

Water New Zealand (New Zealand Water & Wastes Association Incorporated)

ANNUAL GENERAL MEETING

PRESIDENT'S REPORT 2010

It is my pleasure to present the President's Report for the year ending 30 June 2010.

Looking back over the past four years of my involvement on the Board, it is gratifying to see the progress that has been made in public debate on water matters in New Zealand.

Water is now recognised as one of the most important resources the country possesses, providing the nation with its key strategic advantage going forward.

Leadership is now being seen at a central level providing direction on some of the more difficult issues we have failed to grapple with in the past, such as water governance, allocation, quality, the lack of clarity on the infrastructure expenditure requirement, harvesting and storage, efficiency, national standards and Treaty of Waitangi issues.

Improved water management sits near the top of the government's political agenda.

Within 100 days of being elected it had passed its simplifying and streamlining reforms to the Resource Management Act. Amongst other things, this established the Environmental Protection Authority, with call-in powers for projects of national significance. The future form and function of the EPA will shape water management going forward.

A Minister for Infrastructure was appointed, and a National Infrastructure Unit was established.

In June 2009 the Government put out its policy paper entitled *A New Start for Freshwater*. The Land and Water Forum was established with specific instructions to come up with industry consensus around policy options for dealing with some of the issues alluded to above.

Water New Zealand has contributed fully to the debate. In 2008 we convened the Turnbull Group, an independent multi sector group, which in July last year came up with suggestions round revised arrangements for water. Over the past 12 months Water New Zealand's Manager of Advocacy, Peter Whitehouse, has sat on the Small Group of the Land and Water Forum. It has now reported, and we wait the Government's response with interest.

Auckland governance reforms will be in place in time for the local body elections later this year. As a result the local government landscape has been radically changed. One unitary authority and one water business will service 1.4 million people, leaving 66 in place to service populations averaging 44,000. Such an imbalance is unlikely to last.

Water New Zealand supported the rationalisation of water businesses in Auckland and has taken steps to ensure a close working relationship with the newly structured Watercare Services Limited.

Implementation of the Health (Drinking Water) Amendment Act 2007 was deferred for three years. An independent review of aspects of the legislation and the drinking water assistance programme is pending.

The Local Government Act 2002 Amendment Bill makes modest changes to the working of this legislation for water.

The performance of regional councils as local environmental stewards was also put under the spotlight, with the Environment Canterbury (Temporary Commissioners and Improved Water Management) Act.

A Treaty settlement Act addressing the Waikato River and the Tainui claim, has been put in place. More will follow.

At an Association level, being part of, contributing to the public debate on improved governance and management of water, and responding to concomitant change has been exciting.

I take pride in the Water New Zealand brand. The new name has been received with universal acclaim and it continues to make a very real and positive difference to the Association's recognition externally on all matters relating to Water in New Zealand. I look forward to putting the final piece in place with a constitutional change at the upcoming AGM.

Over the past year we have continued to take public policy positions on a variety of matters. Doing so has stimulated debate, which I welcome. Thank you all for your engagement in the process of developing these policies. With such a large membership it is inevitable that we will not all agree with the positions taken. The constructive discussions we have around these differences of opinion are what take our collective thinking forward as we demonstrate leadership.

Our Special Interest Groups, Water Services Managers' Group, and the Senior Executives' Forum have continued to meet and function satisfactorily during the year. As I said last year in my annual report, the Association can do better to leverage value by sharing experiences between the groups. Support and guidance has been given with clearer expectations of frameworks and guidelines to work within, and the outputs expected.

During the year a number of new initiatives were put in place. These include convening a forum for water sector service provider interests, re-establishing regular regional branch meetings, participation in the Engineering Leadership Forum, entering partnership arrangement with Watercare Services Limited, signing a Memorandum of Understanding with Local Government New Zealand and the establishment of an Awards Committee.

This past year has been successful for the Association financially. In spite of the recession, revenue from events has held up, along with publication and advertising sales. Costs have been contained.

The Association remains resource constrained. The Board is continuing to assess ways in which the Association can broaden its income without compromising our public-good purpose.

There is no rulebook for balancing the four constitutional objectives of the Association within the confines of the limited resources available. Notwithstanding, I am proud of what we have achieved over the period of my involvement on the Board.

We promote policies based on sound principles and knowledge.

We facilitate the exchange of knowledge and provide quality products and services to meet the needs of our members.

We benefit society by promoting a better understanding of the water environment.

We advance the application of knowledge to water resources.

It has been a pleasure to work with my Board colleagues over the past year; Onno Mulder, Clive Rundle, David Ward, Steve Carne, Margaret Devlin, David Hill and Steve Couper. I thank the departing Board members David Ward and Steve Carne for their contribution to the Association. Their wisdom has been greatly appreciated round the Board table.

The Water New Zealand staff deserve specific mention. The support they give to our members, the SIGs, the researching and development of policy, the networking with associated organisations, their professionalism in delivering conferences and functions, and their commitment to using our scarce resources wisely, all combine to give a positively energised Water New Zealand staff complement.

Lastly I thank members for giving me the opportunity to serve them over the past two years as President of the Association. It has been a privilege. I know you will give my successor, Clive Rundle, the same support I have received.

Thank you.

Martin Smith
President

CHIEF EXECUTIVE'S REPORT 2010

The President's report advises of the increasing attention given to water in the public policy space over the past 12 months. While some of these areas were foreshadowed a year ago, for example the Auckland governance reforms, others, such as the statutory response to the performance of Environment Canterbury, were not. The challenge for Water New Zealand has been to continue to focus on our key strategic goals during this period of change.

