

Date: Tuesday 8 April 2025
Time: 10.00am
Meeting Room: Room 1, Level 26
Venue: Te Wharau o Tāmaki - Auckland House
 135 Albert Street, Auckland

**Komiti mō te Whakahaere Tikanga me te Aro ki te
 Pae Tawhiti mō ngā Whakahaere ka
 Whakahaerehia e te Kaunihera /
 Council Controlled Organisation Direction and
 Oversight Committee**

OPEN MINUTE ITEM ATTACHMENTS

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CCO response to 2025/2026 letters of expectation

CCO Direction and Oversight Committee

8 April 2025

Item 8

Attachment A

Summary of common expectations from LoEs

1. Focussing CCOs on delivery – implementing structural and non-structural change decisions on CCO reform
2. Attribution and branding – greater attribution to council as policy maker and funder
3. Accelerate implementation of group shared services – demonstrable progress through movement of functions to GSS through 2025
4. Delivering year two of the Long-term Plan 2024-2034 and alignment to final Annual Budget
5. Planning, delivery and paying for growth – contribute to development of framework to support decision-making on growth related issues
6. Procurement and effective spending - group approach to procurement where there are clear efficiencies and benefits to be gained





Summary of common expectations from LoEs (cont.)

7. Continue upholding Auckland Council Group's Te Tiriti o Waitangi-derived obligations
8. Quality timely advice to Local Boards – and early engagement on projects and decisions directly impacting their local area
9. Climate change - continue to be guided by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan
10. Compliance with Statement of Expectations for substantive CCOs
11. Asset Management Planning in preparation for the LTP 2027-2037 - draft AMP should be available in February 2026
12. Investment area office – working constructively with the relevant investment area office





Process from here

Date	Milestone
8 April	CCO DOC meeting – CCOs present response to LoEs
16 April	Joint CCO DOC/TRIC workshop – to discuss proposed shareholder comments on draft 2025-2028 SOIs
8 May	TRIC approval of shareholder comments on AT draft SOI
13 May	CCO DOC approval of shareholder comments on Watercare and TAU draft SOIs
28 May	Budget Committee/Governing Body – decision making on Mayoral Proposal and Annual Budget 2025/2026
29 May	Governing Body approval of shareholder comments on AFFTL draft SOI
31 July	Final 2025-2028 SOIs due

A presentation slide for Watercare Services Limited. The slide has a blue background with several overlapping circles of varying shades of blue. The text is white and centered. At the top right, there is a small Watercare logo consisting of a stylized sun/wave icon above the word 'Watercare'.

Watercare Services Limited

CCO Direction and Oversight Committee | 8 April 2025

Watercare Chair, Geoff Hunt

Chief Executive, Dave Chambers

Incoming Chief Executive, Jamie Sinclair

Local Water Done Well

- 26 March 2025 – Launched the Watercare 10 year Business Plan, detailing key investments, funding approaches, and service commitments in line with new regulatory requirements.
- 1 April 2025 – Watercare Charter commenced, with Crown Monitor stepping into their role officially.
- 1 July 2025 – Watercare will be financially independent of Council.
- The SOI has been drafted to align with the Charter and contains 33 measures (see Appendix A).
- Charter requires three plans, with Council's input:
 - Infrastructure delivery and asset management improvement
 - IGC policy review and redesign
 - Watercare operating cost efficiency improvement plan.
- One quarterly report to Council and Commerce Commission.

We must deliver three plans due in Aug, Sept and Dec

All three plans will be prepared in close consultation with Council.

Plan 1: Infrastructure delivery and asset management improvement, by 31 August 2025

- Over the next ten years, Watercare plans to deliver \$13.8b of infrastructure via the AMP, which equates to a daily spend of around \$3.44m. Our AMP is prioritised to address service risks and meet strategic outcomes.
- In February 2026, as requested by Council in the Letter of Expectation, we will deliver a 30-year Asset Management Plan (AMP) to Council, covering existing and planned assets to inform the development of the LTP.

Plan 2: IGC policy review and redesign, by 30 September 2025

- Revised policy to be implemented during FY26-28 period.
- The Crown, Council and Watercare want 'growth to pay for growth'.

