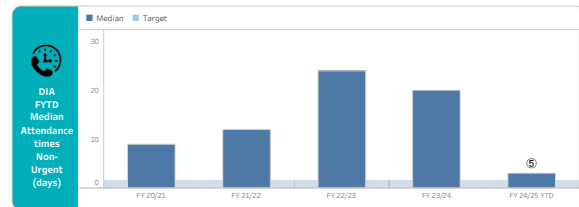


This Month, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings. Additionally, 0 life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

14 Safety Improvements 3▲ from prev month 194 YTD	This Month, there were 14 safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.
22 CAMs cases raised 12▼ from prev month 369 YTD	This Month, 22 CAMs (H & S recording and reporting system) cases were raised



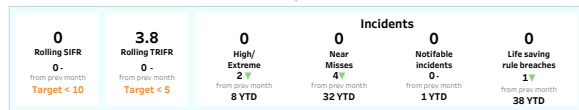
①. Compared to the last financial year, there has been a decline in reported network faults.
 ②. The number of incidents are unpredictable and can vary significantly from month to month.
 ③. Currently just outside the set target, there has been a notable improvement in attendance times compared to FY23/24. This positive influence is largely attributed to the reduced backlog allowing us to respond quicker.
 ④. Resolution times has seen notable improvements over the past few years, currently within the targeted timeframes.



⑤. Despite not meeting the target for Non Urgent, we are still seeing an overall positive downwards trend in attendance times, as the backlog has reduced.
 ⑥. Despite not meeting the target for Non Urgent, we are still seeing an overall positive downwards trend in resolution times, as the backlog has reduced.
 ⑦. Compared to the last financial year, there has been a notable decline in leaks repaired.
 ⑧. The backlog has remained stable in recent months.

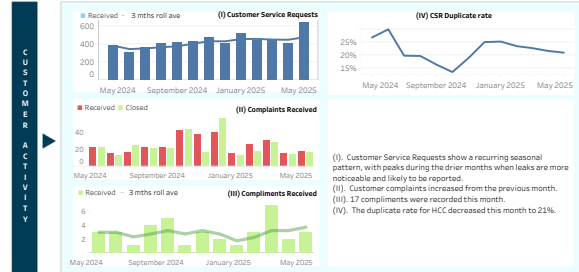
*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 09/06/25

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE)*

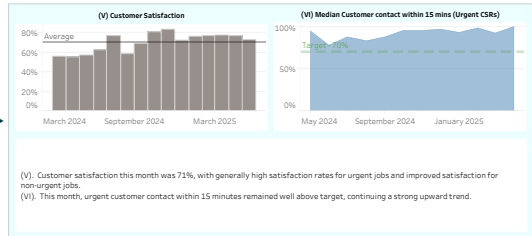


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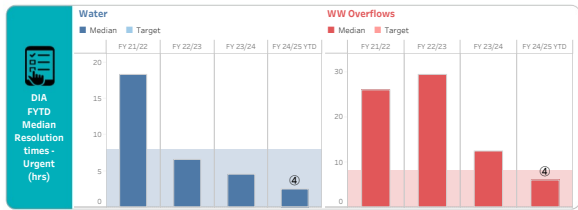
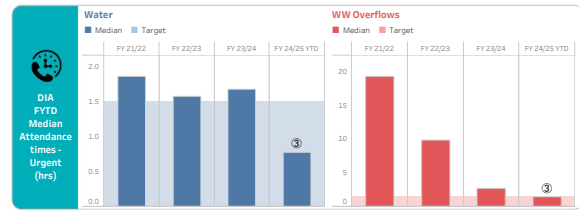
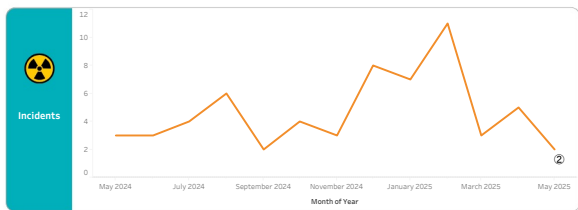
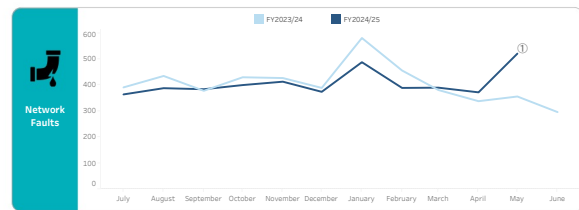
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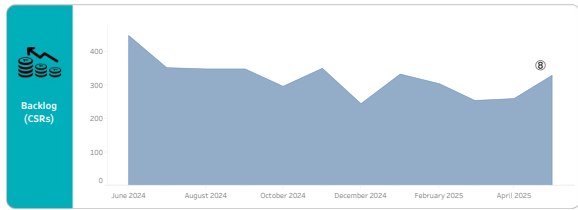
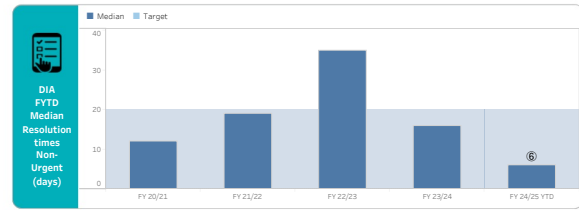
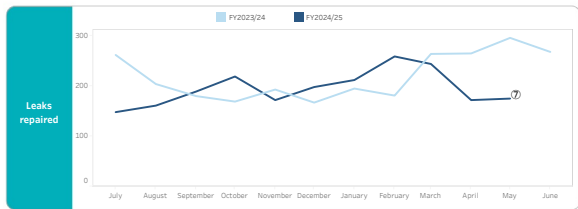
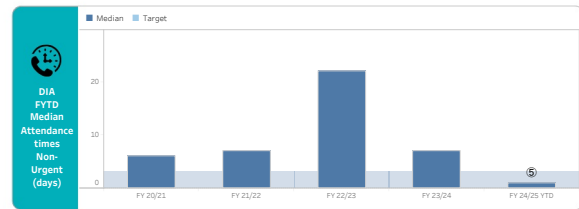
(I). Customer Service Requests show a recurring seasonal pattern, with peaks during the drier months when leaks are more noticeable and likely to be reported.
(II). Customer complaints increased from the previous month.
(III). 17 compliments were recorded this month.
(IV). The duplicate rate for HCC decreased this month to 21%.



(V). Customer satisfaction this month was 71%, with generally high satisfaction rates for urgent jobs and improved satisfaction for nonurgent jobs.
(VI). This month, urgent customer contact within 15 minutes remained well above target, continuing a strong upward trend.



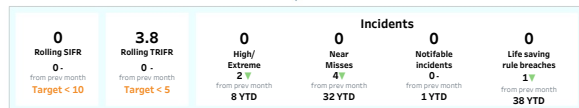
- ①. Compared to the last financial year, there has been a decline in reported network faults.
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- ④. Progress in resolving urgent jobs is within the targeted timeframes



- ⑤. Progress in attending to non-urgent water jobs is within the targeted timeframes.
- ⑥. Progress in resolving non-urgent water jobs is within the targeted timeframes.
- ⑦. Compared to the last financial year, there has been a notable decline in leaks repaired.
- ⑧. The backlog has increased over the past three months; however, in the context of this year, this trend remains relatively insignificant.

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HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE)*



This Month, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings. Additionally, 0 life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

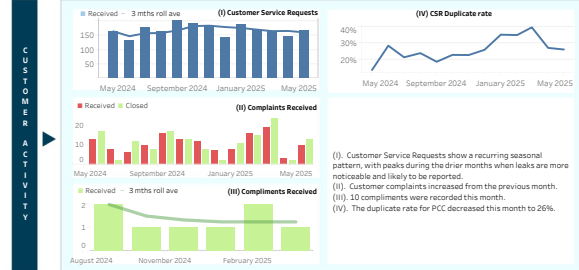
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Safety Improvements
3 ▲
from prev month
194 YTD

This Month, there were 14 safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

22
CAMs cases raised
12 ▼
from prev month
369 YTD

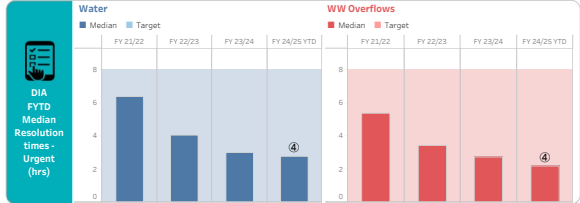
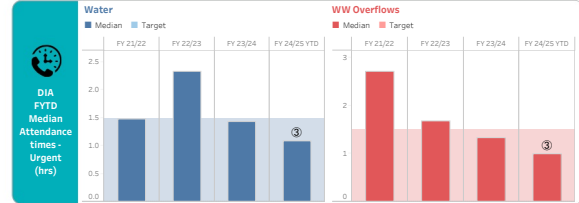
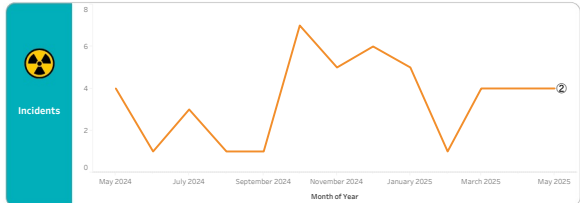
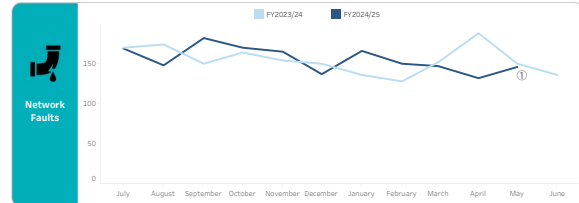
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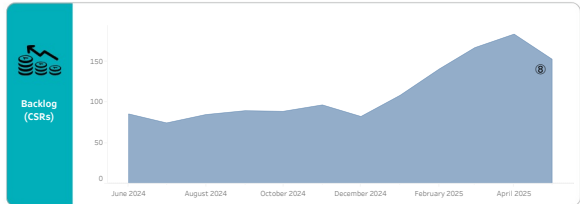
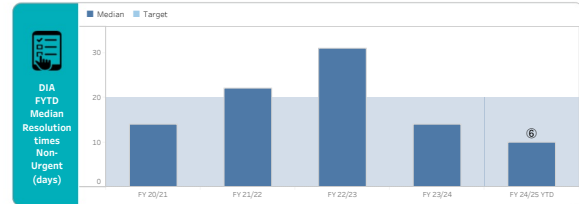
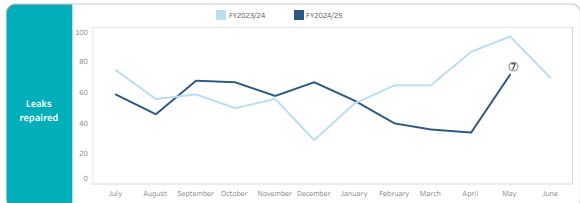
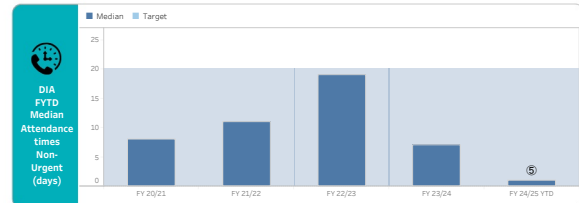
(V) Customer Satisfaction: Bar chart showing average satisfaction from March 2024 to March 2025. (VI) Median Customer contact within 15 mins (Urgent CSRs): Line chart showing median contact time from May 2024 to January 2025.

(V). Customer satisfaction this month was 33%. Satisfaction with WW's response to urgent jobs has generally been higher compared to nonurgent job responses. (VI). This month, urgent customer contact within 15 minutes remained above target.



Insights

①. Compared to the last financial year, there has been a decline in reported network faults.
 ②. The number of incidents are unpredictable and can vary significantly from month to month.
 ③. Attendance within SLAs for urgent jobs is within the targeted timeframes.
 ④. Progress in resolving urgent jobs is within the targeted timeframes

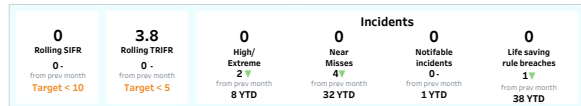


Insights

⑤. Progress in attending to non-urgent water jobs is within the targeted timeframes.
 ⑥. Progress in resolving non-urgent water jobs is within the targeted timeframes.
 ⑦. Compared to the last financial year, there has been a notable decline in leaks repaired.
 ⑧. Over the past six months, there has been a significant increase in the backlog; however, it has started to decline in May.

*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 09/06/25

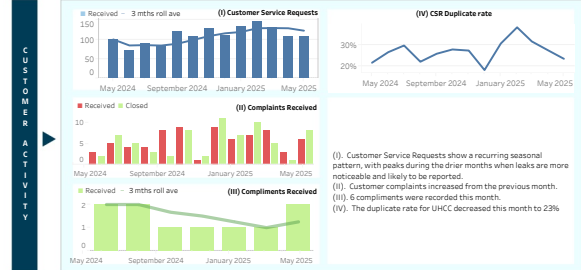
HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE)*



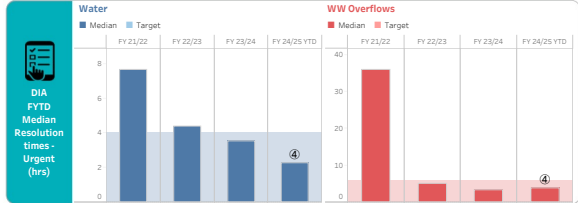
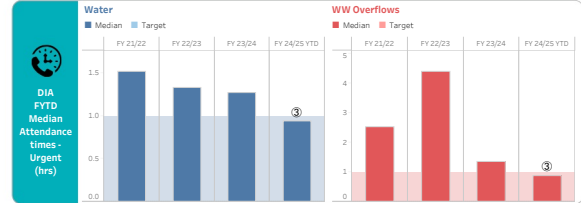
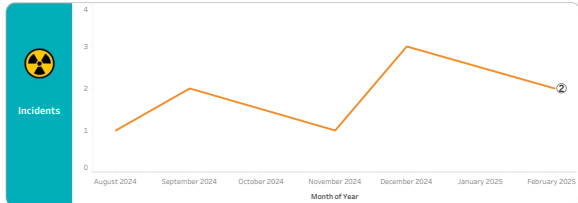
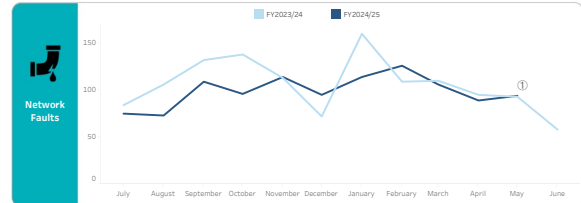
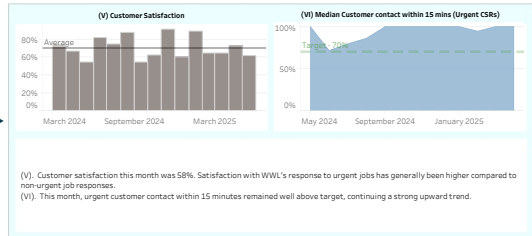
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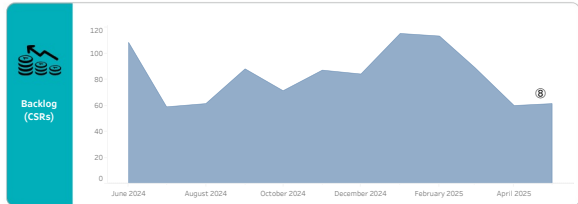
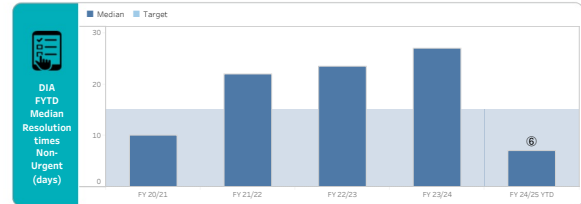
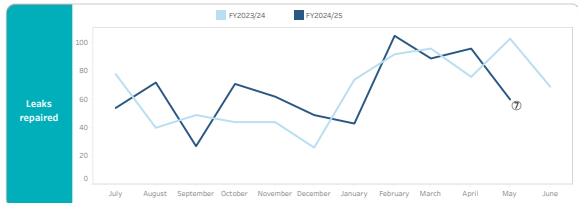
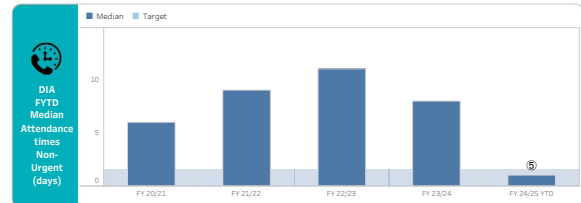
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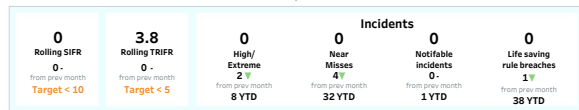
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⑤. Progress in attending to non-urgent water jobs is within the targeted timeframes.
⑥. Progress in resolving non-urgent water jobs is within the targeted timeframes.
⑦. Compared to the previous financial year, the number of leaks repaired has remained stable.
⑧. Over the past six months, there has been a significant decrease in the backlog

