

Watercare Services Limited
Quarterly Report
Quarter ended 30 September 2016

Submitted to Auckland Council

Table of Contents

• Executive Summary	3
• Strategic issues and focus areas	4
• Highlights for the last quarter	7
• Future outlook	9
• Infrastructure Project Updates	10
• Financial Performance	11
• Performance measures.....	13
• Contribution to Māori outcomes	15
• Key Local Board issues.....	16
• Risk Management	16
• Disclosures.....	17
• Requests under the Local Government Official Information and Meetings Act.....	17

Executive Summary

Year to date revenue was \$145m. The result was \$5m favourable to budget primarily due to infrastructure growth charge revenue which was favourable by \$2.2m as a result of a greater number of developments, vested asset income which was favourable by \$0.7m, new developments revenue which was favourable \$0.8m and water & wastewater revenue which was favourable by \$0.7m.

The performance against the Statement of Intent (SOI) key performance indicators was good through the first quarter. There were no lost time injuries during the first quarter relating to Watercare employees.

Average rainfall was recorded across the Auckland region for the quarter. Normal inflows were observed over this period, and lake levels were near maximum capacity.

Watercare continued to meet and work closely with Local Boards, iwi community groups and associations throughout the quarter to provide project updates and notifications regarding significant operational activity and approvals for works in local parks that require Local Board approval.

There were no substantial changes to the risks to Watercare operations during the quarter. The Internal Audit function produces an annual plan which is approved by Watercare's Audit and Risk Committee and there is quarterly reporting by management against the plan for the Committee. The Audit and Risk Committee maintains oversight of progress by management in implementing the recommendations arising from Internal Audit's work. The Committee is satisfied that all matters raised are being addressed by management.

Strategic issues and focus areas

Customer Focus

- **Planning for growth**

The six monthly Watercare Infrastructure Industry Briefing to Consultants and Contractors was held on 28 July at the Ellerslie Convention Centre. Seventy attendees were briefed on Watercare's overall strategy, the Asset Management Plan, Watercare's safety expectations, the forward works programme, significant projects and how Watercare will be interacting with the market from procurement through design and construction. Feedback at, and following, the briefing was extremely positive with an appreciation for the open and transparent nature of Watercare's market interactions. Stephen Selwood, Chief Executive of the New Zealand Infrastructure Council commented "Delivering this programme provides the market with certainty in regards to planning and delivering projects for Watercare. It has given our members the ability to plan and rally resources in a way that was not possible before. This enables the market to deliver value to both Watercare and, ultimately, the communities it serves".

- **Customer satisfaction**

Watercare recently undertook a comprehensive customer survey. The results were very positive, and show that customer perceptions have improved significantly since 2013. Of the customers surveyed, 49% agreed or strongly agreed that Watercare is approachable and provides a good service. A new measure relating to trust showed that 41% of customers surveyed agree or strongly agree that Watercare can be trusted.

Watercare's monthly customer satisfaction results are consistently above the Statement of Intent target of 80% or greater.

Business Excellence

- **Compliance with the Holidays Act 2003**

Over recent months there has been considerable press coverage concerning compliance issues with the Holidays Act, with various commentators noting the complexity in the Act and subsequent confusion regarding its intended application. This has impacted a number of private and public sector employers. The regulator of the Act is the Ministry of Business, Innovation and Employment (MBIE), and as an indicator of the complexity involved, MBIE itself is amongst those parties with reported non-compliance.

These reports prompted Watercare to ask Ernst & Young to carry out an in-depth review of our compliance with the Holidays Act 2003. The review concluded that Watercare's payroll system has not been configured to comply with some aspects of

the Act and, therefore, payments relating to sick pay, bereavement leave, alternative holidays, and public holidays have been miscalculated for some staff. Watercare has been calculating annual leave correctly.

The Holidays Act 2003 is relatively straightforward with regard to calculating holiday pay and entitlements for workers with a regular working pattern but there is widespread confusion over its application for those with a variable working pattern. The corrective payments required will be higher where Watercare's staff carry out shift, casual and on-call work.

On the 23rd of September Watercare notified the unions and staff of the issue. Watercare explained that it will take time to resolve as staff records dating back up to six years need to be reviewed. The work will consider collective and individual agreements as well as over 100 different allowances.