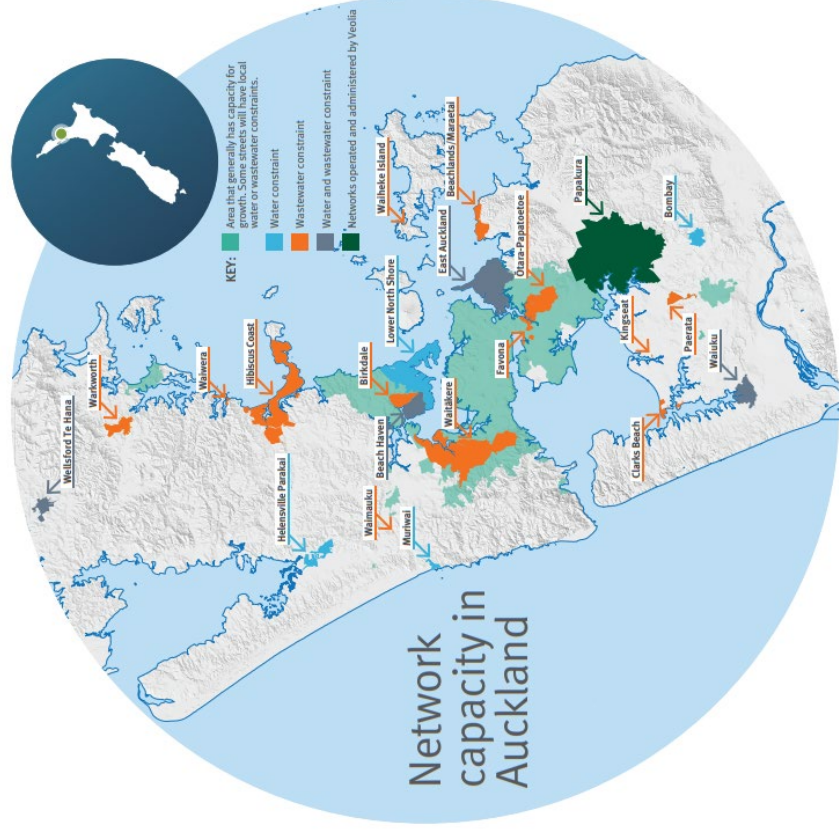
Plan 3: Watercare operating cost efficiency improvement plan, by 31st December 2025

- This needs to embed opportunities from GSS to contribute to 4% per annum ongoing cost reduction plan.
- Council can not directly or indirectly fund Watercare. Business cases will therefore need to be contractually enabled.



Alignment of growth planning and delivery

- Watercare’s Asset Management Plan is aligned with the Future Development Strategy (FDS).
- Issues include planning, delivery and paying for growth.
- Planning and delivery is complicated by approved Private Plan Changes that do not conform to the FDS and Fast Track legislation.
- Network capacity maps: We will continue to monitor and publish capacity maps so developers know where there is capacity to build, and where there are constraints.



Implementation of the Auckland Water Strategy

- Watercare supports the Auckland Water Strategy's commitment to partnering with Mana Whenua to achieve the vision of te Mauri o te Wai o Tāmaki Makaurau and working together to advance our core interests in water and the environment.
- Watercare will implement the Auckland Water Strategy by:
 - continuing roll-out of smart meters (targeting first commercial customers and replacing end of life meters)
 - water efficiency programmes (including reviewing the per capita consumption targets)
 - management of network leakage to economic level of leakage
 - establish residential and commercial per capita metrics and reduction programmes.
- Watercare will work with Auckland Council to deliver the component parts of the Auckland Water Strategy, including:
 - work towards alternative water sources
 - demand management
 - leakage management activities.



Item 8

Attachment B



Appendix A

33 SOI Measures including new Charter measures

8 x Water Services Authority – Taumata Arowai Measures/Rules

1. Bacterial water quality (also DIA)
2. Protozoal water quality (also DIA)
3. Microbiological water quality (also DIA)
4. Chemical water quality
5. Cyanotoxins water quality
6. Residual Disinfection water quality (Chlorine)
7. Disinfection by products water quality
8. Plumbosolvent metals water quality

7 x Other measures

1. Percentage of household expenditure on water supply services relative to average income
2. Customer net satisfaction score
3. Community trust score
4. Percentage of customer complaints resolved within 10 days
5. Ratio of procurement through Māori owned businesses
6. Operational greenhouse gas performance
7. Average number of wet weather overflows per engineered overflow point per discharge location (network discharge consent measure)