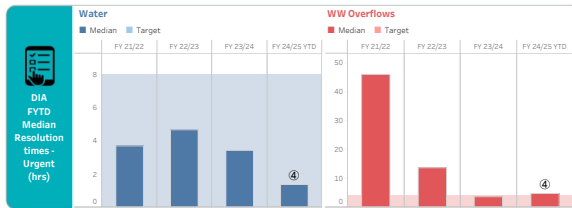
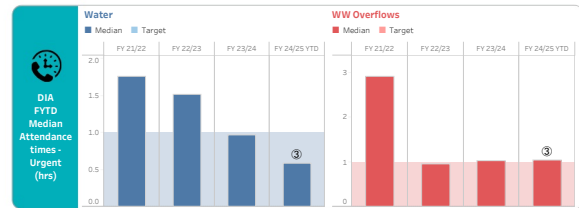
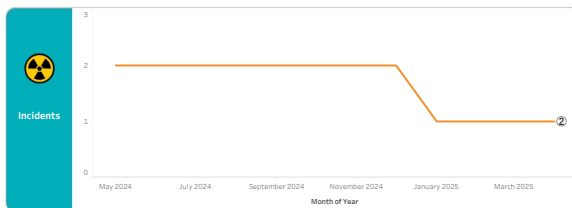
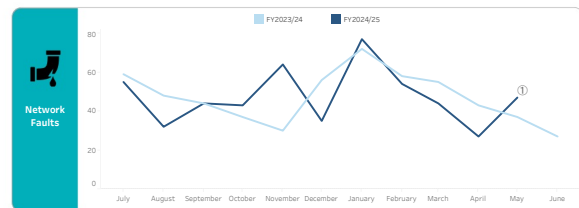
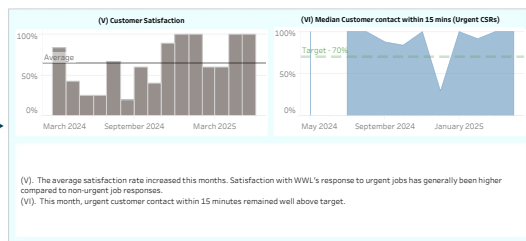
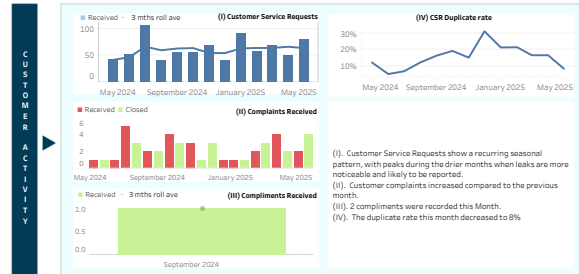
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HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE)*

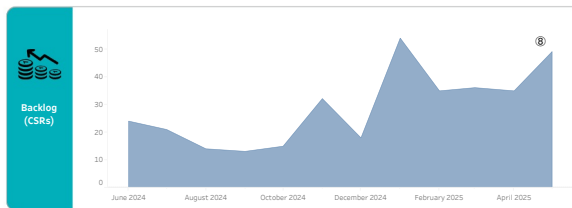
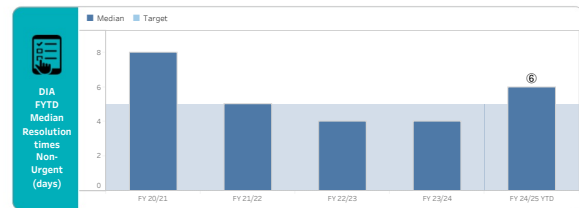
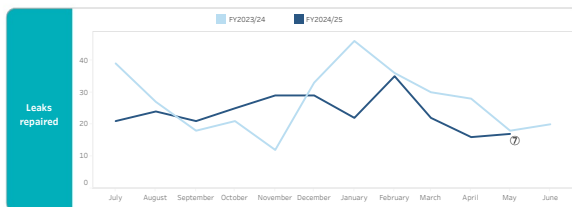
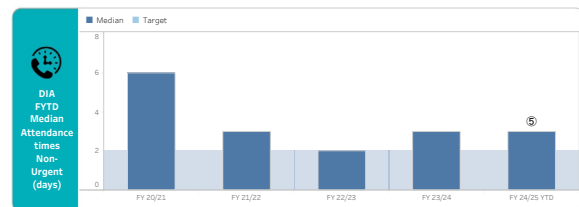


This Month, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings. Additionally, 0 life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

14 Safety Improvements 3▲ from prev month 194 YTD	This Month, there were 14 safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.
22 CAMs cases raised 12▼ from prev month 369 YTD	This Month, 22 CAMs (H & S recording and reporting system) cases were raised



- ①. Compared to the last financial year, there has been a decline in reported network faults.
- ②. The number of incidents are unpredictable and can vary significantly from month to month.
- ③. Attendance within SLAs for urgent jobs is within the targeted timeframes.
- ④. Progress in resolving urgent jobs is within the targeted timeframes



- ⑤. Progress in attending to non-urgent water jobs is within the targeted timeframes.
- ⑥. Although slightly outside the Target this quarter, it has remained relatively static throughout the year.
- ⑦. Compared to the last financial year, there has been a notable decline in leaks repaired.
- ⑧. Over the past six months, there has been a notable increase in the backlog.

*Note that Health and Safety is reported on a regional level. *Also note that Report provides a snapshot in time. Analysis Date: 09/06/25

Company and Governance Update

Appendix 4: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 28 July 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 third full meeting in the 2025 calendar year. There have been three additional meetings with limited agendas. The next meeting is scheduled for 27 August 2025.

Overview of papers

4. Wellington Water items presented to the Committee this meeting are:
 - a. Company and Governance Update
 - b. Receive the final 2025/26 Statement of Intent
 - c. 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. The paper notes the decisions of metropolitan councils to proceed with 'Metro Water'. This means that Wellington Water will ramp up planning for a smooth transition to the new entity.
7. **Culture and Value for Money Improvement Plan:** an update is provided showing progress about Q4 targets.
8. **Sustainable water supply:** WWL have consulted with Council Officers on the draft Bulk Drinking Water Programme Investment Case. This document assesses the priority that should be given to water meters when compared to other regional water supply augmentation projects.
9. **Regulatory performance:** The paper notes the Commerce Commission consultation paper on their draft determination regarding foundational information disclosure (ID) for Wellington Water. Treatment plant dashboards (for drinking and wastewater) are attached to the report.
10. **People:** Wellington Water provided information to staff about the decision by metropolitan councils to progress the set-up of 'Metro Water' and about their future job pathways. Unplanned staff turnover is stable.
11. **Health & Safety:** Wellington Water are working with Veolia about a number of incidents at plants, and their wider health and safety performance.
12. **Budget:** Wellington Water are forecasting a smaller than budgeted corporate deficit, and underspends on both council capex and council opex programmes.

Company and Governance Update

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 within sustainable levels.
14. **Capital delivery:** The 2024/25 target for meters of pipe constructed has been exceeded.
15. **Environmental Water Quality:** Greater Wellington has decided to pause PC1 hearings and process until there is more certainty on national direction.
16. **Technology systems:** The Technology Systems Investment (TSI) Programme team is well underway with preparing a Request for Proposal for the suite of systems (project management, asset, finance, customer and H&S) required to improve WWL's capability and set up 'Metro Water' to succeed.

Annual Report to 30 June 2024

17. The Annual Report to 30 June 2024 is presented to the Committee, having been approved by the Board at its May meeting. It was delayed due to delays in receiving the auditor's opinion. It will be published on Wellington Water's website.

Annual General Meeting

18. The paper requests that shareholders agree that an annual general meeting is not required in 2025.



Komiti Ngā Wai Hangarua Wellington Water Committee

09 July 2025

Report no: WWC2025/3/89

Wellington Water Limited Annual Report for the year ended 30 June 2024

Recommendation

It is recommended that the Committee:

- (1) receives Wellington Water's Annual Report to 30 June 2024;
- (2) notes the Audit Opinion includes two qualifications and two emphases of matter; and
- (3) notes the Annual Report has been updated from the draft version presented to the Committee in September 2024:
 - (a) updated dates and names for correctness as at the adoption date,
 - (b) added and amended disclosures in the Financial Statements as outlined in the report, and
 - (c) amendment to the reported result of the Water Loss Reduction Plan Statement of Intent measure.

Appendices

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Author: External Author (Wellington Water Ltd)



**Wellington Water
Committee | Komiti
Ngā Wai Hangarua**

28 July 2025

**WWL Annual Report
for the year ended
30 June 2024**

Purpose of Report

1. To present the Wellington Water Limited Annual Report to 30 June 2024 to the Wellington Water Committee.

Recommendations

It is recommended that the Committee:

- (1) receives Wellington Water's Annual Report to 30 June 2024;
- (2) notes the Audit Opinion includes two qualifications and two emphases of matter; and
- (3) notes the Annual Report has been updated from the draft version presented to the Committee in September 2024:
 - (a) updated dates and names for correctness as at the adoption date,
 - (b) added and amended disclosures in the Financial Statements as outlined in this paper, and
 - (c) amendment to the reported result of the Water Loss Reduction Plan Statement of Intent measure.

Background

2. Wellington Water Limited is required to deliver an Annual Report within three months of the end of the financial year which includes the Annual Financial Statements.
3. The Wellington Water Committee is responsible for receiving the final annual report and audit opinion.

4. As Wellington Water Limited is a council-controlled organisation, the Office of the Auditor General is the appointed auditor of the company. Audit New Zealand completed this year's audit on their behalf.
5. The audit of Wellington Water's Annual Report was delayed which resulted in a delay in its approval until after the statutory deadline.
6. The Wellington Water Board approved the Annual Report on 9 June 2025.

Audit Opinion

7. The Audit Opinion is unmodified for the financial statements and contains two qualifications on the performance information, as well as two emphases of matter disclosures. These are:
 - (1) A qualification relating to the ratio of planned to reactive maintenance because Wellington Water was unable to provide the auditors with sufficient appropriate audit evidence to support the classification of maintenance works as either 'planned' or 'reactive',
 - (2) A qualification relating to the total number of complaints received about water supply, wastewater, and stormwater because issues with council systems and processes meant the auditors were unable to obtain sufficient appropriate audit evidence about the completeness and accuracy of complaints reporting,
 - (3) An emphasis of matter relating to recent reviews of financial controls, cost benchmarking, and value for money which draws the readers' attention to these reports, their findings, and the actions Wellington Water is taking to address them, and
 - (4) An emphasis of matter relating to the future of water services delivery which states that although councils are in the process of actively consulting on their preferred future water service delivery models, decisions have yet to be made and concludes that the financial statements have been appropriately prepared on a going concern basis.

Summary of updates

8. Wellington Water has made some updates to the Annual Report that was presented to the Committee in September to reflect changes that have occurred since that time. These are:
 - (1) An amendment to the Water Services Entity: Local Water Done Well note in the financial statements (note 14),
 - (2) The addition of a Capital Commitments note in the financial statements (note 15),
 - (3) The addition of two subsequent events within note 16 of the financial statements, relating to:
 - (a) Wellington Water Leases and Accommodation, and
 - (b) Reviews of financial controls, cost benchmarking, and value for money,

- (4) The addition of a Statutory reporting timeframe note in the financial statements (note 17), disclosing that Wellington Water was not able to meet its statutory obligation of finalising its Annual Report within three months of year-end,
- (5) An amendment to the reported result of the Water Loss Reduction Plan Statement of Intent measure (measure #7) reducing the result to 2 actions completed, from 3 as previously reported,
- (6) Updating the date of signing to 9 June 2025 and including Wayne Maxwell as Chief Financial Officer.

Next steps

- 9. Shareholding councils are required to publish the final version on their websites within one month of receiving it.

Appendices

No.	Title	Page
1	Annual Report ended 30 June 2024	

Author: External Author (Wellington Water Ltd)



Annual Report For year ended 2024

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Taki

He wai, he wai
He wai herenga tāngata
He wai herenga whenua
He wairua
He waiora
Tihei mauri ora!

'Tis the water, 'tis the water Water that
joins us
Water that necessitates the land
Soul of life Life Forever
'Tis the breath of life



Foreword

This year we have maintained our focus on delivering core services. We've provided the region with safe and reliable drinking water; removed and treated wastewater; effectively managed the stormwater network; maintained, replaced, and renewed aging assets; and provided councils with advice on their water assets.

Having sufficient drinking water remains a critical risk for the region. This year we faced a significant risk of water shortages during the summer months due to the high and increasing levels of water lost through public and private leaks. This risk was exacerbated by the drier than normal weather patterns meaning we had to work hard to ensure councils and the public were aware of the risk and prepare the region for tighter water restrictions.

Through increased and sustained engagement with our council owners, our regulators, and the public we successfully managed the region through a tricky summer and avoided councils having to put in place more severe restrictions on water use. Our combined efforts and the hard work of Wellingtonians to reduce their water use resulted in the region saving over 400 million litres of water over summer.

In response to the summer's risk, our councils increased their investment in finding and fixing more leaks and reducing the backlog of leaks to a more manageable and sustainable level. This allowed us to increase our operational resources and to take a more planned and strategic approach to tackling leaks by proactively targeting areas across the region with the highest level of water loss and fixing all the public leaks in these areas at the same time. This has seen increased efficiency in the way we use our resources as well as reducing the longer-term disruption on residents. Additionally, we have also increased our efforts to work with residents to fix their private leaks when these are found by our leak detection team. At the beginning of the financial year, the backlog of leaks was 2,223. By the end of the financial year (30 June 2024) this had reduced to 1,460.

We continued to replace and renew the region's aging assets within the allocated funding provided by councils. This year we delivered a record value of \$329M on capital development works, an increase of 25% from the last financial year. We also exceeded our target of 20 kilometres of pipe laid based on funding with a total of 24.5 kilometres of pipe laid by the end of the year.

We have demonstrated prudent financial management of council funds this year. We have come in on budget across our operational activities overall. Our capital expenditure was greater than the original budget, however, councils confirmed additional budget in advance which allowed us to deliver core water projects ahead of schedule. This year to respond to the economic climate, we tightened our belts, looked for business efficiencies and delayed recruitment activities. This allowed us to both funnel additional funding into summer activities to manage the potential risk, and to bolster councils' constrained operational budgets to increase maintenance activities on councils' networks and treatment plant assets.

Our progress this year was made possible under the leadership of Tonia Haskell, who was Chief Executive during this reporting period. Tonia left the organisation in August 2024, and we would like to acknowledge her contribution during her time in the role.

At the beginning of this financial year, we were looking ahead to central Government reforms and the establishment of a new water services entity. With the 2023 change of government and direction, the responsibility for water services remains with our shareholding councils.

Our organisation and people have been living with the anticipation of reforms for a number of years now. This, as well as the need to respond to councils' financial pressures, has led us to delay fundamental organisational improvements and "make do" with systems and processes that are no longer fit for purpose. It has also meant that our ways of working as an organisation and corporate maturity is not at the level our councils and communities would expect for an organisation of our age and size. These factors have come to the foreground in recent times and independent reviews led by the Board have clearly highlighted that we have not consistently met the expectations of our shareholders.

Change is needed now to ensure our organisation remains fit for purpose and that our people are well set up to deliver on our responsibilities. A core focus for the year ahead is to rapidly implement critical organisational improvements. We are working at pace to outline how we intend to do this and working with our shareholding councils on a way forward to continue to deliver the best water outcomes for our region.



Nick Leggett
BOARD CHAIR



Pat Dougherty
CHIEF EXECUTIVE

Who we are and what we do

Wellington Water's job is to deliver safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

We are 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. They task us to manage the infrastructure and deliver water services to communities and to provide investment advice.

Our governance structure

Wellington Water is governed by a Board of Directors. We receive overall leadership and direction from the Wellington Water Committee. The Committee is made up of representatives from our shareholding councils and mana whenua.



Our values

We are a values-driven organisation, and the value of water sits at our heart. Every day Wellington Water people come to work and strive to deliver services and build infrastructure in a way that provides the best outcomes for communities and the environment.

We are on a journey to embedding Te Mana o te Wai and prioritising the health and wellbeing of water into the way we work. This is reflected in our strategic priorities, our planning, and the advice we give. Our values reflect this and set out what we stand for and how we behave:

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

Our strategic focus

Our work over the past year was guided by the regional strategic priorities for water set by the Wellington Water Committee. These were to:

- Look after existing infrastructure;
- Support growth;
- Ensure sustainable water supply for the future;
- Improve water quality of our rivers, streams and harbours;
- Reduce our carbon emissions and adapt to the impacts of climate change; and

- Increase resilience to natural hazards.

Funding to achieve these priorities varies by council, and our ability to meet these priorities will vary as a result.

Our organisational strategy

To meet the region's strategic priorities, our organisational strategy is to focus on our core functions and build and maintain trust with our councils, stakeholders, and communities.

We put the safety, wellbeing, and growth of our people first. In all our relationships we are values led and strive to be honest, open, transparent, and accountable.

Te Mana o te Wai – our obligations

Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of water protects the health and well-being of the wider environment. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

The Water Services Act requires that Wellington Water and our council owners give effect to Te Mana o te Wai. While the Government has signalled an intention to remove this requirement from legislation, our obligation remains to mana whenua iwi, to our councils, and to all of our customers, to care for, protect, manage, use water responsibly.

