KOMITI NGĀ WAI HANGARUA
WELLINGTON WATER COMMITTEE

23 September 2024

Order Paper for the meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Friday 27 September 2024 commencing at 10:00 am

Membership

Mayor A Baker	Porirua City Council
Mayor C Barry (Chair)	Hutt City Council
Deputy Mayor M Sadler-Futter	South Wairarapa District Council
Cr R Connelly (Deputy Chair)	Greater Wellington Regional Council
Mayor W Guppy	Upper Hutt City Council
H Modlik	Te Rūnanga O Toa Rangatira
L Rauhina-August	Taranaki Whānui ki Te Upoko o Te Ika
A Rutene	Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua Treaty Settlement Trust
Mayor T Whanau	Wellington City Council
Cr T Brown	Wellington City Council (Alternate)
R Faulkner	Te Rūnanga O Toa Rangatira (Alternate)
Cr C Kirk-Burnnand	Greater Wellington Regional Council (Alternate)
Cr R Leggett	Porirua City Council (Alternate)
Cr A Ellims	South Wairarapa District Council (Alternate)
Deputy Mayor H Swales	Upper Hutt City Council (Alternate)
K Tamanui	Taranaki Whānui ki Te Upoko o Te Ika (Alternate)
Cr G Tupou	Hutt City Council (Alternate)

For the dates and times of Council Meetings please visit www.huttcity.govt.nz

Wellington Water Committee
Terms of Reference

Purpose

The Wellington Water Committee ("the Committee") is established to:

- Provide governance and leadership across issues which are related to the planning, delivery and management of water services to communities serviced by Wellington Water Limited;
- Provide governance oversight of Wellington Water Limited, including by exhibiting good governance practice;
- Provide a forum for the representatives of Wellington Water Limited's shareholders and mana whenua to meet, discuss and co-ordinate on relevant issues and, through their representatives, to exercise their powers; and
- Strive for consistency across all client councils so all customers receive a similar level of service.

Status

The Committee is, for the purposes of the Local Government Act 2002, a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council, South Wairarapa District Council and the Wellington Regional Council.

Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

Shareholder and mana whenua governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;
- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the parties to the Shareholders and Partnership Agreement and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the parties to the Shareholders and Partnership Agreement on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any of the parties to the Shareholders and Partnership Agreement;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding regional studies which the Shareholders need to be cognisant of;
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;

- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the parties to the Shareholders and Partnership Agreement regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution and;
- Seeking and interviewing candidates for Wellington Water Limited's Board as needed and recommending to the holders of Class A Shares appointments and/or removals of directors of Wellington Water Limited;
- Recommending the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the Board of Wellington Water Limited; and
- Providing recommendations to the parties to the Shareholders and Partnership Agreement regarding changes to these terms of reference, the Shareholders and Partnership Agreement and the constitution of Wellington Water Limited.

Membership

The membership of the Committee will be as specified in the Shareholders and Partnership Agreement. With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

Subject to the below for Committee meetings to appoint directors of Wellington Water Limited, for a meeting of the Committee to have a quorum, a majority of Committee Members, or their appointed Alternates, must be present, and the number making up the majority must include at least an equal number of Shareholder appointed Committee Members as MWPE nominated Committee Members.

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

Clause 11.3 of the company’s constitution provides that Directors shall be appointed and removed by the unanimous resolution of the Shareholders holding Class A Shares. For this matter the quorum for the Committee meeting is therefore attendance by all Committee Members (or their Alternates) for the holders of the Class A Shares.

Alternates

Each Committee Member appointed to the Committee must have an Alternate.

Other Shareholder attendee

Each Shareholder-appointed elected member Committee member will be entitled to invite an officer attendee to Committee meetings, provided however that the additional attendee will not have any voting rights on the Committee.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Other than for those matters for which the Committee has effective decision-making capacity through these Terms of Reference, each Shareholder retains its powers to make its own decisions on matters referred to it by the Committee and on matters specified in Part 1 of Schedule 2 to the Shareholders and Partnership Agreement (for clarity, this means that only Shareholders have voting rights in relation to the matters specified in Part 1 of Schedule 2).

Secretariat services
Unless otherwise agreed from time to time by all of the elected member Committee Members, the Council for which the Chairperson is an elected member will provide secretariat services to the Committee. The Chairperson will be responsible for managing the agenda at Committee meetings.

Standing Orders
The Standing Orders of the Council providing secretariat services to the Committee will apply to Committee meetings, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration
Each Shareholder will be responsible for remunerating the elected member Committee Member appointed by it to the Committee, and their Alternate, for any costs associated with those persons' membership on the Committee.

The Shareholders will also be responsible for remunerating (in equal shares) the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, and appointed to the Committee by the Shareholders, for any costs associated with those persons' membership on the Committee.