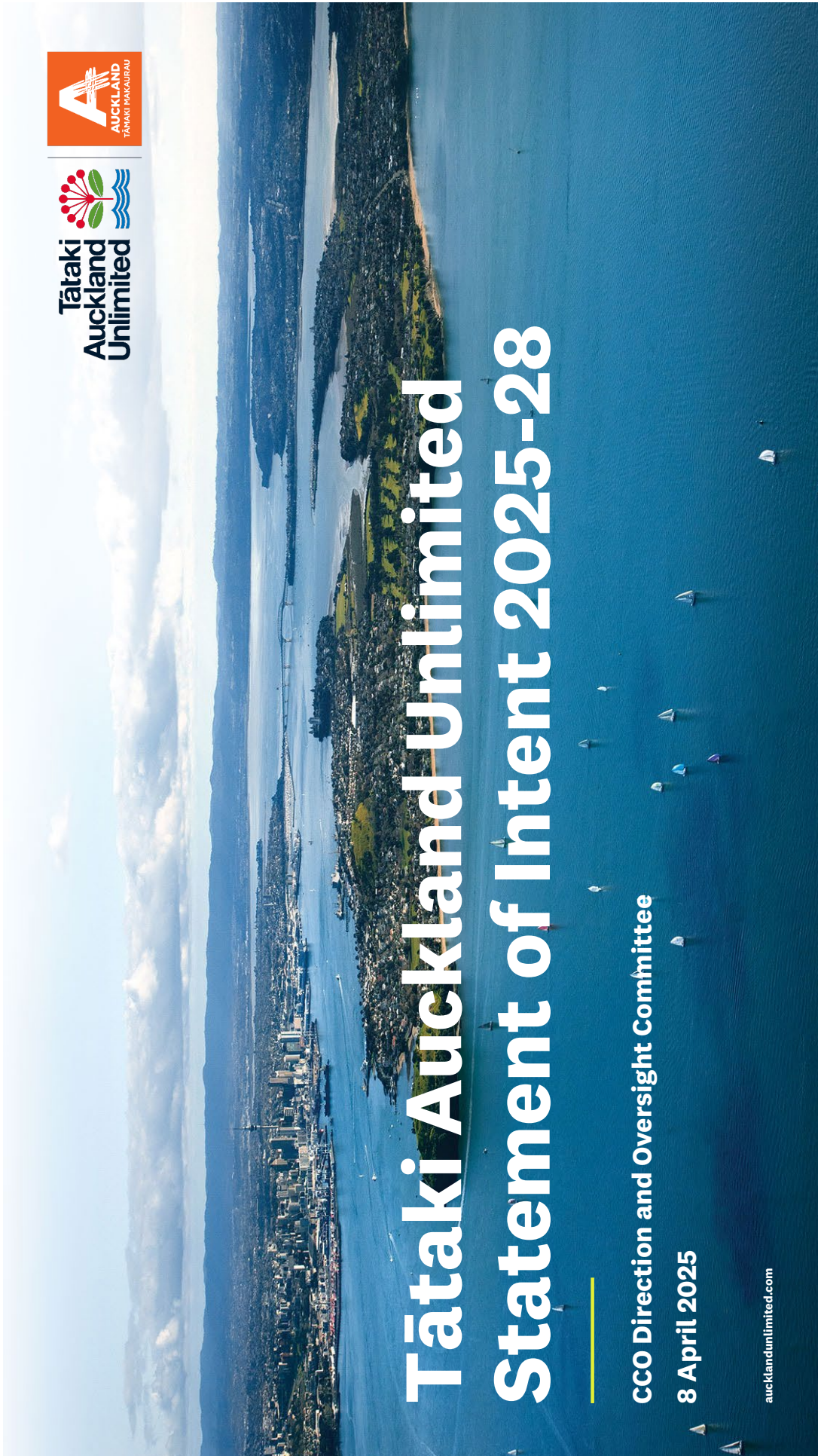
13 x DIA Non-Financial Performance Measures/Charter measures