Embedding the values of Te Mana o te Wai into the way we work is a multi-faceted endeavour. It begins with early and meaningful engagement and is something that we continue to work towards.

Enhancing relationships with mana whenua

This year we marked meaningful steps for our organisation on our journey to build partnership with mana whenua iwi when we signed new agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui.

The agreements lay a strong foundation for future collaboration and development, anchored in values like whanaungatanga, kaitiakitanga, mana ōrite and kotahitanga. They acknowledge the deep whakapapa connection that mana whenua has to their rohe and commits to early and meaningful engagement.

These partnership agreements demonstrate our commitment to working closely with mana whenua iwi to restore and enhance Te Mana me Te Mauri o te Wai o Te Whanganui-a-Tara. To help us realise the aspirations of mana whenua we have set targets to ensure that we are honouring and giving effect to these partnership agreements.

Delivering three water services to communities

The delivery of water services is essential to the functioning of our cities, towns and the region. Our council owners, mana whenua partners, customers, and communities count on us to deliver these services safely and effectively. We take this responsibility seriously and work to care for council assets and deliver services on behalf of our councils to the best of our ability, within the funding levels allocated by our council owners.

In previous years we have focused on building trust with councils through the delivery of three water services. While we have been successful in delivering essential water services this year we have had other issues with our performance which has impacted our ability to maintain a high level trust from councils in us. We're committed to continue working on being a trusted operator for our councils but a shift for us will be to focus on acting in a trustworthy way – this means being open, transparent, accountable in our interactions with our councils, communities and partners.

Delivering long-term planning advice

As the region's water services provider, we provide our council owners with investment advice on their water assets in the region. We do this through the annual planning process and the long-term planning process. Through this, councils then make decisions on what to fund.

This year we provided our councils with investment advice based on a growing understanding of asset condition and achieving the best water outcomes for communities and the environment. Our advice was based on the strategic priorities set by the Wellington Water Committee for the region. We then worked through a process with each of our councils based on their priorities and what they could afford. This included advice on the risks and consequences of not investing.

We provided councils with three levels of capex investment advice for the region:

1. \$30 billion over 30 years - the total capital investment needed to deliver on all of the region's strategic priorities (unconstrained).
2. \$7.6 billion over 10 years - this is our recommended level of capital investment based on the maximum that can be delivered (a 30% uplift of work year on year for the next 10 years).
3. \$2.8 billion baseline programme over 10 years – basic level of capital investment to 'keep the lights on' but won't improve the region's water assets to a sustainable and manageable level.

Our shareholding councils are facing increasing costs and inflationary pressures and must make some hard decisions to strike a balance between investment in water services and other council priorities. Councils have increased funding to the extent that they can afford to: a total of \$3.7 billion over the next ten years, a little under half the recommended, but more than the baseline programme. This level of funding will exacerbate the region's critical risks and see new ones arise over the coming years. For more details on council funding and risks, see our [Statement of Intent for 2024-27](#).

Cost estimation error

In May 2024, we notified our Board and our council owners of an error in the budgeting advice we provided councils for their Long-Term Plans. We did not correctly apply the corporate cost to parts of the capital programme for the first three years of delivery. The corporate cost is an essential charge that covers Wellington Water's overhead costs, which includes project and corporate support.

The error has resulted in a gap of around \$51M across a regional programme of \$900M. We acknowledge that this does not meet the expectations of our councils and communities and on 24 May 2024, we made a [public apology for this error](#).

In response to this, the Board immediately decided to launch an independent review into the causes of the error, provide reassurance regarding the robustness of our ongoing budgeting systems and processes, and implement corrective actions to mitigate future risks. The review took place in June 2024 and a final report and recommendation was provided to the Board and Wellington Water Committee in July 2024.

The report outlined a wide range of issues and recommendations focused on preventing similar errors and future risks. The report also highlighted a range of areas for critical organisational improvements, so Wellington Water is well placed to deliver on our responsibilities and meet the expectations of our councils and communities.

We are now in the process of developing a draft plan to implement organisational improvements, which will need to be agreed by the Wellington Water Committee and our shareholding councils. [A copy of the final review report and its recommendations can be found on Wellington Water's website.](#)

Meeting the expectations of our communities and customers

Water services are essential for health and wellbeing, and our communities and customers expect that they should be able to turn on the tap or flush their toilets without issues.

When we do have issues, we have to prioritise urgent jobs first – those where our customers completely lose access to drinking water, or where there is an urgent risk to the health of people, property or the environment.

To make the best use of our limited resources, we must prioritise where crews go. Urgent jobs are placed at the top of the list. This means that lower priority jobs will move down list, and it will take longer for us to respond. This undoubtedly has an impact on our customers as we won't be able to get to these jobs as quickly as they would expect.

Wellington Water has a prioritisation process. You can find a copy of our prioritisation framework on our website [here](#).

The two largest drivers of customer satisfaction are response times and keeping our customers updated on progress. We consistently respond quickly for these urgent jobs, and our customers are broadly satisfied with our urgent response. Data for the second half of this year shows that 79% of our customers are satisfied with our urgent response (priority one jobs), compared to 47% for non-urgent jobs¹.

While our response times are directly linked to the level of resources we have available, it is still important we improve our customer service and level of care for those who are not able to receive an urgent response. To do this we have made improvements to how we track our cases and communicate with our customers. Within 10 days of receiving a request for service, we now provide

¹ This year we have changed our methodology from a one-on-one phone survey of a sample of customers to an online survey that customers are invited to complete. This gives us more detailed information, but it only dates back to January 2024. For more information on this change see page 31

customers with a plan on how we intend to resolve their job and the priority category that has been assigned to the job, which is important given the longer wait times for less urgent issues.

As a result, we have had no successful disputes against us through the utilities disputes tribunal or the disputes tribunal during the financial year, indicating that we have acted appropriately in our customer response. This year we have also made improvements to how we schedule our work to try to

address more

non-urgent jobs at once – targeting these jobs based on location and highest drinking water loss and enabling our crews to be more efficient with their time.

Fluoridating our water supply

We continue our focus on providing fluoridated water to the metropolitan Wellington region and keeping a close watch on the performance of the fluoride facilities. Our target is to meet the Ministry of Health's (MoH) recommended fluoride levels (0.7-1.0ppm, 95% of the time).

This year, the Wainuiomata Water Treatment Plant met this target, dosing within MoH guidelines 97% of the time. The other plants did not meet targets, as shown in the table below.

At the Waterloo and Wainuiomata plant we identified some health and safety concerns with loading the fluoride powder into the fluoride facilities. On October 12, we turned off the facilities while we worked to ensure the health and safety of our people, and the facilities remained off until October 27.

At the Gear Island Treatment Plant, we had issues with pumps that were installed as a part of improvements made in August 2022 to address issues with fluoridation. These pumps were not fit-for-purpose but rather selected because options for rapid procurement were limited by global supply chain disruption at the height of the Covid-19 pandemic. New, more suitable pumps were installed at the Gear Island and Te Mārua Water Treatment Plants in December 2023 and January 2024. The cost for replacement was approximately \$30,000

Collectively, these improvements have had a positive impact on performance, demonstrated by Gear Island narrowly missing the 95% target (93.9%), and all other plants complying 95% of the time or more over the final quarter of the year. We continue with our programme of ongoing planned

maintenance to ensure that the equipment at

the fluoride facilities are running as they should. This means that we will have to turn off the fluoride facilities from time to time. If a facility is off for more than a few days in a month, this quickly impacts our ability to meet the MoH target for fluoride.

A long-term solution to upgrade the entire fluoridation system at all the metropolitan Water Treatment Plants would be needed to reliably meet the MoH target levels for fluoride.

We are currently doing some planning on what the best long-term solution would look like. This will include considering back-up capacity and options at the plants so we can continue to fluoridate drinking water if a facility fails or needs to be turned off for maintenance work, which we commonly have to do.

Enabling the efficient connection of new property developments

One of the core services we undertake on behalf of our councils is managing the process for new connections to the three waters network. We have a dedicated Growth and Land Development Team that is responsible for several activities across our council areas.

These activities include involvement in building consents, connections, public drainage permits, engineering approvals, encroachment, resource consents, section 223/224, pre-application, on-site inspections, and other general enquiries. This year the team processed over 4,770 applications for the three waters network in our region, including approximately 1,240 building consents, 980 water and drainage connections, and 350 resource consents.

We made a number of improvements this year, such as streamlining the peer review process and back-end system changes. This allowed us to complete more applications within 10 working days, and should further improve processing times further in the year ahead.

Commentary

Delivering three water services to communities

#	Measure	Target	2022/23	2023/2024	Commentary
1	Customers rate their experience of our performance as 'Satisfied' or better.	70%	65%	70% June – Dec 54% Jan - July Changing our methodology has had a material impact on the	Changing our methodology has had a material impact on the result, with customer satisfaction decreasing from 70% under the phone survey to 54% with the online survey. While this does not meet expectations, we have seen a positive trend of improvement, with a high of 60% in June.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	Achieved at all plants	New measure for 2023/24	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	All plants except Gear Island were dosing within the MoH guidelines >95% of the time during the final quarter of the year, with Gear Island sitting at 93.9%. A combination of planned and reactive maintenance, as well as Health and Safety concerns with the fluoride loading process earlier in the year have contributed to not meeting this target at all Water Treatment Plants.
3	The percentage of the resource consents are processed within timeframes (10 working days).*	Greater or equal to baseline (33%)	33%*	38%	Processing times have improved over the course of the year from 33% within 10 working days to 38% by the end of the year.

A focus on core services

Delivering safe drinking water

Our most important job is to deliver safe and sufficient drinking water to all our customers and communities, on behalf of our councils.

We delivered over 65 billion litres of safe drinking water to the people in the Wellington region during the 2023/24 financial year.

While the safety of the drinking water in the region has not been compromised, we have had some instances of non-compliances.

Compliance with Drinking Water Quality Assurance Rules

Below is a table detailing our compliance with Drinking Water Quality Assurance Rules relating to protozoa and bacteria.

Metropolitan Wellington

Results	Te Mārua	Wainuiomata	Waterloo	Gear Island
Bacteriological	Compliant	Compliant	Non-compliant	Compliant
Protozoal	Compliant	Non-compliant	Compliant	Compliant

The Waterloo Water Treatment Plant is non-compliant with the new Drinking Water Quality Assurance rules due to insufficient contact time with chlorine for approximately 800 households. Funding has been provided by Hutt City Council in their Long-Term Plan to address this issue, and the water remains safe to drink.

There was a spike in turbidity at the Wainuiomata Water Treatment Plant on 11 March which exceeded the maximum allowable time by one minute, meaning that the plant was non-compliant on that day, and therefore, we did not meet our target for full compliance for the year.

South Wairarapa

Results	Featherston	Greytown	Martinborough
Bacteriological	Non-compliant	Non-compliant	Compliant
Protozoal	Non-compliant	Non-compliant	Non-compliant

Results	Pirinoa
Bacteriological	Compliant
Protozoal	Compliant

Drinking water plants in South Wairarapa (excepting Pirinoa which serves approximately 10 properties) were not designed to meet the new Drinking Water Standards and have required additional investment to become compliant. We have made technical adaptations to comply with the rules and believe we can be compliant at all three of the major water treatment plants moving forward. However compliance will not be reliable until further investment is made. For more

information see our website [here](#).

Managing of the region's wastewater

This year we treated 65.4 billion litres of wastewater at eight wastewater treatment plants across Wellington and South Wairarapa. This water, once treated, gets safely discharged into the environment. Issues at the wastewater treatment plants over the past few years mean that, on occasion, we haven't been able to meet the levels of service that our communities expect, with occasional exceedance of resource consent limits.

Metropolitan Wastewater Treatment Plant Performance

We have had compliance issues at all metropolitan Wastewater Treatment plants during the calendar year. The majority of these issues relate to asset condition and a lack of redundancy at the treatment plants. By not having redundancy, and not being funded to purchase and store critical spare parts, it is not possible to maintain plants while remaining compliant nor to quickly remediate issues when faults arise.

A list of enforcement actions taken by the regulator is below, for each treatment plant. Full details for each of these enforcement actions can be found on our website [here](#).

Metropolitan Wellington

Moa Point	Number	Issue
Abatement notices	1	To-do abatement notice requiring works to be completed on the pumpstation.
Infringement notices	2	Non-compliant wastewater quality.
Western		
Abatement notices	1	To-do abatement notice requiring us to cease discharging into to Karori stream. This was due to a slip damaging the pipe.
Infringement notices	1	Non-compliant wastewater quality.
Porirua		
Infringement notices	1	Unauthorised discharge of wastewater, due to a sludge carryover event.
Seaview		
Infringement notices	1	24 related to odour issues at the plant while improvements were being made to reduce odour generally. Two related to non-compliant wastewater quality from the plant.

South Wairarapa

Martinborough		
Abatement notices	2	To-do abatement notices requiring desludging of the plant.

Follow-up Joint Review into Wastewater Treatment Plant Performance

This review has been undertaken jointly by Wellington Water and Veolia as a follow-up of a formal review that was undertaken in late 2021. The purpose of the review was to clarify the causes of poor performance at the region's metropolitan Wastewater Treatment Plants (WWTPs) and to identify opportunities for further improvements that would bring the WWTPs back to full compliance.

Reviewing our contract with Veolia

While long-term investment from councils to renew aging assets at the metropolitan wastewater treatment plants is needed to ensure we can reliably maintain compliance, we must also ensure that we are operating these assets to the best of our ability.

Wellington Water contracts Veolia to operate the wastewater treatment plants in the metropolitan Wellington region.

Over the past few years, we have seen ongoing compliance issues across the treatment plants and we have been on a joint journey with Veolia to improve the management and operations of the plants.

In 2021, we reviewed our operating model with Veolia which highlighted some key areas of improvement for both parties. We have made some improvements in recent times, but we know more work is needed. This year, as part of our approach to better contract management, we decided have a another look at the contract performance to test if we are on the right path and to identify what other areas of improvement we could focus on that would contribute to bring the wastewater treatment plants back into compliance.

Delivering sufficient drinking water

Our, and our councils', ability to provide a sustainable supply of drinking water remains at risk. The network is old with increasing leaks (around 41% water loss on average for the metropolitan networks²), people are using a lot of water and population growth is adding to the issue.

Water Loss Reduction Plan

When the risk of an acute water shortage became apparent in mid-2023, Wellington Water quickly developed a Water Loss Reduction Plan to attempt to curb this risk by reducing the primary driver of the risk.

The Water Loss Reduction Plan is a long-term document, setting a target of reducing network leakage by 20 million litres per day by 2033.

This plan included interventions with differing levels of impacts:

This plan included interventions with differing levels of impacts:

- Reactive and proactive renewals of service connections
- Targeted and broad pressure management programmes

² Figure includes estimated public losses (32%) as well as private losses(9%) of total water produced.

- Private leak identification, communication and repair
- Renewals of drinking water pipes
- Assessment and renewal of pressure control valves
- Increasing the speed and quality of repairs
- Fixing reservoir leaks

Given our budget constraints, it quickly became apparent that it was most cost effective to focus on the three interventions that reduced water loss the most: reactive renewals in the network; pressure management; and private leak identification, communication and repair.

Out of this work we are seeing an estimated savings 6 million litres of water per day, with councils' funding over the coming year set to see further significant gains.

A focus on leak detection and repairs

Last year we stood up a regional water loss management team (RWL) within the organisation, and contracted dedicated crews to sweep the cities for leaks and repair those they found with the biggest impact. We have continued to optimise the way in which this team operates, including improving our back-office triage process, and "bundling" leaks by location, allowing our teams to be more efficient by fixing leaks in one area all at once, and reducing the disruptions to residents in the longer term.

While these improvements have had an impact on our ability to find and fix leaks, the biggest impact this year was due to our councils stepping up and providing increased funding for these activities. This additional funding allowed us to fix 9,988 leaks this year, up from 8,192 in 2022/23.

This has meant that we have reduced our backlog from a peak of 2,561 in February 2024, to 1,489 by the end of the year.

Overall demand for water (per capita) increased this year, driven by increased leakage before councils' additional investment was confirmed. This additional investment, and the consequent reduction in our backlog, has seen demand for water fall across the Metropolitan Wellington region decline for the first time in nearly four years from April 2024.

However, it is important to note that fixing leaks is a reactive response and acts as a band-aid to a longer-term problem. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained. Increased and ongoing investment in renewals is needed to prevent leaks occurring in the first instance. This is vital to reduce and maintain water loss at a sustainable level.

Water use reduction achieved during the 2023/24 summer

At the beginning of summer, our modelling showed the region faced a significant risk of having to put in place tighter water restrictions to avoid the risk of a water shortage (e.g. asking people to significantly reduce their indoor water use).

We were clear with our councils and the public from the outset that due to the level of funding and resources available to us at the time paired with the constraints of the aging network, we were unable to materially reduce the risk purely from operational activities. This meant our only tool to avoid a water shortage was to ask the public to change their behaviours and use less water. We worked closely with our councils, our regulators and the Wellington Regional Emergency Management Office to raise public awareness of the risk and asking everyone to help us by doing their bit to get ready and being careful with their water use.

The public responded well and thanks to the combined efforts of Wellingtonians prevented a shift to tighter restriction levels and saved 400 million litres of water over summer.