Recalculations of the payrolls are underway now. Affected staff are likely to receive corrective payments in the first quarter of 2017. Watercare has retained external experts to assist with the recalculation of payrolls, and to ensure that its corrective payments fully discharge Watercare's obligations under the Act.

MBIE are investigating organisations that have taken very few steps to resolve the issues. Watercare is not part of this group.

- **Industry leadership**

Stuart Bird, Watercare's Procurement Manager, was recently elected as chair of the Local Government Strategic Procurement Group (LGSPG).

LGSPS is a group of procurement practitioners representing local government authorities with over 35 members.

The group supports member organisations in achieving their respective commercial objectives through knowledge-sharing, developing procurement best practices, capability development, and where possible, collaborative procurement.

Shayne Cunis (General Manager Service Delivery) was elected as a board member of Water New Zealand for a two-year term.

They join the ranks of Roseline Klein who is a board member of the Sustainable Business Network.

- **Forestry Herbicide Application in Wairoa Dam Catchment**

The Wairoa Dam, which had been out of service for 14 weeks, was cleared for use by the Auckland Regional Public Health Service in September. The clearance followed favourable test results for elements previously detected in the water post herbicide being applied by Waytemore Forests Limited. The levels were well below those where there was any risk to human health, but nevertheless it was prudent to talk the dam out of service.

- **Diversity**

The IPENZ magazine, Engineering Insight, featured a story on Watercare’s Chief Executive in their latest issue which had a focus of ‘diversity’. The piece looked at how the Chief Executive is actively working to change the culture of Watercare; reorienting the business towards the customer and developing a workplace that supports and encourages diversity.

Water NZ magazine (September/October issue) ran a feature on Watercare’s Northern Networks Manager, Suzanne Naylor, after she won the inspirational leader award at the Connexis Celebration of Women in Infrastructure event. Talking about her role at Watercare, Suzanne says: “I do love a challenge – I love fixing things, building in more efficiency, employing new technologies and asking ‘how can we make this service the best for everybody: the best for users, good for contractors, easy for my team to manage.”

An inspirational article on drainage serviceperson Leonora Marsh-Ngatai ran in School Leavers magazine which has been distributed to all secondary school leavers in New Zealand. Leonora gained her New Zealand Certificate in Infrastructure Works earlier this year and has since gained full-time employment at Watercare. She says her next goal is to complete her studies, enabling her to continue her career advancement at Watercare: “The team at Watercare is so supportive and I enjoying working in wastewater reticulation, it’s awesome knowing that I play a role in helping Watercare deliver Auckland’s wastewater safely to the treatment plants.”

Fully Sustainable

- **Central Interceptor – dry and wet weather overflows**

Central Auckland’s system was designed in the early 1900s to collect both wastewater and stormwater flows in a common pipe. As growth occurs in Central Auckland, dry weather (wastewater only) flows are forecast to begin to exceed the pipe capacity of the Orakei Sewer by around 2030. With the proposed Central Interceptor and link sewers programmed to be completed prior to 2030, the risk of dry weather overflows is mitigated. It will re-direct the upper portion of the Orakei Sewer catchment diverting wastewater flows directly to the Mangere Wastewater Treatment Plant. This will not only create capacity in the Orakei Sewer but also free up capacity in the downstream Eastern Interceptor. This will allow growth to occur in Central, East and South Auckland.

The Central Interceptor also provides an interim solution for stormwater issues, giving Auckland Council time to construct adequate stormwater infrastructure to service the growth in the combined areas in the long term. Continued reliance on the wastewater system for the collection of stormwater is not sustainable for a growing city. Stormwater entering the wastewater system reduces capacity to service growth and is the cause of wet weather overflows to the environment. A separated stormwater system will therefore be required to collect stormwater from properties within the currently combined area as well as the runoff from Auckland Transport's road network.

- **Central Interceptor – international review**

A panel of international specialists met in Auckland at the end of August 2016 to review the design concepts of the Central Auckland Wastewater Servicing Strategy, possible procurement options, and to provide general guidance on the need for Auckland Council to invest in stormwater infrastructure so that the wastewater infrastructure being built by Watercare is servicing a separated sewerage system in the future.

The Central Auckland Wastewater Servicing Strategy programme of work broadly includes the proposed Central Interceptor spine and pump station, the link sewers, the collector sewers, wet weather treatment facility upgrades to the Mangere Wastewater Treatment Plant, and the replacement, or duplication, of the Hillsborough Tunnel and Manukau Siphon conveying combined stormwater and wastewater to the Mangere Wastewater Treatment Plant.

