

16 June 2020

Sophie B

Email: fyi-request-13022-58d4605a@requests.fyi.org.nz

Dear Sophie,

Request for information under the local Government Official Information and Meetings Act 1987

I refer to your request dated 4 June 2020 to Auckland Council made under the Local Government Official Information and Meetings Act 1987 ("Act") which was sent to Watercare on the 8 June 2020. You requested information regarding the KPIs for people employed by Auckland Council earning \$250,000 and above.

Our Response

Watercare is New Zealand's largest water utility, serving one third of the country and manages assets worth more than \$10 billion.

Legislative Framework

Watercare is a substantive council-controlled organisation, wholly owned by Auckland Council. Watercare is a limited liability company registered under the Companies Act 1993, and a local government organisation under the Local Government Act 2002. We are subject to regulation governing planning, health and environmental matters. The principal regulators include Auckland Council, Waikato Regional Council and the Ministry of Health. We also provide these and other regulatory bodies with information on the potential for existing and proposed policy and regulation to affect our activities.

The legislative framework enabling and governing our operations as the provider of water and wastewater services in Auckland is found largely in four Acts and amendments:

- Local Government Act 2002
- Local Government (Tamaki Makaurau Reorganisation) Act 2009
- Local Government (Auckland Council) Act 2009
- Local Government (Auckland Transitional Provisions) Act 2010
- Companies Act 1993.

Our obligations to deliver water and wastewater services for Auckland are established under Part 5, section 57(1), of the Local Government (Auckland Council) Act 2009, which stipulates that an Auckland water organisation:

- Must manage its operations efficiently with a view to keeping the overall costs of water supply and wastewater services to its customers (collectively) at the minimum levels consistent with the effective conduct of its undertakings and the maintenance of the long-term integrity of its assets
- Must not pay any dividend or distribute any surplus in any way, directly or indirectly, to any owner or shareholder
- Must have regard for public safety in relation to its structures.

Also, under the legislative framework:

- We became a substantive council-controlled organisation (CCO) on 1 July 2012
- We must give effect to council's Long-Term Plan (LTP) and act consistently with other specified plans and strategies of the council, section 58 of the Local Government (Auckland Council) Act 2009
- At least two board meetings a year are required to be held in public: one before 30 June to consider the council's comments on the draft statement of intent (SOI) for the upcoming financial year, and one after 1 July to consider our performance under the SOI for the previous financial year. In practice, all board meetings have a session open to the public.

Watercare publicly releases an annual report which provides the remuneration range of Watercare employees who received an annual remuneration package of at least \$100,000 during the year.

The executive team's performance (including the chief executive) is monitored and assessed against seven areas: leadership; team and culture; stakeholder relations; strategy and change; delivery; board engagement; and assessment of overall performance.

Watercare will not provide information relating to assessed performance of the executive team against these KPIs because it is necessary to protect those individual's privacy. The Ombudsman has confirmed that a high privacy interest in the results of any employee's performance assessment can justify the withholding of that information.

Making performance assessment information public would compromise the performance assessment process at Watercare. This would impair the proper functioning of performance reviews within Watercare which is contrary to the public interest. Release of this information would also stifle the free and frank expression of opinions made in the course of assessing the performance of Watercare executives.

Yours faithfully



Sarah Phillips
Head of People & Capability
Watercare Services Limited