The change in public behaviour resulted in the rate of increase in demand between winter and summer being the lowest on record. With longer, drier summers anticipated in the future, conserving water, along with increased and sustained investment in replacing aging infrastructure and reducing water loss, will continue to be an integral part of water management.

Measuring the impact of our work

To measure water loss, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters. This provides a lag indicator of water loss reduction activities over this period. We also track average daily demand (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Increased funding for many councils wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated. Additionally, a potential increase in leaks on private property may have offset some of these gains.

Despite this, the estimated annual average water loss on the metropolitan public network for FY23/24 is 32%³ down 2% from FY22/23 (34%). The methodology used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

In conjunction we have begun to see a tangible reduction in water demand. Wellington Water and our client councils report a demand figure per year, measured per capita. Although the annual demand per capita rose 2.7% year-on-year, demand in the metropolitan area began to fall in April 2024, the first time it fell since October 2020. This continued to fall through till the end of the year and through to the publishing of this report. We anticipate that we will see continued improvement this year as we work towards the 7.4 ML/D target from Taumata Arowai, with increased investment from our councils this year.

Securing the future water supply

Monitoring water use and making short-term improvements to mitigate the risk in the short term is only one part of our planning. We must also invest in long-term solutions that both reduce demand and increase supply as we prepare for additional growth in the region. A coordinated, region-wide approach including residential metering, increased investment in leak detection and repair and building additional storage lakes will help ensure Wellington achieves a sustainable water supply for the future.

September 2023 Water Summit

In September 2023 the Wellington Water Committee held its first ever "Water Summit," calling together leaders across Wellington councils and mana whenua. Wellington Water developed three

³ There is a 95% confidence interval for this measure of 17% to 48%.

scenarios for the summit, focusing on three key actions to tackle long-term water supply and demand challenges:

1. Keep: Continue to increase investment in finding and fixing leaks, managing water loss and replacing old infrastructure.
2. Reduce: Invest in residential meters across the metropolitan Wellington region.
3. Add: Build additional storage lakes at Pākuratahi.

Our key message to the attendees of the summit was that all three of these actions need to be progressed immediately to mitigate the threat of water shortages over the long-term.

Attendees voted in favor of our preferred option, which would see immediate progress on all three actions. As such, we included all three of these recommendations into our LTP advice to councils.

As discussed in our “Delivering long-term planning advice” section above, final council Long-Term Plans included around half of the funding that Wellington Water recommended. This means that there is limited investment into finding and fixing leaks over the long-term, insufficient funding to replace ageing infrastructure and mixed uptake of residential metering across the region.

Metering programme establishment

With confirmed funding from Hutt, Porirua and Wellington City Councils, and with Upper Hutt City including funding for a business case, this year we established a metering programme in-house, which is in its establishment phase. We are currently recruiting a core team and have had a strong response from the market to this.

We have agreed and are establishing a joint working model with council officers to enable an integrated regional approach to implementation, which will allow us to roll out the programme more efficiently and effectively. The current focus is on getting the foundations in place so we can enter the implementation phase when we have resources in place.

Te Mārua Water Treatment Plant Capacity Upgrade

A key project underway to increase the amount of water we can supply into the networks is the Te Mārua Water Treatment Plant Capacity Optimisation Project. This will increase the plant’s capacity and ability to use water stored in the Pakuratahi/Macaskill Lakes.

There has been steady progress this year with ongoing work on the Dissolved Air Flotation (DAF) wall structure and other areas across the Water Treatment Plant. Progress has continued with detailed commissioning planning workshops and the pump and plant room fit out as well as filter refurbishment, and centrifuges and mixing tanks coming on stream.

The upgrade will ensure reliable and healthy drinking water for the residents of the Wellington Metropolitan Region. We expect the DAF to be operational in early 2025, and when operational, will allow the plant to treat an additional 20 million litres of water per day. This will give us headroom to produce more water, which has been a constraint over the past few years.

Looking after existing infrastructure

This year we delivered a record value of \$329 million of capital projects which focused on upgrades, improvements, and building new water infrastructure across the region. This is \$67m (25%) higher than in 2022/23.

Renewing our region's assets

Repairing aging infrastructure is not a sustainable long-term solution. Aging infrastructure is more expensive to maintain and operate, than building new assets that work efficiently. Without more funding for renewals, we are struggling to deliver our stated priorities to achieve sustainable water supply and demand and improve environmental water quality.

Our shareholding councils collectively own three waters infrastructure with a replacement value upwards of \$12.3 billion. Maintaining or replacing this infrastructure is the largest contributor to our capital programme, with 52% of the capital programme (\$172m) being spent on renewing infrastructure.

This is substantially below the level of renewals that are required to effectively maintain the network and results in assets becoming older and in worse condition each year.

A key constraint that we have been addressing is our ability to deliver on our councils' renewals programme, as deliverability was a key concern for our councils during the 2021-24 Long-Term Plans. As such, we set ourselves a target of delivering 90% of the councils' renewals programme between 2021 and 2024. In total, we delivered 159% of the three-year programme by value, and adjusted for inflation, met our target. A large part of our success has been due to our unique supply chain model that uses panels made up of teams of consultants and contractors. Our capital suppliers are treated as part of our whānau, which means that they strive for outcomes for the region alongside us.



Case Study: Taranaki St Rising Main Project

Delivering a positive outcome for our communities and the environment Wellington Water is building a major new wastewater “rising main” (a pipe that carries wastewater under pressure) along Taranaki St from Market Lane to Wigan St.

This project is part of a major programme of work for CBD Wastewater Renewals and Upgrades. The programme will cater for growth, improve network resilience, environmental and health outcomes and provide extra flexibility in how the system can be managed.

The new Taranaki St rising main will allow wastewater to be diverted to the main interceptor, which carries wastewater to the Moa Point Wastewater Treatment Plant. This will connect to the lower rising main system to provide continued service while the other rising mains are replaced in the future.

The project will provide additional “redundancy” in the system ensuring that if a problem arises such as a pipe burst or an upgrade is needed, there is capacity to pick up the load and store it or pump it via an alternative route to the interceptor.

Work started in August 2023 and is expected to be completed four months ahead of schedule in early 2025.

The underground pipe has been laid utilising open trenching and trenchless Guided Auger Bore technology where possible (a way to install pipes under the ground without having to dig up the road). To July 2024 approximately 861m out of a total of about required 900m new pipe has been laid (381m open trench, 480.7m trenchless).

This is a significant win for Wellington ratepayers and road users, as this technology has enabled the team to deliver the project quicker than planned and to drill right under sections of Taranaki Street (including beneath SH1 at the Vivian Street, Ghuznee Street and Courtenay place intersections), reducing disruption to the traffic and pedestrian flow above.

It’s also a win for the environment, with the Guided Auger Bore reducing the amount of contaminated waste to landfill.

Over this past year, we reached a major milestone with the installation of the pipe from Market Lane to Wigan St, under Vivian St and Ghuznee St and reinstatement of all of Taranaki St from Ghuznee St southwards.

During the last quarter of 2024, the team will be working on a range of other activities to connect the new rising main to the existing network ready for commissioning in early 2025. This includes connecting the new rising main to pump station 5 in Market Lane and to the new pump station in Inglewood Place as well as completing a new gravity network that will enable wastewater to be diverted into the new pump station.

When completed, the Taranaki St Rising Main project will deliver a great outcome for our communities and our environment.

Renewing Pipes

In total, our councils' networks contain over 7,000 kilometres of pipe. We estimate that councils need to be replacing an average of 100km of the network every year in order to keep it operating smoothly.

This year we completed 24.5 kilometres of pipe renewals across the region. This represents a significant step forward from the previous year, when we delivered 18.5km of renewals, and meets our target of 20km for 2023/24. Pipe renewals in the next three-year period of the Long-Term Plan are dropping as the focus shifts to renewing ageing infrastructure in our water and wastewater treatment plants.

Council	Water	Wasterwater	Stormwater	Year End Total Pipe Renewed
HCC	9.0	6.0	0.3	15.3
WCC	2.1	1.3	0.3	3.7
UHCC	-	1.1	0.0	1.1
PCC	3.6	-	-	3.6
GWRC	0.7	-	-	0.7
SWDC	-	0.2	-	0.2
Total	15.3	8.6	0.6	24.5

Renewing other assets

Wellington Water operates four water treatment plants in the metropolitan Wellington area, as well as three water treatment plants and four wastewater treatment plants in South Wairarapa. Metropolitan wastewater treatment plants are operated by Veolia.

These plants comprise thousands of individual assets that work together to deliver safe drinking water and treat the region's wastewater. Renewing these assets is critical to ensuring the plants can design as operated, and underinvestment in renewals has contributed to increasing performance issues at these plants over time.

We delivered a total of \$5.1m of renewals at plants operated by Wellington Water this year, up from less than \$1m two years ago, with an additional \$8m of renewals at metropolitan wastewater treatment plants operated by Veolia. To facilitate this uplift, this year we established a treatment plant

capital programme team to enable

us to better manage the increased funding from our councils in improving the performance of our plants. This will help us to manage the significant spend at these plants in the coming years, where we are seeing investment (in both renewals and new equipment) increase from \$61m in 2023/24 to \$113m in 2024/25. Moreover, this team will allow us to be more efficient and effective with our

planning of this work,

as operating on plants that are live and treating drinking and wastewater is complex, challenging, and full of risks.

Delivering Major Projects

A water network is made up of a mix of various assets, such as bridges, reservoirs and treatment plants. Many of these assets are complex, expensive and bespoke, requiring novel engineering solutions. This means that constructing this infrastructure is complex and time-consuming, with projects that can take up to a decade from design to completion.

We have a number of significant Major Projects in construction at the moment, which made up \$160m of our capital programme this year.

We closed out the Omarōrō Reservoir and commissioned the Taranaki Street Pumping Station in Wellington City. The Taranaki Street Rising Main is four months ahead of schedule, with 750m of 900m complete. We also completed the Barber Grove to Seaview WWTP wastewater pipe duplication, which was commissioned in 2023, and this project won an award at the Civil Contractors New Zealand awards.

Case study: Managing flood risks at Pinehaven

On behalf of Upper Hutt City Council, we are upgrading Pinehaven Stream at Willow Park to reduce flood risk in the area. This is all part of the wider programme of work to increase the capacity of Pinehaven Stream to accommodate a 1-in-25 year flood event. The upgrades will make significant improvements in flood protection to over 50 vulnerable properties, and improvements for 179 properties affected by secondary stormwater flow paths.

This work started in August 2023 and has made good progress.

- We have built two new retaining walls immediately downstream of the Sunbrae culvert
- An old pedestrian-only bridge has been replaced with a new pedestrian and cycle bridge over Pinehaven Stream at Willow Park, linking to Sunbrae Drive.
- Surveys of the stream have commenced involving ecological, photographic and topographic surveys, and general field visits.

In Upper Hutt, we installed phase two of the Pinehaven Stream flood improvements, while in Porirua construction of a new wastewater storage facility in central Porirua is underway. In South Wairarapa, the Featherston WWTP consent is almost ready to notify, with a successful trial of a DAF plant.

The Kaitoke Flume Bridge Pipeline was brought into service and some significant stages of the Whakawhirinaki Silverstream Water Bridge and Shared Path were completed, marking significant steps to increasing the resilience of our regional water supply.

Information on these and other projects [can be found on our website](#), which is regularly updated with project progress.

Maintaining existing assets

One of our core operational activities is conducting maintenance on our network to ensure it keeps functioning. We break out maintenance activities into two main categories: planned maintenance and reactive maintenance. Planned maintenance is critical as it is a cost-effective way of protecting and extending the life of assets in the region, while reactive maintenance is fixing (and not replacing) assets that have failed.

We have set a long-term goal of increasing the proportion of our funding that we dedicate to planned maintenance, as this is more financially sustainable for our council owners and ratepayers.

This year, we spent \$11.3m on planned maintenance, up from \$10.9m in 2022/23, while we spent \$39.9m on reactive maintenance (up from \$31.7m).

This represents a step backwards in the ratio of planned to reactive maintenance – spending 28 cents on planned maintenance for every dollar of unplanned maintenance (down from 38 cents in 2022/23). This was driven by our councils' investment into fixing leaks and reducing the backlog, which has helped to bring down the immediate risk of water shortages. Increasing spend in planned maintenance is still critical to the efficient operation of the networks, saving costs in future years.

Enhancing our compliance and assurance frameworks to meet new regulatory requirements

Working with our regulators through summer

Over the last year Wellington Water has worked with councils, our environmental regulator (Greater Wellington Regional Council) and the national water regulator, Taumata Arowai to manage a potential acute water shortage to the metropolitan Wellington area.

Partnering closely with councils and the regulator throughout the summer provides us with a good example of how working together can help to navigate a tricky and complex situation which contributed to the region not having to move to tighter water restrictions. Frequent and transparent sharing of information between Wellington Water, the councils and our regulator meant all parties were clear on the risk profile as we moved through the summer months, strong collaboration to navigate issues, increased investment from councils in the most needed areas (e.g. finding and fixing more leaks), and a co-ordinated communications and engagement campaign that resulted in a significant change in consumer behaviour which has seen demand reduce across the metropolitan region for the first time since 2020. In May, to respond to next summer's acute water shortage risk,

Taumata Arowai set a target of 7.4 million litres per day (MLD) water demand reduction by February 2025. This target and a plan of

actions to meet this has been developed and agreed to by Wellington Water and our councils.

Achieving a 7.4 MLD reduction in Water Loss would reduce the chance of a drinking water emergency to less than three percent, and the chance of level 4 water restrictions to approximately twelve percent for the coming summer. It is important to note, however, that there may still be a risk of level 3 water restrictions (a ban on all outdoor water use) this year, which will be dependant on weather patterns or any large spikes in water use.

We have set up monthly reporting to track our progress against this and have established good working relationships with Taumata Arowai. We are currently on track to achieve this reduction, and our open communication and good relationship with the regulator sets us up to manage the risk for the coming summer, as well as in future years.

Increasing our reporting to regulators

Taumata Arowai has been slowly increasing expectations over the quantity and quality of the data it receives since its inception in 2021.

For the first time Wellington Water reported our annual compliance with the Drinking Water Quality Assurance Rules. This required 3748 applications of the rules to the WWL drinking water networks. Many of the rules were new in the assurance space and required processes to be created to ensure that there was an auditable basis for the measures result.

We also must report to Taumata Arowai on their Network Environmental Performance Measures, which cover all three waters and their impact on the environment. Wellington Water reported results for 46 mandatory performance measures for the first annual period ending 30 June 2023, all for drinking water, as well as an additional 444 voluntary measures covering waste and stormwater. Reporting on wastewater and stormwater is being phased in over time, with a total of 33 mandatory wastewater measures in 2023/24, rising to 71 in 2024/25. At the same time, Taumata Arowai is

refining existing measures and we work with them to ensure that we are collecting and reporting meaningful data that allows them to operate as an effective regulator. We continue to report on all voluntary measures, both because we anticipate these will become mandatory, and because this provides the greatest assurance for our regulators, our owners, and our communities, that we are monitoring our impact on the environment.

Internal compliance and assurance improvements

We are committed to ensuring the provision of safe and high-quality drinking water to all our consumers in compliance with the Water Services Act (2021) and Drinking Water Quality Assurance Rules (DWQAR). To support this work, we set up a dedicated regulatory and compliance directorate to ensure that we focus on continual improvement of compliance within the company.

Due to the importance of drinking water for social, economic, environmental and cultural wellbeing, this year we sought to make improvements with how our internal audit function dealt specifically with drinking water. In June 2024 our Safe Drinking Water Committee agreed a bespoke internal audit philosophy for Drinking Water, which serves as a guiding principle to promote best practices, continual improvement, and regulatory compliance within our operations.

Our approach to internal auditing for Drinking Water embodies the following core principles:

1. Commitment to Quality and Safety
2. Regulatory Compliance
3. Risk-Based Approach
4. Continuous Improvement
5. Transparency and Accountability
6. Empowerment and Training
7. Customer-Centric Approach



Health, Safety and Wellbeing

Health, Safety, and Wellbeing is a priority for Wellington Water as we continue to improve our health and safety culture, systems, processes, and practices in order to protect our people from harm. We believe in *People First, Every Time*.

Keeping our people safe

This year, our key Health and Safety metrics (Lost time injury and total recordable injury frequency rates) remained steady throughout the year, with our critical risks not significantly contributing to these, indicating that they were well controlled.

A focus on wellbeing

This year we have increased our focus on worker wellbeing by rolling out a series of Better Work by Design workshops. This work, based on resources developed by the New Zealand Business Leaders Health and Safety Forum, identifies factors that protect and harm wellbeing at work. This work goes beyond surface level interventions and looks at the actual work people do. These workshops have been carried out across the organisation and at all levels and have identified many common themes.

Workers identified that working for Wellington Water gives them a strong sense of purpose as they're connected to the work that we do, there is a good work environment, with a good work/life balance, as well as Wellington Water generally provides a flexible workplace. The workshops pointed out that wellbeing is being impacted by excessive workloads, inadequate systems and process, and not enough people to do the work.

Fluoride exposure concerns

Following some concern from workers around their exposure to fluoride powder, we undertook extensive occupational exposure monitoring and investigations into our practices. This work showed that there was no indication that any of our people were being exposed to hazardous levels, though we did bolster the controls we used, and introduced updated procedures including proved respiratory protection. This was well received by our people and showed our strong commitment to continuously improving health and safety practices.