These infrastructure investments are to enable growth and address wastewater overflows in the receiving environment.

Following the completion of the Central Interceptor spine and pump station, a Waterfront Wastewater Interceptor has also been identified to increase capacity to cater for growth in the Herne Bay – St Marys Bay areas.

Highlights for the last quarter

Health & Safety: Health & safety continues to be an important focus for Watercare. Health and safety performance was good with there being no lost time injuries relating to Watercare employees during the quarter.

Gold award and sustainability award for Annual Report: Watercare's 2015 Annual Report received the Sustainability Reporting Award and a gold award at the Australasian Reporting Awards (ARAs). The ARAs provide an opportunity for organisations to benchmark their reports against the ARA criteria based on world best practice.

Office of the Auditor General (OAG) – Service Performance Review: The Office of the Auditor General (OAG) has completed its review of Watercare’s service performance. The review was a follow up of the OAG’s 2014 report on service performance, which examined and made recommendations for improvements in five customer related processes as follows:

- Tariffs
- Contact centre operations
- Monthly billing
- Meter reading, and
- Customer debt management practices.

The 2016 review was focused on the remedial actions taken by management, with supporting evidence as required.

The 2016 report was tabled in Parliament on 11 October 2016, and reflects positively on the improvements made in key customer related processes over the past two years. The OAG now describes its further recommendations as minor improvements which could further enhance our service performance. The OAG provides positive comment on Watercare’s improved customer communications processes, and the quality and timeliness of information provided on tariff regimes and price changes. It also provides positive feedback on improvements in communication on meter readings processes; the Debt Management Code of Practice, and the enhanced customer satisfaction surveys.

Hunua 4 Watermain Project: Watercare sought feedback from residents of communities affected by the works related to the Hunua 4 watermain project. Over 30 responses were received from the public in two days with the majority being positive and complimentary to Watercare and the contractors. Watercare is working with the contractor stakeholder team to review feedback and look for opportunities for improvement.

Additionally, the October edition of Local Government Magazine featured a three-page feature on how Watercare engages stakeholders during the planning and construction of capital projects in order to achieve a smooth delivery and informed communities. The article highlighted the magnitude of Watercare’s investment in Auckland as well as the scale of the projects.

Recognition of Watercare’s risk management capability: In September, Watercare received the award for Excellence in Building Risk Management Capability at the 2016 RiskNZ Awards of Excellence.

The award identifies Watercare as an organisation with the requisite risk management skills, knowledge and resources to enhance its business performance.

The judges said that Watercare’s whole-of-organisation approach and focus on developing and implementing a sound risk culture and systems is the epitome of what the RiskNZ award is about.

Watercare's project to upgrade the biological nutrient removal ("BNR") process at Mangere Wastewater Treatment Plant was also recognised at the awards, receiving a commendation for the collaborative approach taken by CH2M Beca, Watercare and the McConnell Dowell/HEB Joint venture in managing the project's risks.

Water New Zealand conference: Water New Zealand is the country's three waters utility industry organisation. The annual conference was held in Rotorua from the 19th to 21st of October 2016. Around 1,000 people attended, including employees of utilities, consultants, contractors and product suppliers. Watercare presented a number of papers and chaired sessions. Watercare's Chief Executive delivered a keynote address on the importance of trust and confidence in public drinking water.

Watercare's presence allowed staff to talk about the forward capital works programme, the career opportunities in the company, share knowledge and learn from other attendees, and to professionally represent the brand of Watercare as the largest provider of water and wastewater services in New Zealand.

Participation in youth programmes to expand channels for future recruitment: Watercare has participated, or pursued participation in various initiatives during the quarter to expand channels for future recruitment, including the #BuildAKL initiative, JobFest which targets young job seekers, IPENZ and other professional development programmes.

Future outlook

Water and Wastewater Treatment Plant tours: Given the previous demand for the public tours to Watercare's plants, further public tours of Rosedale Wastewater Treatment Plant and Ardmore Water Treatment Plant are scheduled for 19 and 26 November respectively. The opportunity to tour the treatment plants has been well received with a lot of public interest in the upcoming tours.

Lake levels: Above average rainfall and lake inflows are expected in the Auckland Region over the next three months. Given current storage levels and forecasted inflows, there is an extremely low risk of water supply shortfall over the coming summer.

