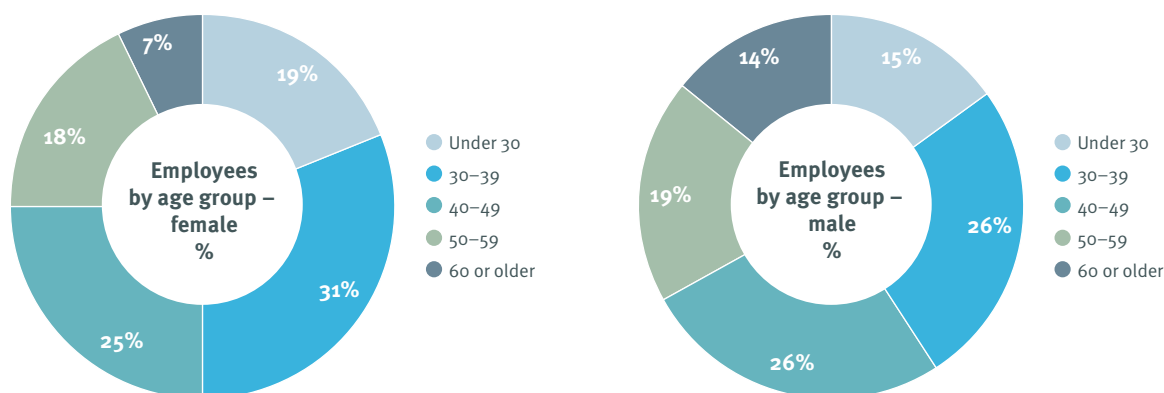


# Delivering our strategy

People and culture performance report

## Workforce employment breakdown

The total number of staff has increased (8.7%) from 984 in 2018/19 to 1070 in 2019/20. Most of our employees work in the Auckland region. Watercare also operates laboratory testing services in Wellington, Queenstown and Invercargill. Collective Employment Agreements (CEAs) are Employment Agreements negotiated with one or more unions on behalf of those staff who belong to that union. Individual employment agreements (IEAs) remain the most common type of employment agreements. The majority of employees employed on CEAs are males who undertake operational or maintenance functions within the business. Breakdown below also includes employees servicing the Waikato District Council Contract.



## New hires by gender and age

Gender	2019/20	%	2018/19	2017/18
Male	106	54%	132	115
Female	89	46%	70	85
<b>TOTAL</b>	<b>195</b>		<b>202</b>	<b>200</b>

Age group	2019/20	%	2018/19	2017/18
Under 30	66	34%	77	99
30-39	53	27%	63	54
40-49	55	28%	44	31
50-59	18	9%	13	11
60 or older	3	2%	5	5
<b>TOTAL</b>	<b>195</b>		<b>202</b>	<b>200</b>

	2019/20			2018/19			2017/18		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Individual Employment Agreements (IEA)	484	310	794	433	283	716	436	263	699
Collective Employment Agreements (CEA)	198	13	211	195	15	210	173	12	185
Part-time headcount	7	25	32	9	17	26	5	19	24
Fixed-Term Individual Agreements (IEA) >1yr	3	2	5	3	8	11	9	19	28
Fixed-Term Individual Agreements (IEA) <1yr	6	22	28	13	8	21	3	1	4
<b>TOTAL fixed-term and permanent employees</b>	<b>698</b>	<b>372</b>	<b>1,070</b>	<b>653</b>	<b>331</b>	<b>984</b>	<b>626</b>	<b>314</b>	<b>940</b>
Casuals headcount	7	14	21	8	15	23	5	10	15

## Staff engagement

We use employee net promoter score (eNPS) for measuring staff engagement every quarter. Our most recent eNPS score has increased 70%, from +21 to +36. In general, our people would recommend Watercare as a great place to work for the work environment and culture, and because the work itself is interesting. Areas highlighted for improvement include more collaboration and alignment between business functions and more transparency around remuneration and how our pay structure compares to the market.

2019/20 Quarter	eNPS Score
1	. +26
2	. +21
3	*
4	. +36

\*As a result of COVID-19 level 4 lockdown, the survey was not conducted during this quarter.

## Diversity and inclusion

The feedback from the recent eNPS also highlighted the progress made in diversity and inclusiveness: 84% of the respondents said they would be comfortable speaking about their background, identity and cultural experiences and 66% said they see leadership support for diversity and inclusion at Watercare. We also improved gender and ethnic representation with 13% more female employees and 12% more Māori employees recruited during the year.

## Investment in employees

Watercare's benefits policy offers all permanent employees the same benefits, regardless of whether they are employed on a full-time or part-time basis. All permanent employees of Watercare are provided with life insurance equivalent to double the amount of their annualised salary, and income protection insurance which would cover 80% of their salary if they were affected by an incident or illness that left them unable to work for a period of time. We also provide discounted membership for health insurance, banking, the N3 staff discount scheme and discounted car parking.