Reviewing our critical risks

We recently undertook a review of our critical risks to ensure we were adequately addressing those we face in the water industry. Building off work done by the Department of Internal Affairs for the Water Reform programme Wellington Water introduce several new critical risks including Working Above and Around Water, Psychological Hazards, and Driving. These have been introduced to our workers alongside updated Life Saving Actions and form the backbone of our updated critical risk management programme. There is further work underway in the new financial year to bed these improvements.

We carried out two significant critical risk reviews during the year, looking at Traffic Management and Working Around Mobile Plant and Equipment, and how we can protect our people from the harms associated with these. The Traffic Management review highlighted the different ways traffic management is managed across our client councils, and highlighted the issues these inconsistencies can cause. This work will feed into a wider piece of work to help drive a consistent and risk-based approach to traffic management in the Wellington Region, while the Mobile Plant review found areas where our people

are put at risk, and identified future work we will pursue to address these across our entire supply chain.

	Measure	Target	2022/23	2023/24	Commentary
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the “delivery of safe drinking water section above.
5	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the “delivery of safe drinking water section above.
6	The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	<5.2 (+/- 2.5)	New measure for 2023/24	4.9 (+/- 2.5)	The ILI is a ratio of avoidable water losses to unavoidable water losses. The lower the result, the better the network is performing.
7	We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Achieved	New measure for 2023/24	2 out of 10 actions complete	This year we focused on delivery of the 3 actions that produce tangible water saving results: <ul style="list-style-type: none"> • Reactive renewals • Pressure management • Private leak identification, communication and repair Actions have met the target required: no net increase in water loss across the metropolitan region, with an estimated 6 ML/D of savings, however noting we did not meet the number of reactive renewals proposed.
8	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year.	Achieved	2 abatement notices and 9 infringement notices	2 abatement notices 30 infringement notices	See details in the “managing the region’s wastewater” section above.

9	SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year	Achieved	Achieved	Achieved	Enforcement risks were highlighted to SWDC through monthly reporting dashboards that we provide our councils.
10	Percentage of three-year programme (2021-24) complete	90%	95% of three-year programme complete (cumulative)	159% of three-year programme complete (cumulative)	Achieved. Our target was to be able to ramp up and deliver more each year, with a target of at least 90% completion of renewals across the three-year Long-Term Plan period.
11	Ratio of planned to reactive maintenance increases	Ratio increases from baseline (\$0.38:\$1)	Baseline established (\$0.38:\$1)	\$0.28:\$1	We have seen a reduction in the amount of planned maintenance activities that we have undertaken this year. This was driven by our councils' investment into fixing leaks and reducing the backlog, which has helped to bring down the immediate risk of water shortages.
12	Total capital delivery is within the capital range	Delivery between \$233m and \$328m	Achieved (\$263m)	\$329m	At the end of June 2024, the full year actual spend came in at \$329m. At a programme level, the year marginally above the top end of the capital range (\$233m and \$238m). Note that the range was set against an initial budget of \$301m from councils. An additional \$49m was approved during the year to undertake additional works. These works meant that our full year result was less than 1% above the top end of the range.

13	Health and Safety critical risks will be reviewed, and improvements are implemented	Two or more	Two critical risk reviews completed	Two critical risk reviews completed	This year Wellington Water held two reviews of critical health and safety risks, namely Working Around Mobile Plant and Equipment, and Traffic Management.
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Other priorities

Improving environmental water quality

Our communities want to enjoy the region's beaches, rivers and coastlines. We run the three waters network in accordance with regulations and environmental consent requirements, and we work to reduce the environmental impact of our operations as much as possible.

We undertake regular surveillance of public drains and pipes to locate and fix any problems, and regular sampling and testing of local waterways to monitor our environmental impact. When there is an incident that impacts on public health, we advise the community of the risks and what they need to do to keep safe.

Progressing our stormwater consent

In early 2023 we lodged three wastewater overflow consents for the Wellington, Porirua and Hutt networks, as well as a global (four-city-wide) stormwater consent.

This year we continued to work towards renewing the stormwater consent for the metropolitan Wellington area and the consent covering all wastewater network overflows. In October, we sought feedback on the proposed community engagement framework that has been developed with a focus group of community representatives.

Our proposed approach has a Collaborative Committee, with representation from mana whenua and asset owners (councils) which would have oversight of the implementation of the consent.

This would be supported by community input at a 'global' level and a 'local' or sub-catchment level.

[Our 'Towards Te Mana o te Wai' infographic can be accessed on our website](#) for a summary of our overall approach.

Managing the impacts of our works

Our crews fix leaks on the front line every day, and when they are fixing a leak, there is a risk that sediment enters stormwater drains as the water escapes from the work site. If this occurs, these contaminants may end up in rivers, streams or beaches. Our crews use a variety of methods to ensure that nothing enters the stormwater network and makes its way out into beaches and harbours.

On rare occasions, an issue can occur, and this year, we received six infringement notices for four incidents where sediment laden water entered a stormwater system, and then the environment. The receiving waterways were the Hutt River (twice), the Waiwhetu Stream in Lower Hutt, and the Kenepuru Stream in Porirua. This is an increase from last year, where we had two incidents.

Events such as these are learning opportunities and help us and our crews to better manage the impacts on the environment moving forward.

Net-zero carbon 2050

The Climate Change Response (Zero Carbon) Amendment Act sets New Zealand's goal of net zero carbon emissions by 2050. The majority of our owner councils have declared climate change emergencies and are setting or considering emission reduction targets and climate change response strategies.

The country's response to climate change will need to include mitigation (reducing our emissions) and adaptation (managing the impacts of climate change), and water services providers have a part to play in both mitigation and adaptation of these elements.

Planning for our communities

On 02 July 2024, the Ministry for the Environment (MfE) released its updated guidance for coastal hazards and climate change. This guidance is critical for Wellington Water and our councils as it helps us to assess the risks for our communities of climate change and helps determine what actions we can take.

Although this guidance was released after the end of the Financial Year, MfE held a webinar on the guidance and how to apply it during March 2024, and our teams have been using this guidance ever since. Critically, it defines the scenarios that should be used for planning in the absence of more localised assumptions. This provides Wellington Water and our councils with clarity on how we should be planning for climate change. This guidance can be found on the MfE website [here](#).



Ensuring our people are ready for water reform transition

In our Statement of Intent, we detailed how we were working towards the establishment of a new Water Services Entity to take over delivery of water services from October 2024. This was a key priority, as the previous Government's Affordable Water Reforms proposed that future water services would be delivered by ten regional water entities. The Wellington water entity was to include our shareholding councils (excluding Greater Wellington Regional Council) as well as Kapiti Coast, Carterton and Masterton.

The new Government repealed these reforms soon after taking office and replaced them with their "Local Water Done Well" policy, which returns responsibility for water services to local councils. Our councils are working together to look at what a new model for delivering water services could be, and along with Carterton, Masterton, Kapiti and Horowhenua district have signed a Memorandum of Understanding or MoU. The MoU is a non-binding partnership to work together on a new regional council controlled organisation (CCO) to deliver water services. Our input into this has been limited, as the new CCO (if established) will succeed Wellington Water. Our role has been, and will continue to be, providing input and support for our councils to help them make good decisions and set up the region for success moving forward.

Ensuring our people are ready for water reform transition

	Measures	Target	2022/23	2023/24	Commentary
14	Staff feel supported by the organisation through water reform (staff survey)	Greater than previous year (62%)	62%	65% ⁴	Staff continued to feel supported by the organisation, particularly through previous Government's Affordable Water Reform process.
15	Staff feel as if they understand water reform (staff survey)	Greater than previous year (61%)	61%	42% ³	Staff understanding fell significantly as a new Government was elected and the future of water reform became unclear.

⁴ Management made the decision to discontinue these measures following the repeal of reforms in February 2024. As such, the result is taken from staff surveys undertaken up to February 2024.

Summary of Non-Financial Performance Statement of Intent 2023-26 Results

A total of 6 measures are achieved (green), while 9 measures are not achieved for the year (red).

#	Measure	Target	2022/23	2023/24	Commentary
1	Customers rate their experience of our performance as 'Satisfied' or better.	70%	65%	70% June – Dec 54% Jan - July	Changing our methodology has had a material impact on the result, with customer satisfaction decreasing from 70% under the phone survey to 54% with the online survey. While this does not meet expectations, we have seen a positive trend of improvement, with a high of 60% in June.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	Achieved at all plants	New measure for 2023/24	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	All plants except Gear Island were dosing within the MoH guidelines >95% of the time during the final quarter of the year, with Gear Island sitting at 93.9%. A combination of planned and reactive maintenance, as well as Health and Safety concerns with the fluoride loading process earlier in the year have contributed to not meeting this target at all Water Treatment Plants.
3	The percentage of the time resource consents are processed within timeframes (10 working days).*	Greater or equal to baseline (33%)	33%*	38%	Processing times have improved over the course of the year from 33% within 10 working days to 38% by the end of the year.
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.
5	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.

6	The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve**	<5.2 (+/- 2.5)	New measure for 2023/24	4.9 (+/- 2.5)	The ILI is a ratio of avoidable water losses to unavoidable water losses. The lower the result, the better the network is performing.
7	We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Achieved	New measure for 2023/24	3 out of 10 actions complete	This year we focused on delivery of the 3 actions that produce tangible water saving results: <ul style="list-style-type: none"> • Reactive renewals • Pressure management • Private leak identification, communication and repair Actions have met the target required: no net increase in water loss across the metropolitan region, with an estimated 6 ML/D of savings.
8	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	2 abatement notices and 9 infringement notices	2 abatement notices 30 infringement notices	See details in the “managing the region’s wastewater” section above.
9	SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year	Achieved	Achieved	Achieved	Enforcement risks were highlighted to SWDC through monthly reporting dashboards that we provide our councils.
10	Percentage of three-year programme (2021-24) complete	90%	95% of three-year programme complete (cumulative)	159% of three-year programme complete (cumulative)	Achieved. Our target was to be able to ramp up and deliver more each year, with a target of at least 90% completion of renewals across the three-year Long-Term Plan period.

11	Ratio of planned to reactive maintenance increases	Ratio increases from baseline (\$0.38:\$1)	Baseline established (\$0.38:\$1)	\$0.28:\$1	We have seen a reduction in the amount of planned maintenance activities that we have undertaken this year.
12	Total capital delivery is within the capital range	Delivery between \$233m and \$328m	Achieved (\$263m)	\$329m	At the end of June 2024, the full year actual spend came in at \$329m. At a programme level, the year marginally above the top end of the capital range (\$233m and \$238m). Note that the range was set against an initial budget of \$301m from councils. An additional \$49m was approved during the year to undertake additional works. These works meant that our full year result was less than 1% above the top end of the range.
13	Health and Safety critical risks will be reviewed, and improvements are implemented	Two or more	Two critical risk reviews completed	Two critical risk reviews completed	This year Wellington Water held two reviews of critical health and safety risks, namely Working Around Mobile Plant and Equipment, and Traffic Management.
14	Staff feel supported by the organisation through water reform (staff survey)	Greater than previous year (62%)	62%	65% ⁵	Staff continued to feel supported by the organisation, particularly through previous Government's Affordable Water Reform process.
15	Staff feel as if they understand water reform (staff survey)	Greater than previous year (61%)	61%	42% ³	Staff understanding fell significantly as a new Government was elected and the future of water reform became unclear.

⁵ Management made the decision to discontinue these measures following the repeal of reforms in February 2024. As such, the result is taken from staff surveys undertaken up to February 2024.

Governance report

Wellington Water is a council-controlled organisation, and we are jointly owned and funded by:

- Greater Wellington Regional Council,
- Hutt City Council,
- Porirua City Council,
- South Wairarapa District Council,
- Upper Hutt City Council, and
- Wellington City Council.

Each council has equal voting rights and nominates a single elected representative to sit on the Wellington Water Committee, which oversees and appoints the organisation's Board and provides us with regional leadership and direction.

As a council-controlled organisation, we operate under the Companies Act 1993 and the Local Government Act 2002. Under these Acts, there are a number of foundational agreements between us and our council owners. These include:

- Company Constitution – Contains rules that govern the company,
- Shareholders Agreement – Sets out how council shareholders will manage shareholdings and respective relationships, and
- Management Service Agreements – Contracts for provision of management services relating to water service.

Wellington Water Committee

The Wellington Water Committee has a single elected representative from each of Wellington Water's shareholding councils and three representatives from mana whenua. For the reporting year, the Wellington Water Committee comprised of:

- Hutt City Council – Mayor Campbell Barry (Chair),
- Greater Wellington Regional Council – Councillor Ros Connelly (Deputy Chair),
- Porirua City Council – Mayor Anita Baker,
- South Wairarapa District Council – Councillor Melissa Sadler-Futter and Martin Connelly (formerly),
- Upper Hutt City Council – Mayor Wayne Guppy, and
- Wellington City Council – Mayor Tory Whanau and Tim Brown (formerly).

The Wellington Water Committee has seats for three appointments of iwi partners.

- Te Rūnanga o Toa Rangatira – Helmut Modlik,
- Taranaki Whānui ki te Upoko o te Ika a Maui – Lee Rauhina-August, and
- Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua – Andrea Rutene.

The Wellington Water Committee provides oversight and regional direction for Wellington Water. It does this by monitoring our performance, and appointing directors to our Board of Directors. We report quarterly and annually to the Wellington Water Committee on our performance.

The Wellington Water Committee writes an annual Letter of Expectations to the Board, which outlines their key priorities and areas of focus. This is used to guide the development of our Statement of Intent.



Our Board of Directors

We're governed by a Board of Directors. The Chair of the Board reports to the Wellington Water Committee.

At the end of the financial year the Board of Directors consisted of six members. Each director can serve a maximum of two terms, or six years, unless agreed otherwise by the Wellington Water Committee. As at 30 June 2024, the Directors in office are as follows:

Nick Leggett (Chair)	18/3/2022	1/9/2025
Leanne Southey	1/7/2021	1/9/2025
Alexandra Hare	1/7/2022	30/6/2024
Patrick Dougherty	1/9/2023	1/09/2025
Mahina Puketapu	1/9/2023	1/9/2025
Bill Bayfield	1/9/2023	1/9/2025

The Board leads the development of our strategy, ensures sound organisational culture and compliance, and monitors our performance, risks and viability. The Board's approach to governance is to establish with management (and in consultation with shareholders) clear strategic outcomes that drive our performance.

The following changes to the Board have occurred in the 2023/24 financial year:

Director	Appointed	Term Expires
Kim Skelton (Term Expired)	2 September 2020	1 September 2023
Bill Bayfield (Appointed)	1 September 2023	1 September 2025
Mahina Puketapu (Appointed)	1 September 2023	1 September 2025
Patrick Dougherty (Appointed)	1 September 2023	1 September 2025

At the date of writing this report, the following additional changes have occurred:

Director	Appointed	Term Expires
Alexandra Hare	1 July 2022	30 June 2024 (Term Expired)
Patrick Dougherty *Resigned to take Chief Executive Role of Wellington Water	1 September 2023	7 September 2024 (Resigned)*

Board meetings and attendance 2023/24

The Board meets regularly throughout the year and has a committee to focus on audit and risk.

The table below shows attendance at Board and Audit Committee meetings during the year ended 30 June 2024:

Name	Board Meeting Attendance (13 Meetings)	Audit Committee Attendance (5 meetings)
Nick Leggett (Chair)	13	4
Leanne Southy (Chair Audit)	13	5
Patrick Dougherty *	11	5
Mahina Puketapu *	11	5
Bill Bayfield*	11	4
Alexandra Hare	12	5

*Appointed on the 1/9/2023. Attended all 11 Board Meetings after this date.

Audit Committee

The Audit Committee comprises all members of the Board and is chaired by Leanne Southy. The purpose of the Audit Committee is to:

- approve, review and assess the quality and integrity of the financial reporting of Wellington Water Ltd
- consider whether the company has established appropriate policies and put in place management processes to ensure that risks are properly identified and managed
- oversee and assess the internal and external audit processes.

Directors' remuneration 2023/24

The table below shows remuneration paid to directors during the year ended 30 June 2024.