Energy Efficiency Initiative: Watercare is focussed on becoming a leader in energy efficiency by achieving the following:

- energy neutrality at our two largest wastewater treatment plants by 2025 (which would be a world first for a plant the size of Mangere, Mangere is the 15th largest plant in the world)
- efficiency gains of 8GWh by the end of 2018
- greenhouse gas reductions meeting the NZ government target by 2030

A programme of work is underway in support of achieving these ambitious targets.

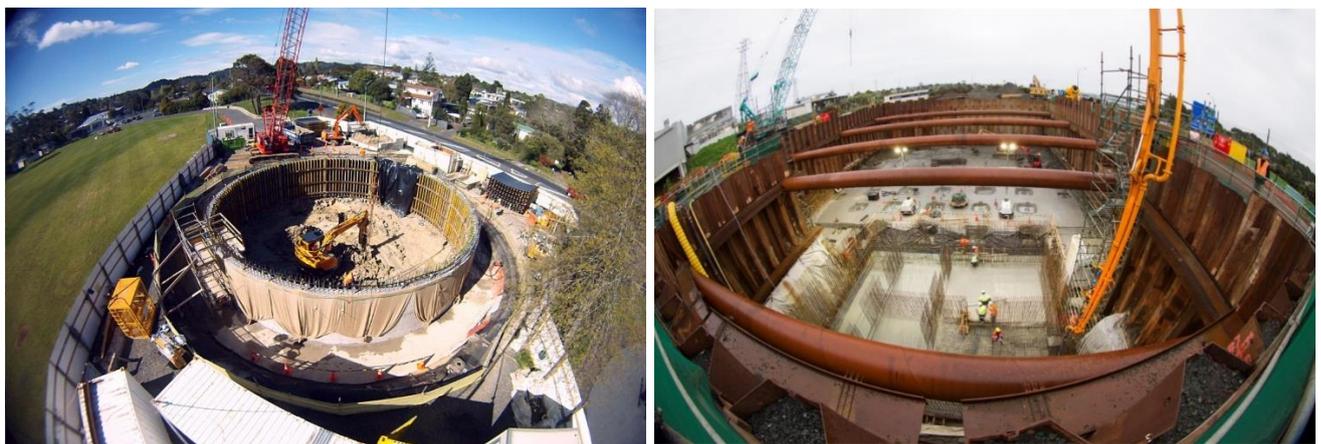
Auckland Unitary Plan: Watercare continues to work with Council staff to understand the impact of the appeals that have been filed against Auckland Council’s final recommendations in relation to the Unitary Plan.

Infrastructure Project Updates

Hunua 4 Watermain: Construction of the section of the new Hunua 4 watermain from Redoubt Rd in Manukau City to Market Road in Epsom is now complete. All roads have been reinstated and the pipeline is ready for commissioning in the New Year. Detailed design of the final section of the Hunua 4 Watermain, from Market Road to Watercare’s Khyber Reservoirs on Upper Symonds Street, will commence in 2017.

North Harbour 2 Watermain and Northern Interceptor: Resource consents were granted for the construction of the North Harbour 2 Watermain and Northern Interceptor pipelines across the Upper Waitemata Harbour at Greenhithe last quarter. Designations and resource consents for the remainder of the North Harbour 2 Watermain and the shared corridor along SH18 for the Northern Interceptor have been submitted with hearings scheduled for November.

Fred Thomas Drive and Glen Eden Wastewater Storage Tanks: The Fred Thomas Drive and Glen Eden wastewater storage tanks will reduce wastewater over flows during storm events. Construction of the storage tanks is proceeding to programme, and is planned for completion in late 2017. Very positive public feedback has been received regarding the extensive consultation with local stakeholders, and visits to site by students from Rosmini College who are interested in a career in construction.



Financial Performance

\$'m	FY17 Q1 Actual	FY17 Q1 Budget	Variance
<u>Operational</u>			
Revenue	145	140	5
AC funding	-	-	-
Expenditure excluding depreciation	72	74	2
Depreciation and amortisation	56	56	-
Capital Expenditure	78	85	7
Net borrowings - AC	1,158	1,158	-
Net borrowings - External	437	427	(10)

***RAG Status:**

Green - Performance on target or better

Amber - Target may not be met, corrective action taken

Red - Target may not be met, action required

Revenue

Year to date revenue was \$145m. The result is \$5m favourable to budget primarily due to infrastructure growth charge revenue favourable \$2.2m due to a greater number of developments, vested asset income favourable by \$0.7m, new developments revenue favourable \$0.8m and water & wastewater revenue favourable by \$0.7m.