While much of our activity has been business as usual, we have introduced a number of new initiatives, some of which are in direct response to the changing public policy environment.

Water New Zealand Office and Staff

The Water New Zealand business plan requires an ongoing improvement in office efficiency to meet members' needs. Upgrading our electronic database platform is an ongoing task, on which so much of the Association's activities are dependent. For example, last year we introduced software that allowed for electronic polling of members. The subsequent Board election cost less and attracted higher voter turnout than previous polls.

During the year accounting services, which had previously been in part contracted out, were brought back in house. Linda Whatmough was appointed to provide these services. The Manager, Operations & Promotion, Karen Laverde, who was on maternity leave, resigned and was replaced by Hannah Smith. Part time Events & Business Support Administrator Sue Bull resigned. Her duties were taken over by existing staff, reducing full time equivalent staff numbers to seven.

Finance

By contrast with other industries, the water sector seems to have come through the recession in reasonably good shape. The consolidated result for the year reflects this, recording a profit of \$116,557. Publications and events income was well ahead of budget, while subscription income was slightly below projections.

The organisation continues to be overly reliant on income from publications and events compared with other national not for profit membership entities.

Expenses were broadly in line with budgeted figures. Occupancy costs for the year increased as a result of a rent review. Membership expenses increased as a result of renewed regional activity and servicing an increasing number of fora. Accounting and staff costs in total reduced, as did bad debts.

A target of holding 60% of annual expenses as reserves within five years has been written into the business plan.

Communications

We continue to work on improving our communications capability in line with the Board strategy. During the year the website was extensively revamped. Pleasingly, several of our web based forums attract quite heavy traffic.

A quarterly electronic and hard copy newsletter bundling up media releases and opinion pieces was introduced during the year. Aimed at key influencers, the focus with this tool is iterative repetition of key Association messages. The volume of both editorial content and display advertising in the Journal increased consistently during the past year.

The 18th edition of the New Zealand Infrastructure, Water and Environment Directory incorporating the New Zealand Green pages www.nzgreenpages.org was published successfully again in conjunction with industry partners.

National Performance Review

Eleven water utilities participated in a national performance review following last year's successful launch with eight businesses. Benchmarking performance across a wide range of measures, it provides valuable information for participants and the public alike. The exercise is being repeated in the 2010-11 year, when we expect coverage to extend to encompass 80% of New Zealand's serviced population.

Events

Our conferencing and seminar programmes were well attended. Successful Trade Waste, Annual, Backflow, Water Loss and Stormwater events were held, along with a number of SIG workshops, but the Introductory Tour, a casualty of the recession, was again cancelled.

Other Initiatives

A SIG Chair's Forum was held early in the year. Arising out of this a rolling programme of SIG Chairs attendance at Board meetings was instituted, and SIG work plans came across the Board table for the first time prior to a budget being set.

During the year we set up a new forum. The Service Provider's Forum provides a vehicle for representatives from the private sector to discuss matters of mutual interest. Water New Zealand has a Senior Executives Forum which meets quarterly and focuses on the needs of the public sector. The intention is to provide an equivalent forum focussing on the private sector.

Regional branch meetings in the four main centres were re-instituted. The intention is to hold at least two meetings in each of the four main metropolitan centres each year. So far the format has been to focus on regional matters of interest, with updates on current public water policy being provided by the Board and management.

Against a background of Auckland governance reforms and rationalisation of water businesses in the region, Watercare Services Limited and Water New Zealand agreed on new partnership arrangements between the two organisations going forward.

A Memorandum of Understanding was signed between Local Government New Zealand and Water New Zealand specifying ways in which the two bodies interact. The MOU recognises that both organisations may bring different perspectives to water policy.

Along with IPENZ, ACENZ, the NZCF, Roding New Zealand, INGENIUM, NZICT and the Electrical Engineers Association, we now participate in the Engineering Leadership Forum. The aim is to share views across the engineering representative groups, seeking as much as possible alignment to add weight to our collective views. For example, participants have made joint submissions on a number of pieces of draft legislation.

An Awards Committee was set up with the objective of assisting the Board in its ongoing task of seeking recognition of leaders within the water industry and celebrating its successes.

Water Services Managers Group

The WSMG continues to meet twice yearly and has an active management committee, under the Chairmanship of Brent Manning from the New Plymouth District Council. The Group has again supplied representatives on standards reviews, is supporting the Backflow SIG in their CoP and standards work, and continues to advance the development of a discussion paper on metering.

They have contributed to the cost of a legal review on the issue of metal pipe work and electrical circuits. At their meeting in early November they will be considering a proposal to develop a guideline on the standardisation of specifications for construction of elements within reticulation networks for the three waters. The November meeting will also address the question of the levy.

Thanks

Membership associations such as Water New Zealand are significantly reliant on the voluntary input of members in order to function, particularly at a SIG level. Our SIG committees, along with the WSMG, the Conference Technical Committee, the SEF and SPF, have all worked hard during the year for the greater good of the wider membership. Be it developing and revising standards and policies, or servicing the public interests needs of practitioners within their fields, it is all vital for the ongoing health and usefulness of the Association.

We appreciate and acknowledge the generosity of so many volunteer members for their constructive assistance in running the business and pursuing our vision of ensuring water for our future.

I also thank my staff; Peter Whitehouse, Linda Whatmough, Hannah Smith, Hannah Dawson, Susannah Peddie and Jan Lang for their passion and commitment to Water New Zealand.

Lastly I record my personal thanks and those of my staff to outgoing President, Martin Smith for his leadership of the Association and support over the past two years.

Murray Gibb
Chief Executive