Name	Nick Leggett	Leanne Southy	Alexandra Hare	Mahina Puketapu	Patrick Dougherty	Bill Bayfield	Kim Skelton
Fees paid (\$ 000's)	60	30	30	25	25	25	5

Interest Register as at 30 June 2024

Name	Nature of Interest	Date disclosed
Nick Leggett (Chair)	<ul style="list-style-type: none"> Trustee and Chair, Hutt Mana Charitable Trust Director, WRC Holdings Ltd, Greater Wellington Rail Ltd Council member - Hanga Aro Rau - Workforce Development Council Father is a City Councillor on Porirua City Council, which is a shareholder of Wellington Water Ltd Aspiring Futures Foundation Trustee and Chair CE – Infrastructure New Zealand 	<ul style="list-style-type: none"> March 2022 March 2022 March 2022 March 2022 July 2022 May 2022
Leanne Southy (Chair Audit)	<ul style="list-style-type: none"> Director and Shareholder, Southey Sayer Limited Member, Wellington Free Ambulance Board Trustee, Masterton Tradeaid Shareholder, Mangan Graphics Limited Masterton Community trust, Trustee Director, Trust House Masterton Trustee, Trust House Foundation Chair – Kauri Healthcare Ltd 	<ul style="list-style-type: none"> July 2021 July 2021 July 2021 July 2021 Nov 2022 Feb 2023 Feb 2023 July 2023
Alexandra Hare	<ul style="list-style-type: none"> Deputy Chair/Trustee Engineering New Zealand Foundation Trustee Eureka! Trust Director Generational Limited Independent Director Wellington Water Limited Independent Director Wellington Holdings Limited Independent member Audit and Risk Committee Ministry for the Environment Advisor Electricity Engineers Association 	<ul style="list-style-type: none"> July 2022 July 2022 July 2022 Sept 2023 Sept 2023 Sept 2023 Sept 2023 Sept 2023
William Bayfield	<ul style="list-style-type: none"> Trustee, Family Trust, Costrong Director, Citycare Director of Apex Water Ltd. 	<ul style="list-style-type: none"> Aug 2023 Feb 2024 Feb 2024
Patrick Dougherty	<ul style="list-style-type: none"> Tregaskis Brown, Consulting Partner – No Shareholding Tonkin and Taylor / TB Joint bid for work with Hauraki District Council Wellington City Council / TB Analysis of a significant development proposal for WCC Providing consultancy advice to Tonkin + Taylor on the development of a Local Government Strategy 	<ul style="list-style-type: none"> Aug 2023 Aug 2023 Aug 2023 April 2024
Mahina Puketapu	<ul style="list-style-type: none"> Port Nicholson Block Settlement Trust – Trustee Shareholder of Subsidiaries of Port Nicholson Block Settlement Trust: TWL Holdings Limited, LBS General Partner Taranaki Whānui Limited – Director Director of Subsidiaries of Taranaki Whānui Limited: Lowry Bay Section One Limited, Tramways Limited, Shelly Bay Limited, The Lodge at Shelly Bay Limited, TWL Holdings Limited Te Ngakinga o Whanganui Investment Trust – Board Member/Trustee Whanganui Iwi Fisheries Limited – Director Institute of Finance Professionals NZ Inc – Board Member Taumairangi Limited – Director and Shareholder Te Kotahitanga o Te Atiawa – Registered Iwi Member Taranaki Iwi – Registered Iwi Member Taranaki Whānui – Registered Iwi Member Tauhara North No.2 Trust – Chief Investment Officer 	<ul style="list-style-type: none"> Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023 Aug 2023

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the company's constitution, Wellington Water Limited has indemnified all current and former directors and executive officers of the company in respect of all liabilities to persons (other than the company or a related body corporate) to the extent permitted by law that arise out of the performance of their normal duties as directors or executive officers unless the liability relates to conduct involving a lack of good faith.

In authorising the insurances to be affected, each director has signed a certificate stating that in their opinion the cost of the insurance is fair to the company.

Use of company information

No notices have been received by the Board of Wellington Water under section 145 of the Companies Act with regard to the use of company information received by directors in their capacity as directors of the company.

Board evaluation

The directors carry out a review and evaluation of the Board processes, efficiency and effectiveness every two years. The results of this survey are presented to the Wellington Water Committee.

Auditor

The auditor is appointed under Part 5, section 70 of the Local Government Act. Audit New Zealand has been appointed by the Auditor-General to provide these services on his behalf.

Employee remuneration

2023/2024	Salary Bracket
\$460,000.00 - \$470,000.00	1
\$290,000.00 - \$300,000.00	1
\$280,000.00 - \$290,000.00	1
\$260,000.00 - \$270,000.00	1
\$250,000.00 - \$260,000.00	2
\$240,000.00 - \$250,000.00	2
\$230,000.00 - \$240,000.00	0
\$220,000.00 - \$230,000.00	2
\$210,000.00 - \$220,000.00	2
\$200,000.00 - \$210,000.00	1
\$190,000.00 - \$200,000.00	11

2023/2024	Salary Bracket
\$180,000.00 - \$190,000.00	4
\$170,000.00 - \$180,000.00	12
\$160,000.00 - \$170,000.00	10
\$150,000.00 - \$160,000.00	11
\$140,000.00 - \$150,000.00	16
\$130,000.00 - \$140,000.00	17
\$120,000.00 - \$130,000.00	19
\$110,000.00 - \$120,000.00	24
\$100,000.00 - \$110,000.00	34
Total Staff	171

38

Matters that shareholders wish to restrict

The shareholders have agreed that the approval of the Statement of Intent is subject to the following restrictions on our Board who may not:

- Make a loan or borrow money, except for any borrowings in the ordinary course of business of no more than \$1m in total,
- Grant security over the assets of the company, or grant an indemnity or guarantee other than in the ordinary course of business,
- Make a material change to the nature of the company's business or engage in business activities outside the ordinary course of business,
- Enter a new customer service-level agreement, except in the form already agreed by shareholders,
- Enter into a partnership or joint venture, except in the ordinary course of business, acquire a new business or shares in another company,
- Starting or settling any legal or arbitration proceedings, except in the ordinary course of business, and
- Transferring or disposing of real or intellectual property with a value of over \$0.2m.

Information to be provided to shareholders

In each year Wellington Water shall comply with the reporting requirements of the Local Government Act and the Companies Act and regulations.

In particular, Wellington Water will provide:

- A Statement of Intent detailing all matters required under the Local Government Act (LGA), including forecast 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 LGA), and
- Within three months after the end of each financial year, an annual report that 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 LGA).

Owing to the reporting undertaken in accordance with the service-level agreements with client councils, the reliance on six-monthly reports fully meets Local Government Act requirements and is considered appropriate.

Ratio of shareholders' funds to total assets

Ownership of infrastructure assets is retained by the shareholders. As Wellington Water is a business that returns all benefits to shareholders, the ratio of shareholders' funds to assets is as follows:

	Actual 2024	Budget 2024	Actual 2023
Ratio of shareholders' funds to total assets	6%	4%	4%

Company policies and procedures

Delegation to the Chief Executive and Senior Leadership Team

The Chief Executive and Senior Leadership Team are responsible for:

- Developing and making recommendations to the Board on company strategies and specific strategy initiatives,
- The management and implementation of the strategy,
- The implementation of Board-approved policies and reporting procedures, and
- The day-to-day management of the company.

These responsibilities are subject to the Board's delegation of authority to the Chief Executive and Senior Leadership Team and other rights and responsibilities which are reserved to the Board.

Code of Conduct

Wellington Water's purpose is to 'create excellence in three water services so our communities can prosper'. Underpinning this is the Code of Conduct, which acknowledges the company's commitment to maintaining the highest standards of honesty, integrity and ethical conduct in its day-to-day behaviour and decision-making.

The Code of Conduct guides all members of the company in the practices necessary to maintain confidence in the company's integrity and takes into account legal obligations and compliance regulations. It also guides the responsibility and accountability of individuals for reporting and investigating any unethical practices. The Code of Conduct is supported by the Conflicts of Interest Policy, Gifts and Entertainment Policy, Protected Disclosure Procedures, Harassment at Work Procedures, Health and Safety Policy and Fraud Policy.

Financial statements

These financial statements and the performance information are for the year ended 30 June 2024. They comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

For and on behalf of management:

Pat Dougherty

CHIEF EXECUTIVE



9 June 2025

Wayne Maxwell

CHIEF FINANCIAL OFFICER



9 June 2025

For and on behalf of the Board of Directors:

Nick Leggett

CHAIR OF THE BOARD



9 June 2025

Leanne Southey

CHAIR OF AUDIT COMMITTEE



9 June 2025

Statement of Comprehensive Revenue and Expenses

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Revenue from exchange transactions	3	464,629	412,053	380,363
Revenue from non-exchange transactions	3	629	-	1,470
Interest revenue		2,007	1,125	1,031
Gain/(loss) on disposal of assets		32	-	16
Total revenue		467,297	413,178	382,880
Salaries and wages		(40,318)	(49,241)	(32,267)
Superannuation		(1,204)	(1,583)	(966)
Directors fees		(197)	(210)	(176)
Audit fees - financial statements		(284)	(281)	(262)
Audit fees - other		-	-	(10)
Council capex and Council opex programme		(442,653)	(387,371)	(359,387)
Operating leases		(1,844)	(1,890)	(1,439)
Other personnel expenses		(4,696)	(2,492)	(5,401)
Other operating expenses		(13,727)	(16,326)	(12,646)
Corporate (Direct) costs charged to capex and opex prog		44,803	47,934	29,399
Total operating expenses		(460,120)	(411,461)	(383,155)
Depreciation and amortisation expense		(1,557)	(1,718)	(1,619)
Total expenses		(461,677)	(413,178)	(384,774)
Net surplus/(deficit) before taxation		5,620	-	(1,894)
Tax (expense)/credit		(1,586)	-	393
Total comprehensive revenue and expenses		4,034	-	(1,501)
Attributable to:	9			
Greater Wellington Regional Council	15%	605	-	(225)
Hutt City Council	20%	807	-	(300)
Porirua City Council	12%	484	-	(180)
South Wairarapa District Council	5%	202	-	(75)
Upper Hutt City Council	8%	323	-	(120)
Wellington City Council	40%	1,613	-	(601)
Total comprehensive revenue and expenses	100%	4,034	-	(1,501)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

	Retained Earnings \$000	Issued Capital \$000	Total \$000
Balance at 1 July 2022	3,525	1,000	4,525
Share capital issued			
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(1,501)	-	(1,501)
Balance at 30 June 2023	2,024	1,000	3,024
Balance at 1 July 2023	2,024	1,000	3,024
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	4,034	-	4,034
Balance at 30 June 2024	6,058	1,000	7,058

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Financial Position

At 30 June 2024

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Cash and cash equivalents		36,550	32,118	31,871
Receivables and prepayments	6	70,081	32,281	41,672
Tax (receivable)		-	-	407
Total current assets		106,631	64,399	73,950
Intangible assets	4	25	99	77
Property, plant and equipment, vehicles	4	4,576	4,694	4,963
Deferred tax asset/(liability)	5	369	(360)	35
Total non-current assets		4,970	4,433	5,075
Total assets		111,601	68,832	79,025
Payables and provisions	7	100,632	59,025	73,801
Employee entitlements		2,549	1,891	2,175
Tax payable		1,337	19	-
Total current liabilities		104,518	60,935	75,976
Employee entitlements		25	18	25
Total non-current liabilities		25	18	25
Total liabilities		104,543	60,953	76,001
Net assets		7,058	7,879	3,024
Issued capital	9	1,000	1,000	1,000
Retained earnings		6,058	2,024	2,024
Total equity		7,058	3,024	3,024

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Authorised on behalf of the Wellington Water Limited Board of Directors on 9 June 2025.

Nick Leggett
CHAIR OF BOARD



9 June 2025

Leanne Southey
CHAIR OF AUDIT COMMITTEE



9 June 2025

Statement of Cash Flows

For the year ended 30 June 2024

	Note	Actual 2024 \$000	Budget 2024 \$000	Actual 2023 \$000
Receipts from customers		458,047	412,053	389,371
Interest received		2,007	1,125	1,031
Employees and suppliers		(454,113)	(411,460)	(377,942)
Tax paid		(176)	-	(426)
Net cash flow from operating activities	8	5,765	1,718	12,034
Purchase of property, plant and equipment, vehicles		(1,090)	(1,346)	(1,388)
Purchase of intangibles		(28)	(125)	(32)
Proceeds from disposal of assets		32	-	16
Net cash flow from investing activities		(1,086)	(1,471)	(1,404)
Share capital issued		-	-	-
Net cash flow from financing activities		-	-	-
Net cash flow		4,679	247	10,631
Add: cash at the beginning of the year		31,871	31,871	21,241
Cash at the end of the year		36,550	32,118	31,871
Comprised of:				
Cash at bank and on hand		36,550	32,118	31,871

Notes to the financial statements

For the year ended 30 June 2024

1. About these financial statements

Reporting entity

Wellington Water Limited (Wellington Water) is a council-controlled organisation (CCO) owned by Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. Wellington Water provides asset management services specialising in drinking water, storm water, and wastewater services.

Basis of preparation

Wellington Water Limited is a company registered in New Zealand under the Companies Act 1993 and is classified as a Tier 1 Public Benefit Entity (PBE) for financial reporting purposes.

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, and Tier 1 PBE accounting standards. The accounting policies have been applied consistently throughout the period. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for billed receivables and payables, which include GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The Water Services Entities Act 2022, along with the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed by the Water Services Acts Repeal Act 2024 on 15 July 2024. This repeal formally ended the 10-entity model for water service delivery.

Under the Government's new "Local Water Done Well" policy, legislated in August 2024, responsibility for water services remains with local authorities. The policy introduces a new framework that enables councils to form council-controlled organisations (CCOs) to manage water services, supported by stronger central government oversight and economic regulation.

As of May 2025, councils are actively consulting on their preferred water service delivery models, with decisions expected by mid-2025. These financial statements have been prepared on a going concern basis, reflecting the continued delivery of water services by Wellington Water Limited on behalf of its shareholder councils, and the transitional nature of the sector as councils consider their future arrangements under the new legislative environment.

Statement of compliance

These financial statements are for the year ended 30 June 2024. They comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met. These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

The financial statements were authorised for issue by the Board of Directors on 9 June 2025.

Budget

The budget figures included in the financial statements are as published in the Statement of Intent (SOI) 2023-25. At this time, not all councils had confirmed the final budget numbers.

The budget figures were prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Wellington Water in preparing these financial statements.

Areas of significant estimation and judgement

Wellington Water is required to make estimates and judgements when applying accounting policies. The significant areas are useful lives of property, plant and equipment, vehicles and intangibles (note 4) and provisions (note 7).

Accounting standards and interpretations

PBE IFRS 41 Financial Instruments became effective during the financial year 2023. Wellington Water has determined that PBE IFRS 41 does not materially impact the financial statements.

PBE FRS 48 Service Performance Reporting standard became effective during the financial year 2023. Wellington Water has fully adopted the standard for the preparation of the 30 June 2024 annual report.

2. Variances to budget

Statement of comprehensive revenue and expenses

Commentary is provided for variances to budget greater than 20% or \$1 million.

	2024 Actual \$000	2024 Budget \$000	Variance \$000	Variance %
Revenue	467,297	413,178	54,119	13%
Operating expenses	(460,120)	(411,461)	(48,659)	12%
Depreciation and amortisation	(1,557)	(1,718)	161	(9%)

Revenue and operating costs exceeded the budget primarily due to increases in council capital expenditure (capex) programmes relative to the budget. The additional funding allocated by councils was mainly for drinking water and wastewater upgrades.

Statement of financial position

	2024 Actual \$000	2024 Budget \$000	Variance \$000	Variance %
Current assets	106,631	64,399	42,232	66%
Non-current assets	4,970	4,433	537	12%
Current liabilities	104,518	60,935	43,583	72%
Non-current liabilities	25	18	7	38%
Equity	7,058	3,024	4,034	133%

Current assets were higher than budgeted, mainly due to increased bank balances and receivables. Most council receipts were projected to be paid against payables towards the end of the year.

Receivables were higher than budgeted due to advance invoicing to councils to support commitments arising from council capex and opex programmes. The budget, prepared at the business-as-usual (BAU) level, does not account for this possibility.

Current liabilities were higher than budgeted due to increased trade payables and provisions. This was primarily due to an increase in council capex and opex programme spending towards the end of the year. Additionally, some council revenue received in advance was treated as a current liability.

Equity at the end of the year increased due to a surplus from the current year, mainly attributed to unfilled vacancies that were budgeted but remained unfilled due to early holds on recruitment. These holds were applied in anticipation of the repeal of Water Reform and expected budget cuts in the following years. The surplus will help address any unexpected expenses and sustain the organisation's demands.

Statement of cash flows

	2024 Actual \$000	2024 Budget \$000	Variance \$000	Variance %
Net cash flow from operating activities	5,765	1,718	4,047	236%
Net cash flow from investing activities	(1,086)	(1,471)	385	(26%)

Net cash flow from operating activities was significantly higher than budgeted, as most budgeted council receipts were expected to be paid against payables towards the end of the year. Actual cash flow, however, includes advance invoicing to councils to fund timely delivery of capex and opex programmes. As noted previously, the budget, prepared at the BAU level, does not account for this possibility.

3. Revenue

a. Revenue from exchange transactions

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

	2024 Actual \$000	2023 Actual \$000
Management and advisory services	21,792	20,359
Council opex programme	113,285	96,640
Council capex programme	329,368	262,747
Other revenue	184	617
Total revenue from exchange transactions	464,629	380,363

Management and advisory services

Revenue from management and advisory services is recognised using the percentage of completion method.

The annual fee is agreed with councils and performed on a financial year basis. This revenue has been fully recognised as services have been fully provided at the balance date.

Council opex programme

The opex programme revenue is recognised using the percentage of completion method.

Wellington Water develops an annual work programme from the long-term plans of councils, delivered on a financial year basis. Wellington Water enters into contracts with contractors to perform the work and manages the programme, acting as a principal in these transactions. Wellington Water employees also perform some of the work.

Opex programme revenue has been fully recognised as services have been fully provided at the balance date.

Council capex programme

The capex programme revenue is recognised using the percentage of completion method, based on the costs incurred as a percentage of total costs under the contracts.