Expenditure

Operating expenses were \$72m, \$2m favourable to budget with favourable variances for asset operating costs, professional services and general overheads. This was partially offset with higher maintenance costs. Interest expense is tracking to budget.

Depreciation and amortisation

Depreciation and amortisation are on budget.

Capital expenditure

Capital expenditure was under budget by \$7m due primarily to delays in the original planned commencement dates of a few projects.

Borrowings

Overall net borrowings were \$10m above budget due primarily to timing differences between payments and accruals.

Water Utility Consumer Assistance Trust (WUCAT)

The following table summarizes the results of the Trust since it started in 2011/12:

WUCAT Summary			
Financial year	No. of approved applications	Relief approved \$000's	
Jun-12	33	\$	29
Jun-13	172	\$	196
Jun-14	123	\$	114
Jun-15	150	\$	149
Jun-16	118	\$	90
(YTD) Jun-17	26	\$	22
Total	622	\$	600

When the Trust approves hardship relief, it enters into an understanding with the customer as to how the customer will “earn” the relief. Often this might be that the customer agrees to pay their monthly bill for (say) six months, at the end of which all outstanding debt or arrears at the date the arrangement was entered into is agreed to be written off.

Most customers satisfy their obligation and the old debt is written off. Some customers, however, do not meet their obligations and therefore no write off occurs. At any point in time there will be a number of customers in the process of satisfying their side of the arrangement.

Summary of WUCAT Arrangement Approvals			
No. of Arrangements Entered Into	No. of Arrangements Fully Satisfied	No. of Arrangements Still Being Met	No. of Arrangements Lapsed Unfulfilled
622	476	67	79

Amount of Relief Approved \$	Amount of Relief Fully Earned \$	Relief Yet to be Fully Earned \$	Relief Voided due to Lapsed Unfulfilled Arrangement \$
\$600k	\$490k	\$54K	\$56k

The results of the last 3 WUCAT meetings have seen 26 applicants successfully complete the budget process and have \$20k of hardship relief approved by the Trust.

WUCAT Summary last 3 meetings		
Month	No. of trust approved applications	Relief Approved \$000's
Jul-16	10	\$ 4.30
Aug-16	10	\$ 9.46
Sep-16	6	\$ 6.68
Total	26	\$ 20

Restrictions

The status of restrictions as at 30 September 2016 was as follows:

Restriction Summary Year-ending	Commercial		Residential		Total	
	Restriction	De-restriction	Restriction	De-restriction	Restriction	De-restriction
30-Jun-12	1		5		6	0
30-Jun-13	13	11	6	4	19	15
30-Jun-14	20	20	17	14	37	34
30-Jun-15	31	30	53	39	84	69
30-Jun-16	8	9	16	17	24	26
(YTD) 30-Jun-17	4	2	1	3	5	5
Total	77	72	98	77	175	149
Restrictions currently	5		21		26	

Performance measures

Measure	2016/17 Target	Jul 2016	Aug 2016	Sep 2016
The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	100%	100%	100%
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	100%	100%	100%
Average number of wet weather overflows per discharge location	≤ 2 overflows per year per engineered overflow point	Annual Measure	Annual Measure	Annual Measure
The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	≤10	0.04	0.04	0.04

Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents	a) ≤2 b) ≤2 c) ≤2 d) ≤2	0	0	0
Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 60 mins	44 mins	43 mins	43 mins
Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 5 hours	3.0 hours	3.2 hours	3.2 hours
Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 3 days	3.0 days	2.9 days	2.9 days
Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 6 days	4.3 days	4.3 days	4.4 days
Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services	≥80%	84.3%	80.8%	80.9%
The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	≤ 10	5.6	5.6	5.6
Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 60 mins	47 mins	47 mins	48 mins
Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 5 hours	2.9 hours	2.9 hours	3.0 hours
The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system	≤ 50	21.3	21.7	21.7
Percentage of complaints being 'closed and resolved' within 10 working days (12 mth rolling average)	≥95%	92.8%	92.2%	92.9%
Percentage of the 19 Iwi groups throughout Auckland that Watercare have entered into a Memorandum of Understanding with (target for end of FY16/17)	≥60%	15.7%	15.7%	15.7%