1. Average consumption of drinking water per day
2. Median response time for attendance for urgent water callouts
3. Median response time for resolution of urgent water callouts (also Charter)
4. Median response time for attendance at non-urgent water call outs
5. Median resolution time for resolution of non-urgent water call outs (also Charter)
6. Number of water complaints per 1000 connections
7. Median response time for attendance at sewage overflows
8. Median resolution time for resolution of wastewater overflows (also Charter)
9. Number of wastewater overflows per 1000 connections (also Charter)
10. Number of wastewater complaints per 1000 connections
11. Percentage of real water loss
12. Compliance with resource consents for discharge from sewerage system
13. Volume of real water loss – no more than 140 litres per water supply connection per day (also Charter)

5 x new Charter targets

1. Minimum allowable average increase in IGCs
2. Credit rating - Investment grade
3. Maximum allowable revenue from providing water/wastewater services
4. Capital expenditure
5. Number of unplanned water supply interruptions per 1000 connections





Tātaki Auckland Unlimited Statement of Intent 2025-28

CCO Direction and Oversight Committee

8 April 2025

aucklandunlimited.com

Item 9

Attachment A

What stays the same?



Most of what TAU does carries on in FY25/26 and beyond.

Building on the last success of the last two years.

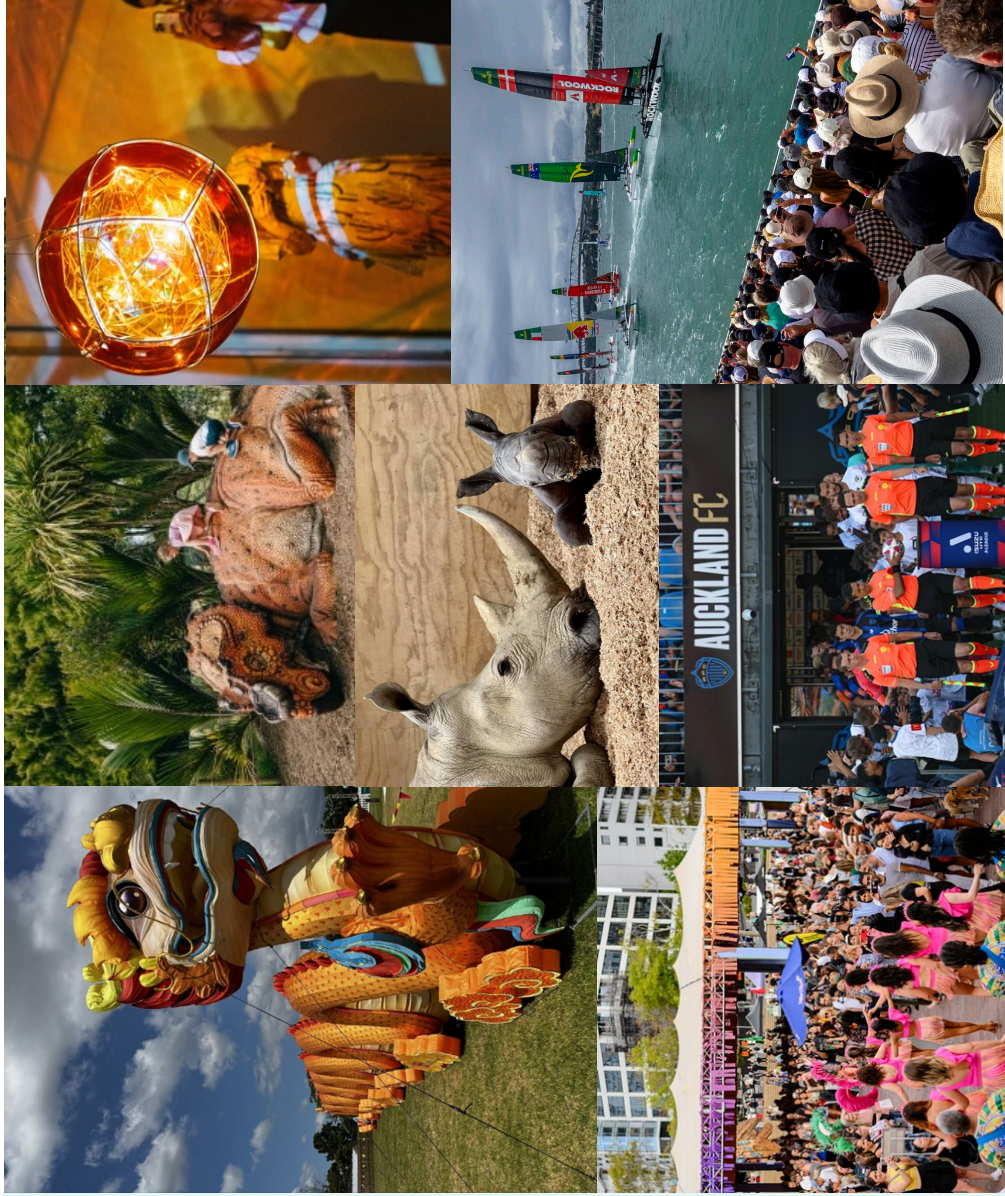
Improving our performance year on year

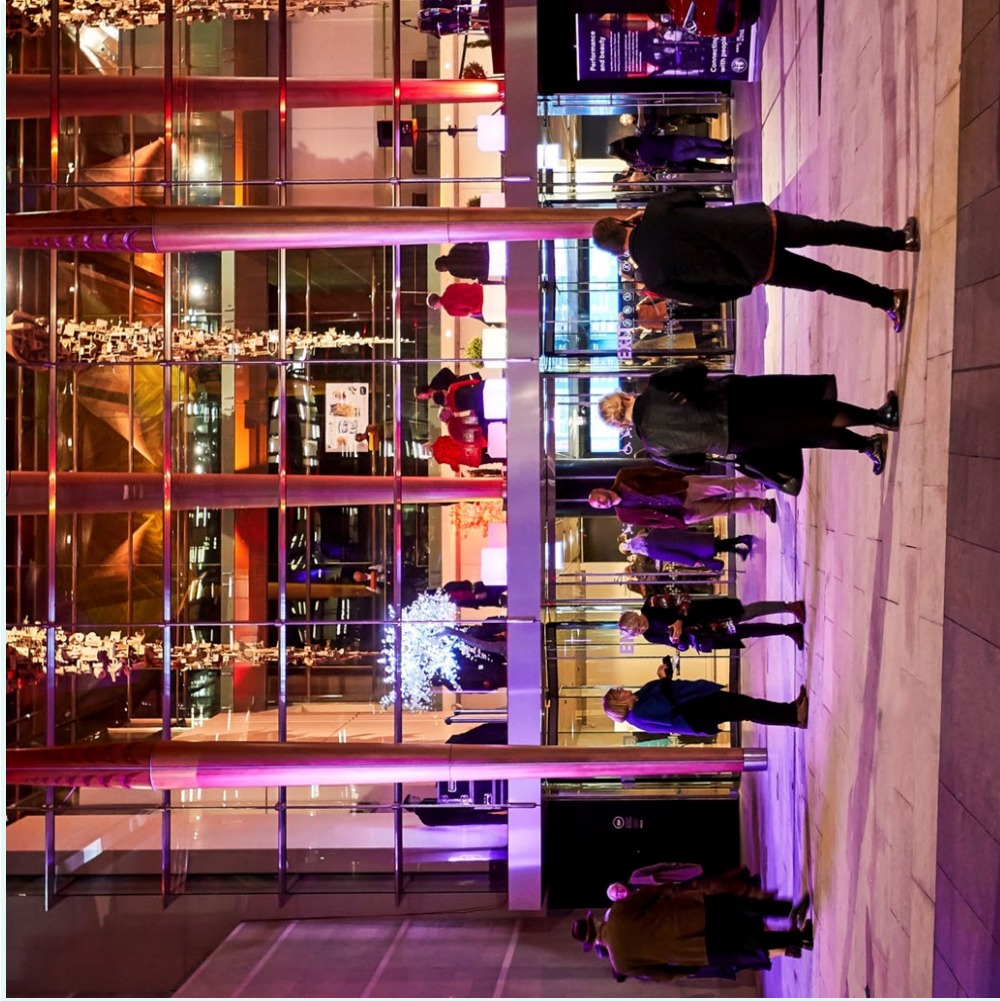


Attachment A
Item 9

TAU has enriched the cultural life and vibrancy of Auckland this summer

- ASB Classic, Sail GP, Synthoni
- BNZ Auckland Lantern Festival, Moana Auckland and Pasifika Festival
- Auckland Live Summer in the Square
- Olafur Eliasson: *Your curious journey* exhibition at Auckland Art Gallery Toi o Tāmaki
- Birth of rhinoceros calf, meerkats, hatching of flamingo chicks and Dinosaur Discovery Track at Auckland Zoo
- Laneway Festival at Western Springs
- Auckland FC at Go Media Stadium
- *Into Ocean and Ice* exhibition at NZ Maritime Museum





Capital programme

The Mayor's "Our Capital Spending Rules" will guide all capital projects overseen by the TAU Board Capital Committee:

- Completion of Auckland Art Gallery Toi o Tāmaki Heritage Restoration Project.
- Aotea Centre and precinct renewals.
- Ongoing delivery of Zoo renewals and Masterplan.
- NZ Maritime Museum gallery renewal design and delivery.
- Master-planning across stadium network (pending in-flight decisions).