Wellington Water develops an annual work programme that is jointly agreed with councils. Wellington Water is responsible for the procurement process, including the selection of contractors and contract pricing, and manages the programme, acting as a principal in these transactions. Capex programme revenue and expenses have been recognised equivalent to the invoices paid or payable to third parties for the financial year. Wellington Water employees also perform some of the work.

b. Revenue from non- exchange transactions

	2024 Actual \$000	2023 Actual \$000
National transition programme	629	1,470
Total revenue from non-exchange transactions	629	1,470

National Transition programme

The National Transition funding programme revenue is recognised using the percentage of completion method across the six councils.

The programme concluded at balance date with the repeal of the Water reform legislation, enacted through the Water Services Act Repeal Bill in February 2024. This legislation ended the previous Government's Affordable Water Reform, returning water services delivery to local authorities.

4. 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 both operational and intangible assets under construction. Costs that do not meet the criteria for capitalisation are expensed as incurred.

The cost of assets includes the purchase cost and those costs directly attributable to bringing the asset to the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and 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. This ensures that the depreciation expense reflects the pattern in which the asset's future economic benefits are expected to be consumed.

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

Fit-out and equipment	6% – 67%
Vehicles	8.5% - 21%
Intangibles	40%

	Fit-out and Equipment \$000	Vehicles \$000	Intangibles \$000	Total \$000
Cost				
Balance 1 July 2022	7,068	3,325	2,290	12,683
Additions	1,192	196	32	1,420
Disposals	-	(43)	-	(43)
Balance at 30 June 2023	8,260	3,478	2,322	14,060
Balance 1 July 2023	8,260	3,478	2,322	14,060
Additions	895	196	28	1,119
Disposals	-	(56)	-	(56)
Balance at 30 June 2024	9,155	3,618	2,350	15,123
Depreciation and amortisation				
Balance 1 July 2022	(4,156)	(1,228)	(2,061)	(7,445)
Charge for the year	(1,058)	(377)	(184)	(1,619)
Disposals	-	44	-	44
Balance at 30 June 2023	(5,214)	(1,561)	(2,245)	(9,020)
Balance 1 July 2023	(5,214)	(1,561)	(2,245)	(9,020)
Charge for the year	(1,077)	(400)	(80)	(1,557)
Disposals	-	55	-	55
Balance at 30 June 2024	(6,291)	(1,906)	(2,325)	(10,522)
Carrying amount				
Balance at 30 June 2023	3,046	1,917	77	5,040
Balance at 30 June 2024	2,864	1,712	25	4,601

5. Taxation

Income Tax Expense: The income tax expense comprises both current and deferred tax components.

Current Tax: Current tax represents the income tax payable on the taxable surplus for the current year, including any adjustments to income tax payable for prior years. It is calculated using tax rates and laws that have been enacted or substantively enacted by the balance date. **Deferred Tax:** Deferred tax accounts for income tax payable or recoverable in future periods due to temporary differences and unused tax losses. Temporary differences arise between the carrying amounts of assets and liabilities in the statement of financial position and their respective tax bases used in computing taxable surplus.

Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted by the balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred Tax Liabilities and Assets: Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

	2024 Actual \$000	2023 Actual \$000
Components of tax expense		
Current tax expense	1,920	-
Deferred tax expense	(334)	(393)
Tax expense	1,586	(393)
Reconciliation of effective tax rate		
Net surplus/(deficit) before tax	5,620	(1,894)
Tax at 28%	1,573	(530)
Plus (less) tax effect of:		
Non-deductible expenditure	13	140
Non-taxable income	-	(26)
Deferred tax adjustment	-	23
Total income tax expense/(credit)	1,586	(393)
Imputation credits		
Imputation credits available for use in subsequent reporting periods	1,870	1,377

Movement in deferred tax asset/(liability)	PPE	Employee		Provision for	Sundry	Total
	\$000	entitlements	Tax Losses	doubtful debt	Creditors	
Balance at 30 June 2022	(938)	540	-	40	-	(358)
Charged to surplus or deficit	185	154	85	(31)	-	393
Balance at 30 June 2023	(753)	694	85	9	-	35
Charged to surplus or deficit	208	258	(85)	9	(56)	334
Balance at 30 June 2024	(545)	951	-	18	(56)	369

6. Receivables

		2024	2023
		Actual	Actual
		\$000	\$000
Receivables with related parties	Note 10	59,276	37,346
Provision for doubtful debts		(64)	(32)
Other receivables		52	778
Prepayments		10,817	3,580
Total receivables		70,081	41,672

7. Payables and provisions

		2024	2023
		Actual	Actual
		\$000	\$000
Trade payables		47,465	47,071
GST payable		2,825	601
Revenue in advance		27,591	13,631
Payables with related parties	Note 10	20,901	11,278
Employee related payables and provisions		1,589	1,162
Other provisions		261	58
Total payables and provisions		100,632	73,801

All payables greater than 30 days in age are considered past due. There are no material trade payable balances past due.

8. Reconciliation of net surplus to operating cash flows

	2024 Actual \$000	2023 Actual \$000
Net surplus/(deficit) after taxation	4,034	(1,501)
Non-cash and non-operating items:		
Depreciation and amortisation	1,557	1,619
Gain on sale of vehicles	(32)	(16)
Capital grant proceeds	-	(93)
Movements in working capital		
Increase in payables	21,887	17,555
Increase in receivables	(21,505)	(5,104)
Tax payable	(176)	(426)
Net cash flow from operating activities	5,765	12,034

Net cash flow for 2024 is driven by net surplus and depreciation. Payables increased substantially in both years, while receivables grew in 2024 in comparison to 2023, due to timing of advance invoicing for council programmes. Movements in working capital mostly offset each other in 2024.

9. Share capital

The total number of authorised, issued and fully paid ordinary shares at 30 June 2024 was 500 (2023:500). These are represented by Class B shares and entitle the holder to a share in the distribution of the surplus assets of the company. Class A shares entitle the holder to vote at a meeting of the shareholders on any resolution.

Shareholder	Voting Rights	Ordinary shares	Class B	Class B
	Class A	Class B	\$000	%
Greater Wellington Regional Council	150	75	150	15%
Hutt City Council	150	100	200	20%
Porirua City Council	150	60	120	12%
South Wairarapa District Council	150	25	50	5%
Upper Hutt City Council	150	40	80	8%
Wellington City Council	150	200	400	40%
Total shares	900	500	1,000	100%

10. Related parties

During the year, Wellington Water had the following material transactions with related parties recognised in revenue:

	2024 Actual \$000	2023 Actual \$000
Revenue from exchange transactions:		
Management & advisory services		
Greater Wellington Regional Council	8,774	8,236
Hutt City Council	3,677	3,354
Porirua City Council	1,385	1,300
South Wairarapa District Council	332	312
Upper Hutt City Council	1,353	1,270
Wellington City Council	6,310	5,887
Other Corporate	145	-
Total management and advisory services	21,976	20,359
Council opex programme		
Greater Wellington Regional Council	17,254	14,614
Hutt City Council	25,538	20,571
Porirua City Council	11,721	9,671
South Wairarapa District Council	4,304	4,006
Upper Hutt City Council	7,649	6,978
Wellington City Council	46,820	40,800
Total council opex programme	113,286	96,640
Council capex programme		
Greater Wellington Regional Council	101,102	63,904
Hutt City Council	70,527	68,304
Porirua City Council	69,854	39,667
South Wairarapa District Council	5,569	4,910
Upper Hutt City Council	15,692	13,781
Wellington City Council	66,624	72,181
Total council capex programme	329,368	262,747

	2024 Actual \$000	2023 Actual \$000
Revenue from non-exchange transactions:		
National Transition Programme:		
Greater Wellington Regional Council	88	224
Hutt City Council	116	302
Porirua City Council	89	230
South Wairarapa District Council	17	45
Upper Hutt City Council	66	169
Wellington City Council	191	500
Other - DIA	62	-
Total other council revenue	629	1,470

During the fiscal year, Wellington Water engaged in several significant transactions with related parties, which have been duly recognised in our expenses.

Wellington Water has been in an alliance partnership with Fulton Hogan since 1 July 2019, aimed at maintaining and operating the three waters networks across the Wellington region. Given that Fulton Hogan employees hold management positions within the Alliance, which could potentially exert significant influence, Fulton Hogan is classified as a related party. The total cost of services procured from Fulton Hogan during the year amounted to \$120.8m (2023: \$62.7m).

Additionally, Wellington Water received various services from Wellington City Council on an arm's length basis, including payroll and IT.

As of the end of the fiscal year, Wellington Water had the following outstanding balances with related parties:

	2024 Actual \$000	2023 Actual \$000
Amounts owing to Wellington Water by related parties at 30 June		
Greater Wellington Regional Council	12,604	9,894
Hutt City Council	10,734	10,847
Porirua City Council	9,708	5,187
South Wairarapa District Council	341	1,331
Upper Hutt City Council	-	(86)
Wellington City Council	25,889	10,145
Fulton Hogan	-	28
Total related party receivables	59,276	37,346

	2024 Actual \$000	2023 Actual \$000
Amounts owed to related parties by Wellington Water at 30 June		
Greater Wellington Regional Council	329	841
Hutt City Council	2,232	-
Porirua City Council	303	-
South Wairarapa District Council	85	-
Upper Hutt City Council	997	-
Wellington City Council	901	-
Fulton Hogan	16,054	10,437
Total related party payables	20,901	11,278

9. Key management personnel

The key management personnel are the Directors, Chief Executive and Senior Leadership Team. The full time equivalent (FTE) number of individuals receiving remuneration as key management (excluding directors) during the year was 6 (2023: 7).

	2024 Actual \$000	2023 Actual \$000
Salaries and wages	1,735	1,843
Directors' fees	200	176
Superannuation	52	55
Total key management personnel remuneration	1,987	2,074

The FTE number of Directors at 30 June 2023 was 7 (2023: 6). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

	2024 Actual \$000	2023 Actual \$000
Nick Leggett	60	31
Leanne Southey	30	28
Alexandra Hare	30	27
Mahina Puketapu	25	-
Patrick Dougherty	25	-
Bill Bayfield	25	-
Kim Skelton	5	26
Lynda Carroll	-	44
Mike Underhill	-	20
Total Directors' remuneration	200	176

12. Financial instruments and risk management

Financial instruments include cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2024 Actual \$000	2023 Actual \$000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	36,550	31,871
Receivables and prepayments	70,081	41,672
Total loans and receivables	106,631	73,543
Financial Liabilities		
Financial liabilities at amortised cost		
Trade payables and payables with related parties	68,367	58,349
Total financial liabilities at amortised cost	68,367	58,349

Fair values

Payables, receivables, and loans are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Given their relatively short-term nature, their carrying amounts are considered a reasonable approximation of fair value.

Market risk

Market risk refers to the exposure to fluctuating interest rates and foreign currency rates. Wellington Water does not have any long-term borrowings or significant foreign currency exposure, thereby minimising market risk.

Credit risk

Credit risk is the risk that counterparties will default on their contractual obligations, resulting in financial loss to the company. Wellington Water's credit risk is concentrated due to its reliance on revenue from the Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. However, these councils are considered high credit quality entities by the Directors. Receivables balances are monitored continuously to manage exposure to bad debts. Additionally, cash and cash equivalents are held with ANZ Bank, which has a Standard and Poor's credit rating of AA-.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as they fall due. This risk is managed by maintaining short payment terms with the six councils. There are no trade payables with a due date of more than one year, ensuring that the company can meet its short-term liabilities.

13. Commitments and contingencies

Wellington Water has operating lease commitments relating to the rental of the Petone office, vehicles and copiers on normal commercial terms and conditions. The minimum payments to be paid under non-cancellable operating leases are as follows:

	2024 Actual \$000	2023 Actual \$000
Less than 1 year	2,040	1,464
Between 1 and 5 years	3,845	327
Later than 5 years	777	-
Total operating lease commitments	6,662	1,791

Wellington Water has no material capital commitments (2023: nil). Capital commitments relating to the council work programme are disclosed in the individual council financial statements.

14. Water Services Entity: Local Water Done Well

Wellington Water Limited continues to operate as a council-controlled organisation (CCO) owned by six councils. Following the repeal of the Water Services Entities Act 2022 and related legislation in July 2024, the Government introduced the “Local Water Done Well” policy, legislated in August 2024. This policy returns responsibility for water services to local authorities and enables the formation of council-controlled organisations to manage service delivery, supported by a new regulatory framework.

The reform is being implemented in three stages:

1. Repeal of the previous legislation
2. Establishment of a new framework and transitional arrangements
3. Development of enduring settings for the water services system

On 15 August 2024, the Department of Internal Affairs confirmed the disestablishment of the Entity G establishment board. Wellington Water is actively supporting its shareholder councils through this transition and continues to deliver water services under existing arrangements. The company remains focused on ensuring continuity of service, operational resilience, and alignment with the evolving regulatory environment.

As of April 2025, councils are actively consulting on their preferred water services delivery models, including options such as in-house delivery or forming new multi-council-owned CCOs. Decisions on preferred models are expected by mid-2025, with final Water Services Delivery Plans to be submitted to the Department of Internal Affairs later in the year

15. Capital Commitments

The total capital commitments for the Councils as of 30 June 2024 amount to \$107m (2023: \$175m), disclosed per Council as follows:

- Hutt City Council (HCC): \$11m
- Upper Hutt City Council (UHCC): \$5m
- Wellington City Council (WCC): \$6m
- Porirua City Council (PCC): \$41m
- Greater Wellington Regional Council (GWRC): \$44m
- South Wairarapa District Council (SWDC): \$0m

16. Subsequent events

Wellington Water Leases and Accommodation

Following the balance date, Wellington Water concluded its lease for Level 7 and entered into new leases for Level 5 and Level 6 within the Petone office building. Part of Level 5 has been subleased to Holmes Construction NZ. This arrangement was necessary to accommodate employees relocating from Level 7 and to ensure all staff remain within the existing building.

Reviews of financial controls, cost benchmarking, and value for money

In mid-2024, Wellington Water identified a cost estimation error in our budgeting advice for councils' 2024–34 Long Term Plans, revealing several risks. In response, we initiated immediate changes to company structure, culture, and processes to enhance capability and value for money for councils.

To address these risks and provide assurance to the Water Committee and the Board, Wellington Water commissioned two reports:

- Analysis of panel costs and valuation unit rates by AECOM (Feb 2025), and
- Review of aspects of financial systems and procurement processes by Deloitte (Mar 2025)

The reports identified several areas where we have not delivered optimal value for money. Key findings included:

- **Lack of oversight and/or involvement** by Wellington Water in the management of the panels to support and promote competitive tension, quality, and to ensure value for money.
- **Weak financial management** processes and controls relating to panel and Alliance agreements increasing fraud risk.
- **One fraud incident** was identified; the person involved is no longer employed by Wellington Water, and the matter has been handed over to the police.
- **Cost Benchmarking:** Services were found to be consistently more expensive than those of comparable councils, especially for drinking water and wastewater assets.

The findings support the pre-emptive improvements already implemented, with ongoing efforts to reduce costs and enhance value for money for our councils. These improvements include:

- **Contractual Reset:** Direct contracts with key sub-contractors for better oversight and reduced costs.
- **Alliance Focus:** Redefining the Alliance's role to focus on frontline network maintenance and operations with a new performance framework for efficient operation and maintenance.
- **Competitive Bidding:** Increasing competitive bidding to benchmark and improve value for money.
- **Value-Focused KPIs:** Developing and implementing KPIs with regular performance reviews for all our consultants and contractors.

Immediate actions underway include:

- **Culture Change:** Promoting a positive culture where risks are raised early.
- **Fraud Training:** Providing fraud and corruption training workshops.
- **Payment Oversight:** Enhancing oversight, appropriate reviews and approvals of payments.
- **Financial Controls:** Strengthening existing financial controls, especially regarding large annual purchase orders and automatic payments.
- **Contractor Oversight:** Strengthening day-to-day oversight of contractors and suppliers, increasing internal project management capacity for better outcomes and value.

We have maintained transparency and accountability to councils, briefing staff, shareholders, key stakeholders and suppliers on the findings and actions taken. While immediate term limitations exist, the technology systems identified for investment by councils will ensure continued improvements.

17. Statutory reporting timeframe

Section 67 (1) of the Local Government Act 2002 requires that Wellington Water complete its 30 June 2024 annual report which includes audited financial statements and performance information before the close of 30 September 2024. The Company was not able to comply with this requirement for the year ended 30 June 2024 and the annual report was not adopted until 9 June 2025.

Understanding our performance information

Statement of Compliance

Performance information in this document is for the year ended 30 June 2024. Information and disclosures comply with generally accepted accounting practice in New Zealand (“NZ GAAP”) and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

Identification of performance information

Wellington Water is required to clearly identify all performance information in this document. Information needed to understand our organisational performance is:

- All Statement of Intent measures on pages 11-33, beginning at the “enhancing relationships with mana whenua” section.
- All narrative information on pages 6-30, excluding case studies
- Department of Internal Affairs measures on pages 65-76
-

Disclosure of Judgements

Wellington Water is required to identify the judgements that have the most significant impact on how we select, measure, aggregate and present our performance information.

We endeavour to use and present the best data that we have available at all times. This data generally comes from our Asset Management System (Maximo) and when appropriate the methodology for the collection or treatment of data is updated. Any material changes are then noted in the Annual Report. All performance information reported in the Annual Report is consistent with data used for internal decision-making and information to inform decisions made by our shareholding councils.