Lost-time injury frequency rate per million hours worked (12 month rolling average)	≤5	1.9	1.25	1.25
Percentage of voluntary leavers relative to number of permanent staff (12 mth rolling average)	≤12%	12.15%	12.54%	12.18%
Total recordable injury frequency rate per million hours worked (12 month rolling average)	<30	23.48	22.85	18.35
Minimum funds flow from operations to interest cover (FFO) before any price adjustment	≥2.5	3.89	3.94	3.92
Percentage of household expenditure on water supply services relative to the average household income	≤1.5%	0.86%	0.87%	0.87%
The average consumption of drinking water per day per resident (gross PCC) (12 month rolling average)	272 + / - 2.5%	272	273	273
The percentage of real water loss from the local authority's networked reticulation system (rolling 12 mth average)	≤13%	13.2%	13.3%	Reporting lag – data sourced from meter readings

Contribution to Māori outcomes

Initiative - Water Supply and Wastewater	How it contributes to Māori outcomes	Progress	Q1 Spend
<p>Mana Whenua Kaitiaki Forum</p> <p>Māori knowledge and world views are respected and its validity and value acknowledged</p>	<p>MO3 Rangatiratanga self-determination</p> <p>MO4 Te Tiriti o Waitangi/the Treaty of Waitangi</p> <p>MO7</p> <p>Mātauranga Māori – Māori knowledge wisdom</p> <p>MO8</p> <p>Mana Whenua – customary authority</p>	<p>Auckland Council has now taken responsibility for administrative support of the Mana Whenua Kaitiaki Forum. Watercare continues to work with the Kaitiaki Managers' Group regarding Watercare projects and issues of regional significance. Following consultation with Mana Whenua, the meetings will move from quarterly to bimonthly.</p>	<p>\$31,020</p>

<p>Iwi Engagement on Watercare Projects</p> <p>Robust engagement framework for Iwi Authority resource management staff to be actively involved in the planning and operational performance of water and wastewater infrastructure</p>	<p>MO1</p> <p>Kaitiakitanga – guardianship including stewardship</p> <p>MO2 Mātauranga Māori – Māori knowledge wisdom</p> <p>Waahi tapu –sacred ancestral sites and places of significance to iwi, hapū and whānau</p> <p>MO7</p> <p>Mātauranga Māori – Māori knowledge wisdom</p>	<p>Watercare has a policy of integrating mana whenua into its projects where mana whenua have an interest. There are currently 35 consents being applied for, all in various stages of the RMA application process, a further 22 under assessment, which mostly will require consents as well. Cultural monitoring continues across a number of projects. The training of Watercare staff in Marae and Māori protocols continues. A number of site blessings were held during the quarter. Watercare continues to expand its relationships with Mana whenua to promote accessibility and engagement.</p>	<p>\$275,490.41</p>
---	--	--	---------------------

Key Local Board issues

The local body elections took place during the quarter.

Local Board members have continued to receive timely information on important projects and issue resolution during the quarter. The last Local Board meetings of the term were held in September. Watercare worked with local boards via Council delegations over the election period until new Local Boards are sworn in.

Watercare has also liaised with local board services during the quarter in preparation for new member inductions and feedback on Local Board plans which will get underway early in the new term.

Watercare joined other CCOs and Council staff in September for a drop-in session with Local Board services staff in preparation for the new Local Board Plans in the new term.

Risk Management

Watercare has an established risk management policy and framework which follows the guidance of the ISO 31000 risk management standard. Risks are therefore identified and evaluated using likelihood and consequence scores, and ranked. The highest ranked and significant emerging risks are reviewed by senior management and the Board via management and Board level reporting.

There have been no substantial changes to Watercare's risk in the past quarter. The Internal Audit function produces an annual plan which is approved by Watercare's Audit and Risk Committee and there is quarterly reporting by management against the plan for the Committee.

The Audit and Risk Committee maintains oversight of progress by management in implementing the recommendations arising from Internal Audit's work. The Committee is satisfied that all matters raised are being addressed by management.

Disclosures

The Watercare Executive Management Team regularly gives consideration as to the possibility of events that would trigger a requirement for disclosure. There were no such events during the reporting period.

Requests under the Local Government Official Information and Meetings Act

Watercare continues to be very responsive and open in respect of requests received under the Local Government Official Information and Meetings Act. Watercare responses to requests under the Act are currently averaging a two day turnaround.