Item 9

Attachment A





Our Refreshed Purpose

*To enrich the
cultural life and
vibrancy of Tāmaki
Makaurau Auckland*

Economic Development
transfers to the Council
reducing TAU's breadth of
scope, but sharpening our
focus



To enrich the cultural life and vibrancy of Tāmaki Makaurau Auckland

Experiences and Events

- Increase ticketed attendance
- Maintain customer complaints resolution
- Achieve contribution to regional GDP of major and business events portfolio
- Maintain cost-benefit ratio of events (NEW)

KPIs

Taonga and Venues

- Improve net promoter score for venues
- Decrease greenhouse gas emissions
- Increase opex through non-rates revenue
- Complete key capital milestones
- Maintain/improve condition of critical assets

All Aucklanders (NEW)

- Grow agreement that TAU experiences enrich lives
- Increase children in educational experiences
- Develop more programmes, initiatives and events contributing to visibility of Māori
- Increase performing arts and convention venue utilisation (NEW)

KPIs

Auckland's Reputation

- Increase visitation to aucklandnz.com (NEW)

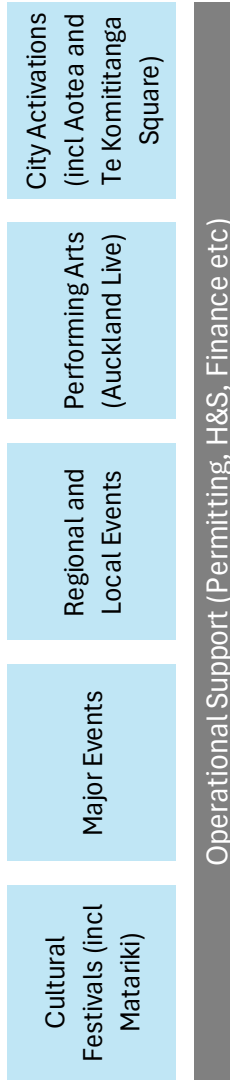




Auckland Council Events (part of TAU)

Programming (Auckland Events Calendar) and Governance

Promotion and Marketing



Auckland Council Events

“As part of the future operating model arising from CCO reform decisions, advice is sought from council’s chief executive on the consolidation of all group events and major activation functions to remove any duplication and build a dedicated Auckland events delivery function within Tātaki. Careful thought will be given to local events and how we continue to enable that activity to be delivered the way local communities and local boards expect.”

Mayor’s Letter of Expectation to TAU

Actively programming, coordinating and promoting a joined-up calendar of events, large and small, across the region with the expectation of improving the outcomes achieved from events for Aucklanders.