Performance information is chosen to be as relevant, easy to understand and accurate as possible, and compared to relevant information about our historical performance where possible. This information is also chosen to faithfully represent our performance, even when it is less than desired. The availability of good-quality data is generally not a concern, however, occasionally measures are chosen on their ability to be met easily without any additional investment in systems and processes; for example by measuring spend rather than the outcomes of that spend.

We set our own performance measures and use these to represent the priorities that our shareholders express in their Letter of Expectations each year, expressed in our Statement of Intent. These priorities are then compared to the budgets that are provided by our owners and checked for overall deliverability.

We have not set aspirational measures or measures that we do not believe we can deliver, the exception to this being for compliance with drinking water and enforcement actions taken against the company by the environmental regulator regarding wastewater treatment plant compliance and performance.

We are unable to fully comply with Drinking Water Quality Assurance Rules at the Waterloo Water Treatment Plant without additional investment (which has been committed in the current Hutt City Council Long-term Plan), and past performance of our wastewater treatment plants makes

compliance unlikely in the short-term without significant additional investment. However, we deem that setting targets that are less than fully compliant is inappropriate in these circumstances.

We consult with our councils on draft measures through the Statement of Intent process.

When developing the Annual Report, we report against the priorities of our shareholders as expressed in the Statement of Intent, even where no formal measures have been set or budgets are limited, for example, by including information on our shareholders priority for Environmental Water Quality.

The changes to our performance framework for this year are detailed in the sections below.

These measures are supported by the mandatory measures that our councils are required to report under the Local Government Act 2002. These measures were set by the Department of Internal Affairs in 2013 and are enshrined in legislation. These results can be found on page 63.

Changes to performance measures

Measures that were added for 2023/24.

Measure	Reason for change
The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	<p>Providing sufficient water to our customers is a core objective and is a key focus. The ILI is a more meaningful measure than other measures we have had in the past, because not all cities are the same due to “unavoidable” losses in transmission.</p> <p>The ILI is an industry-standard measure that allows for benchmarking between water utilities as it is a ratio of avoidable to unavoidable losses, which makes it easier to compare our performance both across the cities that we operate within, as well as with other cities.</p> <p>Note that this measure has been removed in the 2024-27 Statement of Intent and replaced with a measure focused on whether we have to implement stringent water restrictions, as avoiding those water restrictions is the key short-term objective of the company.</p>
We will complete all actions for the defined period set out in our Water Loss Reduction Plan	<p>Due to the imminent risk of an acute water shortage in the Metropolitan Wellington area for the 2023/24 summer, the company urgently developed a Metropolitan Water Loss Reduction Plan, the success of which was critical to our owners and our customers.</p> <p>The plan was not fully developed at the time of publishing the Statement of Intent, and council budgets did not allow us to pursue all of the interventions in the final plan. Despite this, we met water loss savings targets for the year.</p>

Measures that were removed for 2023/24.

Measure	Reason for change
100% of actions on Wellington Water [from the inquiry into fluoride] complete by date recommended in inquiry report	The actions in the report were completed in the prior financial year.
Funded growth studies complete and investment advice provided	There was significant investment in the 2021-31 Long-Term Plans into growth studies and subsequent investment plans from our councils. The bulk of this work was completed in the prior financial year, with significantly less investment and work on these meaning no new target was required.

Measures that were modified for 2023/24.

Measure	Measure 2023/24	Explanation of changes
The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	This better reflects the level of service that we try to provide. Additionally, it more accurately reflects service, as days where the plant is fluoridating either at ineffective (<0.7ppm) or unsafe (>1.0ppm) we are not meeting the level of service. The previous measure could be met, in theory, with every day being either under or over.
Compliance with Drinking Water Standards (DWS) Parts 4 and 5 for Metropolitan Wellington	Compliance with Drinking Water Quality Assurance Rules (Treatment)	Drinking Water Standards were replaced with the Drinking Water Quality Assurance Rules.
Compliance with Drinking Water Standards (DWS) Parts 4 and 5 for South Wairarapa	Compliance with Drinking Water Quality Assurance Rules (Treatment)	Drinking Water Standards were replaced with the Drinking Water Quality Assurance Rules.
The percentage of the time resource consents are processed within timeframes (5 working days)	The percentage of the time resource consents are processed within timeframes (10 working days)	Timeframes adjusted from 5 to 10 working days as this better aligns with the level of service we provide councils. This is half of the statutory timeframe for councils to complete these requests (20 working days) under the RMA.

DIA tables

The following tables provide results of Department of Internal Affairs mandatory measures for all councils. More detailed information is available from each council's website, reported in their annual reports.

Last financial year saw significant changes to the rules that govern how we measure and report on the safety of drinking water, as Taumata Arowai (the national regulator for water services) replaced the previous standards with new more rigorous standards. These standards came into effect on 15 November 2022.

The Department of Internal Affairs had not yet updated the drinking water measures 1A and 1B to accommodate the new regulations as of the end of the 23/24 Financial Year. We have therefore measured our performance against the new standards which relate to bacteria and protozoa for these measures, as we did for the latter half of 2022/23. New measures have been developed and came into effect in August 2024, which can be found on the DIA website [here](#).

Greater Wellington Regional Council

Bulk water Supply

	Performance Measure	Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Non-compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Non-compliant
2	The percentage of real water loss from the local authority's networked reticulation system	+/- 0.25%	0.03%	0.04%
3A	Median response time to attend urgent call-outs	<90 mins	N/A – No events	N/A – No events
3B	Median response time to resolve urgent call-outs	<8 hours	N/A – No events	N/A – No events
3C	Median response time to attend non-urgent call-outs	<72 hours	N/A – No events	N/A – No events
3D	Median response time to resolve non-urgent call-outs	<20 days	N/A – No events	N/A – No events
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<0.2	0	0
5	Average consumption of drinking water per day per resident	<375L	398L	409L

Hutt City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	1	Non-compliant	Non-compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	1	Non-compliant	Non-compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<=20%	0.37	0.35
3A	Median response time to attend urgent call-outs	<=90 mins	98 mins	101 mins
3B	Median response time to resolve urgent call-outs	<= 8 hours	6.7 hours	4.6 hours
3C	Median response time to attend non-urgent call-outs	<= 72 hours	548 hours	191 hours
3D	Median response time to resolve non-urgent call-outs	<= 20 working days	23 working days	16 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	26.1	31.7
5	Average consumption of drinking water per day per resident	<385L	410	422

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 20– 50%.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	5.3	1.7
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	5	15
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0

2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 90 mins	593 mins	159 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	35 hours	12.4 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	22.1	24.1

†Result has been restated due to prior period reporting error. For more information see page 54.

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.24	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=8 hours	N/A – No flooding events	N/A – No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	18.2	8.5

Porirua City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	0.31	30**
3A	Median response time to attend urgent call-outs	<90 mins	145 mins	86 mins
3B	Median response time to resolve urgent call-outs	<8 hours	4.2 hours	2.9 hours
3C	Median response time to attend non-urgent call-outs	<20 days†	21 days	7 days
3D	Median response time to resolve non-urgent call-outs	<20 days†	30 days	14 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	17.9	22.2
5	Average consumption of drinking water per day per resident	<320L	339L	329L

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 16-44%.

†Target was incorrectly stated as 20 working days in the company's Statement of Intent.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	9.3	4.9
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	1
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0

3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<90 mins	101 mins	79 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<8 hours	3.6 hrs	2.7 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	28.2	23.8

†Result has been restated due to prior period reporting error. For more information see page 54.

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.57	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0*
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<8 hrs	N/A – No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	25.5	10.4

Upper Hutt City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	0.44	41**
3A	Median response time to attend urgent call-outs	<60 mins	77 mins	76 mins
3B	Median response time to resolve urgent call-outs	<4 hours	4.3 hours	2.2
3C	Median response time to attend non-urgent call-outs	<36 hours	316 hours	238 hours
3D	Median response time to resolve non-urgent call-outs	<15 days	21 days	27 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<= 20	9.2	12.3
5	Average consumption of drinking water per day per resident	<415L	443L	450L

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 28– 55%.

Wastewater

	Performance Measure	Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	2	0.4
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	4	15
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0

3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	263 min	80 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<=6 hours	5 hours	3.4 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	8.2	10

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.64	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<60 mins	N/A – No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	5.6	2.1

*Response times are not logged in our systems until the issue has been resolved

Wellington City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Non-compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<17%	31%	28%**
3A	Median response time to attend urgent call-outs	<60 mins	132 mins	151 mins
3B	Median response time to resolve urgent call-outs	<4 hours	13.4 hours	13.6 hours
3C	Median response time to attend non-urgent call-outs	<36 hours	654 hours	555 hours
3D	Median response time to resolve non-urgent call-outs	< 5 days	40 days	45.1 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	18.7	2320%
5	Average consumption of drinking water per day per resident	<365L	402L	416L

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 11-44%.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	0	5.5	3.9
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	1
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	2	3
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0

3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	85 mins	80 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 6 hours	7.9 hours	4.7 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	22.9	19.8

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.13	N/A - No flooding events	No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=60 mins	N/A – No flooding events	No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	14.5	8.4

South Wairarapa District Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)*			
	Featherston Scheme	100%	Non-compliant	Non-compliant
	Greytown Scheme	100%	Non-compliant	Non-compliant
	Martinborough Scheme	100%	Non-compliant	Compliant
	Pirinoa Scheme	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)*			
	Featherston Scheme	100%	Non-compliant	Non-compliant
	Greytown Scheme	100%	Non-compliant	Non-compliant
	Martinborough Scheme	100%	Non-compliant	Non-compliant
	Pirinoa Scheme	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system	<30%	0.46	42%*
3A	Median response time to attend urgent call-outs	<60 mins	91 mins	58 mins
3B	Median response time to resolve urgent call-outs	<8 hours	4.7 hours	3.4 hours
3C	Median response time to attend non-urgent call-outs	<2 working days	2 working days	3 working days
3D	Median response time to resolve non-urgent call-outs	<5 working days	3 working days	4 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<70	22.1	18.4
5	Average consumption of drinking water per day per resident	<400L	597L	583

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<10	4.5	1.1
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	3
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<60 mins	58 mins	65 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<4 hours	13.6 hours	3.6 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<60	32.6	21

Stormwater

Performance Measures		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	0	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	0	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0

3D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3B	Median response time to attend a flooding event	<180 mins	N/A*	N/A*
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	0	N/A*	N/A*

*SWDC does not have any stormwater connections as defined in the DIA rules

Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Wellington Water Limited's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Wellington Water Limited (the company). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

We have audited:

- the financial statements of the company on pages 42 to 61, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 31 to 33 and 62 to 76.

Opinion

Unmodified opinion on the financial statements

In our opinion the financial statements of the company on pages 42 to 61:

- present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Qualified opinion on the performance information

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion* section of our report, the performance information of the company on pages 31 to 33 and 62 to 76 presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 9 June 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial

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statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

Performance information: Our work was limited with respect to the ratio of planned to reactive maintenance, and the total number of complaints received about water supply, wastewater and stormwater

We identified significant issues with these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

The ratio of planned to reactive maintenance

One of the core operational activities of the company is conducting maintenance work on the network to ensure it keeps functioning. The activities are broken down into two main categories: planned maintenance and reactive maintenance.

The company's service performance information includes the performance measure *Ratio of planned to reactive maintenance increases*. This is assessed as a material aspect of performance as increasing the proportion of funding that is dedicated to planned maintenance may reduce the likelihood of faults and failures.

Management was unable to provide us with sufficient appropriate audit evidence to support the classification of maintenance works as either 'planned' or 'reactive'. As a result, we were unable to conclude whether the reported result of 0.28:1, as disclosed on pages 27 and 33, is materially correct.

The total number of complaints received about water supply, wastewater and stormwater

The company manages the water assets and services of its six shareholding councils on their behalf. The company therefore reports against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received. The company provides results of the mandatory performance measures on pages 62 to 76. The company also reports on its statement of intent measures on pages 31 to 33.

Records of complaints are maintained by shareholding councils, and issues with council systems and processes meant we were unable to obtain sufficient appropriate audit evidence about the completeness and accuracy of complaints reporting.

Our opinion on the total number of complaints received about water supply, wastewater, and stormwater was also qualified in the 2023 performance year.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our

responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

Without further modifying our opinion, we draw attention to the following disclosures.

Reviews of financial controls, cost benchmarking, and value for money

Note 16 on page 60 outlines the findings of two reports commissioned by the Board into financial systems and procurement processes, and into panel costs and valuation unit rates.

The disclosure notes the findings of the reports included:

- weaknesses in management and oversight of panels to promote competitive tension and value for money;
- weak financial processes and controls relating to panel and Alliance agreements; and
- cost benchmarking found works to be consistently more expensive than comparator councils.

The disclosure sets out actions being taken by the company to address these matters.

Future of water services delivery

Note 14 on page 59 outlines that the shareholding councils are actively consulting on their preferred future water service delivery models, including options such as in-house delivery or forming new council-controlled organisations. Decisions are expected by mid-2025. The financial statements have been appropriately prepared on a going concern basis. The councils' decisions following consultation could result in significant changes to Wellington Water Limited.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 30 and 34 to 41, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for our opinion section above, our work was limited with respect to the ratio of planned to reactive maintenance. Accordingly, we are unable to conclude whether the other information that includes performance information about the Company is materially misstated with respect to this matter

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of

Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the company.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Komiti Ngā Wai Hangarua Wellington Water Committee

09 July 2025

Report no: WWC2025/3/90

Wellington Water Limited Annual General Meeting

Recommendation

That the Committee signs the Shareholders' resolution in lieu of an Annual General Meeting for the 2024/25 Financial Year.

Appendices

No.	Title	Page
1	Wellington Water Limited Annual General Meeting	215
2	Appendix 1: Shareholder's resolution in lieu of Annual General Meeting	217

Author: External Author (Wellington Water Ltd)



Wellington Water Committee | Komiti Ngā Wai Hangarua

28 July 2025

Wellington Water Annual General Meeting

Purpose of Report

1. The purpose of this paper is to seek approval from the Wellington Water Committee for Wellington Water Limited (WWL) not to hold an Annual General Meeting (AGM) for the 2024/25 financial year.

Recommendations

That the Wellington Water Committee signs the Shareholders' resolution in lieu of an Annual General Meeting for the 2024/25 Financial Year.

Summary

2. Under section 120 of the Companies Act 1993, the board of a company must call an AGM of shareholders to be held no later than six months after the balance date of the company. However, it is unnecessary for the company to hold a meeting if everything required to be done at that meeting is done by written resolution of the shareholders, passed in accordance with section 122 of the Companies Act 1993.
3. The main purpose of an AGM is for the directors to report on the performance of the company. It provides an opportunity for the shareholders to question the directors about the company and their conduct of its affairs, and for members to vote on resolutions that have to be put before the meeting. These matters are usually dealt with via the meetings of the Wellington Water Committee.
4. The other purpose of holding an AGM would be for the shareholders to reappoint Audit New Zealand on behalf of the Auditor General as the Company's auditors and to pass a resolution regarding the auditor's fees and expenses. However, as a council controlled organisation, the Auditor General is the auditor for Wellington Water under section 70 of the Local Government Act 2002, so no appointment of the auditor is required.
5. The annual report for the year ended 30 June 2025 will be published and received by the Wellington Water Committee later in the year, within the required six month period. The audit will be complete by the end of September 2025. At that time, the directors will adopt the financial statements of the company for the year ended 30 June 2025.

6. The annual report contains the annual financial statements and all other information required to be reported to shareholders.
7. As there is no requirement to appoint an auditor and the annual report will be received by the Wellington Water Committee, Wellington Water considers no AGM is necessary. The shareholders may, however, wish to meet for another reason.

Appendices

No.	Title	Page
1	Shareholders' resolution in lieu of AGM	

Author: External Author (Wellington Water Ltd)



Wellington Water Limited

Shareholders' Resolution in lieu of Annual General Meeting

In accordance with s 122 of the Companies Act 1993, the shareholders of Wellington Water Limited resolve that no annual general meeting is required for the 2024/25 financial year.

Signed

Date

Campbell Barry

Chair Wellington Water
Committee

Mayor
Hutt City Council

Ros Connelly

Deputy Chair Wellington Water
Committee

Councillor
Greater Wellington Regional
Council

Anita Baker

Committee Member

Mayor
Porirua City Council

Tory Whanau

Committee Member

Mayor
Wellington City Council

Wayne Guppy

Committee Member

Mayor
Upper Hutt City Council

Melissa Sadler-Futter

Committee Member

Deputy Mayor
South Wairarapa District
Council



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

FROM: Kate Glanville

DATE: 09 July 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	219

Author: Kate Glanville, Senior Democracy Advisor

Approved By: Kathryn Stannard, Head of Democratic Services

Draft Wellington Water Committee Forward Programme 2025

27 August	26 September
<p><i>via Zoom</i></p> <p>Wellington Water</p> <ul style="list-style-type: none"> Update on implementation of Culture and Value for Money Improvement Plan 	<p><i>Hutt City Council</i></p> <p>Wellington Water Committee</p> <ul style="list-style-type: none"> Chairperson’s Statement Local water done well – legislation and water service delivery plan update WWC Forward Programme <p>Wellington Water</p> <ul style="list-style-type: none"> Company and Governance Update Presentation of Annual Report for year ending 30 June 2025 Water supply risk – Summer 2026
	<p>Workshop</p> <ul style="list-style-type: none"> Placeholder