## Training per staff member

Our staff received an average of 106 hours-training in 2019/20, excluding time spent on employee orientation. This is an exponential increase compared to 2018/19 and was the result of two factors: inclusion of trade certifications offered in partnership with Connexis as part of the annual training and the introduction of staff training through Immerse, our in-house online learning platform.

	2019/20	2018/19	2017/18
Average staff numbers over the year	1,007	945	920
Average hours of training for permanent employees	106	16	28
Total training spend (\$)	\$1,235,033.36	\$1,092,397.00	\$1,354,830.00
Ratio (\$ per average staff numbers)	\$1,226	\$1,156	\$1,473

## Performance review process

We schedule performance reviews annually for employees. These were conducted in August 2019 for 55% of those who were eligible. During the reporting year, the system used for these reviews was being phased out, and as a result, impacted the completion percentage. For 2020/21 we are targeting a completion rate of 100%.

## Parental leave

Watercare offers an additional eight weeks of paid parental leave beyond that provided as part of the government-funded parental leave, and two weeks of paid parental leave for partners. In 2019/20, 94% of employees who took parental leave returned to work, with the rest still on parental leave. The decision to return to work following the completion of their parental leave is solely up to the staff member and is dependent on their individual personal circumstances.

Number who have taken parental leave	2019/20	2018/19	2017/18
Male	17	24	22
Female	12	15	16
<b>TOTAL</b>	29	39	38

Number due to come back from parental leave each year	2019/20	2018/19	2017/18
Male*	N/A	N/A	N/A
Female	16	11	11
<b>TOTAL</b>	16	11	11

Number having come back from parental leave	2019/20	2018/19	2017/18
Male*	N/A	N/A	N/A
Female	15	7	9
<b>TOTAL</b>	15	7	9
% returning after parental leave	94%	64%	82%

\* Watercare provides parental leave for male employees also but we do not consider it as a break from employment. Therefore, they are not recorded in the table capturing returners.

## Staff turnover

Voluntary turnover for 2019/20 was 8.2%, a decrease from 10.9% in 2018/19.

Involuntary turnover includes retirements, deaths, abandonment of employment and negotiated or managed exits. In 2019/20, there were 30 instances of involuntary turnover.

Gender / Age	2019/20		2018/19		2017/18	
	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary
Male	51	20	63	41	80	19
Female	32	10	36	12	48	8
<b>Total %</b>	8.2%	3.0%	10.9%*	3.8%	13.8%	2.9%
Under 30	28	7	30	3	40	1
30-39	24	5	38	8	46	6
40-49	19	5	16	9	23	2
50-59	9	4	13	17	15	7
60 or older	3	9	2	16	4	11

\* Result for 2018/19 recalculated from 13.0% to 10.9%.

## Health, safety and wellness

	2019/20	2018/19	2017/18
Lost-time injury frequency rate (LTIFR) – number of lost-time injuries per year per million hours worked	10.6	6.5	3.5
Total recordable injury frequency rate (TRIFR) per million hours worked	20.6	12.4	8.2

We continued to support the reporting of incidents, near-misses and observations more rigorously and to enable this, we launched a new reporting system in October 2019 that should facilitate the availability of more granular data. Our focus over the next year will be to use this new system to analyse trends and patterns so we can proactively manage our health and safety performance.

The year-on-year increase in the number of injuries is an ongoing challenge for us. We have formed an Executive Safety Group and are undertaking an external review in this area.

An analysis of the health and safety data during the year shows manual handling activities were the most common cause of injuries leading to sprains, strains and soft-tissue injuries to backs, shoulders and necks.

A balanced diet, practising and warming up for specific work on any given day, and focusing on mental well-being all play a critical role in ensuring our people are ready to undertake physical work such as manual handling in a safe and productive way.

Our Industrial Athlete programme includes education and practical support in nutrition, rest and sleep, relaxation and mindfulness, endurance, flexibility and strength, as well as manual handling techniques.

### Health and safety committees

Watercare has established health, safety and well-being (HS&W) committees, and holds meetings across the company that are in accordance with the Health and Safety at Work Act 2015. Union representatives and members participate in the HS&W committees as well, since their Collective Employment Agreements cover many aspects of health and safety. Nominated HS&W representatives have been trained by the Employers and Manufacturers Association.

### Absenteeism

Watercare recorded an unplanned absenteeism rate of 3.3%, which is a slight decrease over last year's result of 3.6%. We provide an occupational health service to all staff, including: medical consultation, influenza immunisation, mandatory vaccinations for those working in certain environments, skin checks and rehabilitation programmes. Employee assistance services such as counselling are available to all staff, either through the company or from self-referral. During the year, we also made available a special COVID-19-related leave to encourage staff to stay home if they were unwell, without worries about their sick-leave allowance.

### ACC workplace management practices accreditation

Watercare is a member of Accredited Employers Programme (AEP) for workplace and non-workplace injuries. The programme is administered by the multi-disciplinary third-party claims administrator Gallagher Bassett.