Key issues and risks

Major event funding

The TAU board is reviewing the current and prospective major event commitments

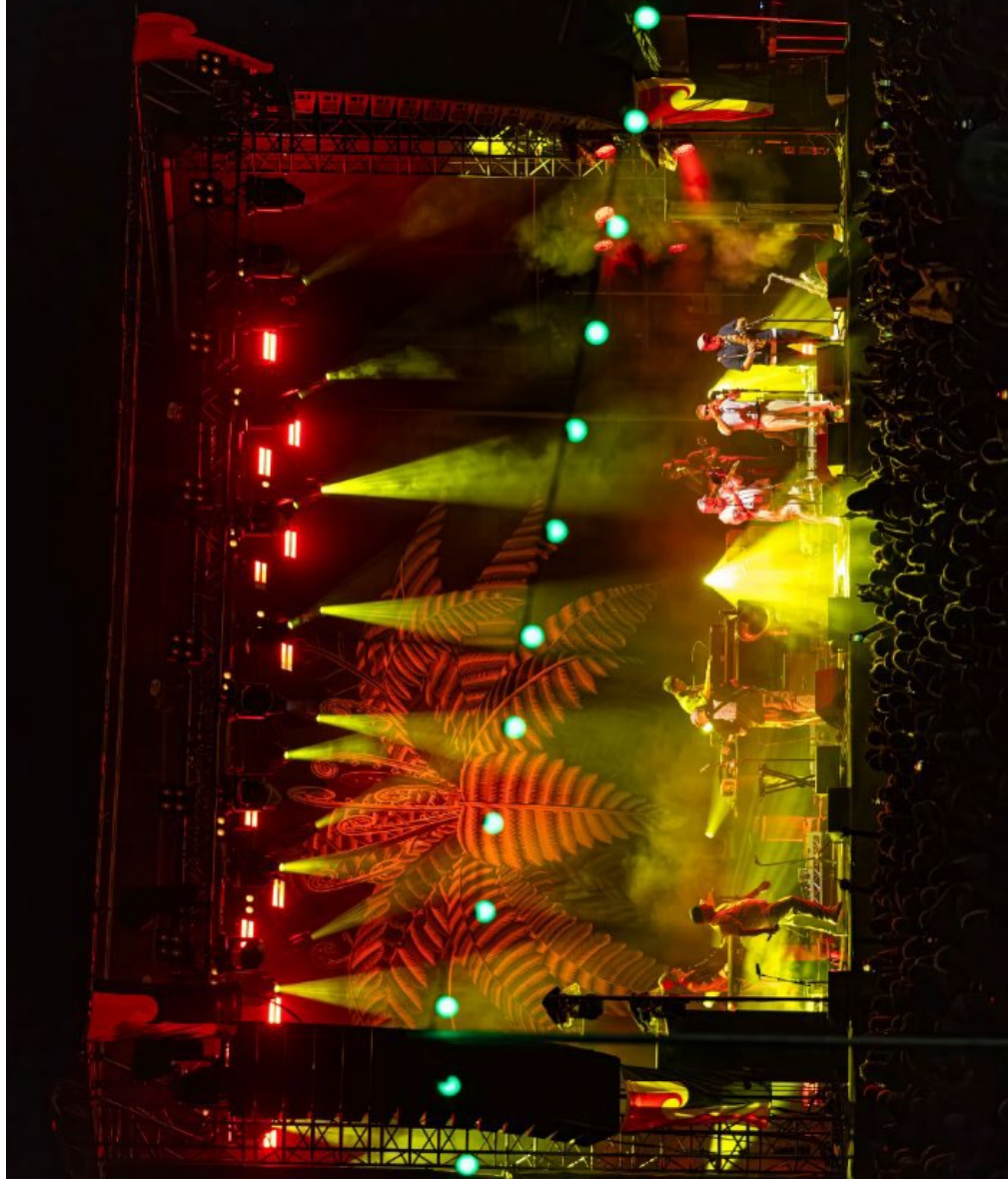
Without \$7M	With \$7M	With Visitor Levy
<ul style="list-style-type: none"> - SailGP 2026 and The Ocean Race 2027 - Retain cultural festivals - Annual anchor events for FY <u>2025/26 only</u>: e.g. ASB Classic, Auckland Marathon, Auckland Writers Festival, Major concerts, Synthony, All Blacks, NZ Fashion Week, Auckland Art Show etc. - Wind up major events activities over 2025/26 - No ability to contract future events 	<ul style="list-style-type: none"> - SailGP 2026 and The Ocean Race 2027 - Retain cultural festivals - Retain current programme of annual anchor events - Retain major events capability and time to resolve Visitor Levy. - Does not support SailGP beyond 2026 or any other major events including Cricket World Cup, Lions Tours, NRL State of Origin. 	<ul style="list-style-type: none"> - Retain and scale annual anchor event programme (ASB Classic, Moana Auckland, Synthony) - Scale cultural festival programme - Annual SailGP event - Major music concerts and festivals - State of Origin/NRL content 2027 - W + M Lions 2028 and 2029 - Cricket World Cup 2028 - World Gay Games 2030 - Auckland professional sport franchise promotion - UNESCO City of Music programming

Strategic Direction for Destination and Major Events

- The destination sector/visitor economy underwrites the amenity of the region.
- Destination AKL 2025 was developed with the industry and supported by council.
- Clarity of future funding and strategic direction for the destination management of Tāmaki Makaurau needs to be urgently refreshed.
- Long term strategy is tied directly to a sustainable funding model.
- TAU welcomes the opportunity to work constructively, at pace with council to address these issues.



Destination AKL 2025 is about ensuring the visitor economy contributes to Auckland's sustainable future.



Market Risks – 2025/26

A number of emerging risks may impact our 25/26 performance

- Weak winter visitation forecast
- NZICC and CRL impacts
- Stadium network changes
- International touring content
- Cruise ship activity
- Sustainability of Destination Partnership Programme
- Bird flu
- Economic uncertainty

Item 9

Attachment A

Questions?





CCO Direction & Oversight Committee

8 April 2025



PORT OF AUCKLAND
TĀMAKI HERENGA WAKA

Strengthening our Mana Our Strategy



Vision Port of Auckland Limited will be a port that is sustainably profitable, delivering a fair return to Auckland Council, whilst remaining the preferred port of our customers and our people

Purpose Facilitate the sustainable growth of trade for Auckland and the North Island

Focus Areas



Customer at the Core

- Focus on what our customers value
- Broaden and grow our revenue streams
- Embed a customer centric culture
- Deliver consistent and reliable operations



Infrastructure for the Future

- Upgrade our core systems (digital and operational)
- Prepare us for future growth
- Build the right things in the right way
- Commercial model delivering a fair return
- Future appropriate business structure



Whanaungatanga

- Operate safely and sustainably
- Invest and retain our talent
- Celebrate our diversity
- Leverage the power of our people working together
- Make informed decisions



Sustainability



Caring for Aucklanders



Genuine harbour health



Meaningful climate action



Driving towards a circular economy

Sustainable business in Auckland

Financial

F25 \$65m NPAT
\$45m Dividend

F26

\$85m NPAT
\$52m Dividend

F27

\$100m NPAT
\$60m Dividend

Safety



PORT OF AUCKLAND TĀMAKI HERENGA WAKA		HSPI - March 2025 POAL		YTD						
March	91%	YTD	86%							
Health & Safety Management System										
Number of regulator (MNZ/Worksafe) enforcement notices issued	POAL	Lag/Lead	Last month	Current month	Movement	Very Poor	Poor	Below Target	Target	Stretch
		Lag	0	0	○	3+	2	1	0	0
Number of preventative and corrective safety actions overdue	POAL	Lead	0	0	○	>20	12-20	1-11	0	0
Number of safety management workflow actions overdue	POAL	Lead	0	0	○	>35	26-35	18-25	1-17	0
Leadership										
Delivery of HSW strategic plan - # milestones off track	HSW	Lag/Lead	Last month	Current month	Movement	Very Poor	Poor	Below Target	Target	Stretch
		Lead	0	0	○	5+	3-4	1-2	0	0
% of Leadership Port Walk and Talks completed	POAL	Lead	126%	136%	●	<80%	80-90%	90-99%	100%	>100%
Worker Engagement										
% of H&S committee meetings held	POAL	Lag/Lead	Last month	Current month	Movement	Very Poor	Poor	Below Target	Target	Stretch
		Lead	100%	100%	○	<50%	50-74%	75-99%	100%	>100%
Number of HSRs attending committee meetings	POAL	Lead	19	32	●	0-5	6-8	9-11	12-21	>21
Number of hazard reports	POAL	Lead	90	84	●	<24	24-48	49-82	83-118	>118
Risk Management										
Total Recordable Injury Frequency Rate	POAL	Lag/Lead	Last month	Current month	Movement	Very Poor	Poor	Below Target	Target	Stretch
		Lag	24.2	29.6	●	>35	30-34.99	25-29.99	20-24.99	<20
Number of P1/P2 (high potential) Incidents/Near Misses	POAL	Lag	0	1	●	3+	2	1	0	0
% of critical safety verification checks completed	POAL	Lead	135%	133%	●	<80%	80-90%	90-99%	100%	>100%
Number of operational safety inspections completed	POAL	Lead	260	363	●	<101	101-138	139-177	178-218	>218
% of workforce random D&A tested	POAL	Lead	5.1%	5.2%	●	<2.99%	3-3.99%	4-4.99%	5%	>5%

Safety remains a core focus of ALL port employees. Pleasingly progress continues in the right direction.