Administration
Reports to be considered by the Committee may be submitted by any of the Shareholders, any of the Mana Whenua Partner Entities, or Wellington Water Limited.

Duration of the Committee
In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Appendix
Common delegations by Shareholders

<u>Governance oversight responsibilities</u>

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- Each Shareholder will delegate to its appointed elected member Committee Member and, in accordance with these terms of reference, that person's Alternate, all responsibilities and powers in relation to the agreement of:
    - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
    - the appointment, removal and remuneration of Wellington Water Limited's directors.

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt
on
Friday 27 September 2024 commencing at 10:00 am.

ORDER PAPER

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru
Whakataka te hau ki te tonga
Kia mākinakina ki uta
Kia mātaratara ki tai
E hī ake ana te atakura
He tio, he huka, he hau hū
Tīhei mauri ora.

Cease the winds from the west
Cease the winds from the south
Let the breeze blow over the land
Let the breeze blow over the ocean
Let the red-tipped dawn come with a sharpened air.
A touch of frost, a promise of a glorious day.

2. APOLOGIES

No apologies have been received.

3. PUBLIC COMMENT

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

5. MINUTES

Meeting minutes Komiti Ngā Wai Hangarua | Wellington Water Committee, 26 July 2024 9

6. CHAIR'S STATEMENT

A verbal statement by the Chair of the Wellington Water Committee.

7. LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE DELIVERY PLAN UPDATE

A verbal update by the Programme Director, Water Reform – Wellington Water Councils.

8. COMPANY AND GOVERNANCE UPDATE

Report No. WWC2024/4/96 by Wellington Water Limited 18

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

9. WELLINGTON WATER LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Report No. WWC2024/4/97 by Wellington Water Limited 81

CHAIR'S RECOMMENDATION:

"That recommendations contained in the report be endorsed."

10. ACUTE WATER SHORTAGE RISK

Report No. WWC2024/4/98 by Wellington Water Limited 160

CHAIR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

11. IMPLEMENTATION OF FINDINGS OF THE COST ESTIMATION REVIEW

Report No. WWC2024/4/100 by Wellington Water Limited 182

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

12. SYSTEMS INVESTMENT OPTIONS

Report No. WWC2024/4/99 by Wellington Water Limited 195

CHAIR'S RECOMMENDATION:

"That the recommendations contained in the report be discussed."

13. INFORMATION ITEM

Wellington Water Committee Forward Programme 2024

Memorandum dated 13 September 2024 by the Democracy Advisor 200

CHAIR'S RECOMMENDATION:

"That recommendation contained in the memorandum be endorsed."

14. QUESTIONS

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

15. EXCLUSION OF THE PUBLIC

CHAIR'S RECOMMENDATION:

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

16. MINUTES

26 July 2024

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Minutes of the Komiti Ngā Wai Hangarua | Wellington Water Committee held on 26 July 2024:	The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

Jack Kilty
Democracy Advisor

KOMITI NGĀ WAI HANGARUA | WELLINGTON WATER COMMITTEE

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt on

Friday 26 July 2024 commencing at 10:00 am

PRESENT:

Mayor A Baker (PCC)

Mayor C Barry (HCC) (Chair)

Cr R Connelly (GWRC) (Deputy Chair)

Mayor W Guppy (UHCC)

H Modlik (Te Rūnanga O Toa Rangatira)

Mayor T Whanau (WCC)

Cr A Ellims (SWDC) (Alternate)

APOLOGIES: Lee Ruahina-August, Andrea Rutene and Deputy Mayor Sadler-Futter

IN ATTENDANCE:

W Walker, Chief Executive (Porirua City Council)
G Swainson, Chief Executive (Upper Hutt District Council)
J Smith, Chief Executive (South Wairarapa District Council)
S Proctor, Chief Infrastructure Officer (Wellington City Council)
N Leggett, Board Chair (Wellington Water Limited)
P Dougherty, Board Member (Wellington Water Limited)
M Puketapu, Board Member (Wellington Water Limited) (via Audio-Visual link)
B Hodgins, Senior Advisor, Hutt City Council
J Kilty, Democracy Advisor, Hutt City Council

PUBLIC BUSINESS

1. OPENING FORMALITIES - KARAKIA TIMATANGA

Whakataka te hau ki te uru	*Cease the winds from the west*
Whakataka te hau ki te tonga	*Cease the winds from the south*
Kia mākinakina ki uta	*Let the breeze blow over the land*
Kia mātaratara ki tai	*Let the breeze blow over the ocean*
E hī ake ana te atakura	*Let the red-tipped dawn come with a sharpened air.*
He tio, he huka, he hau hū	*A touch of frost, a promise of a glorious day.*
Tīhei mauri ora.	

2. APOLOGIES

RESOLVED: *(Mayor Barry/Cr Connelly)* **Minute No. WWC 24301**

"That the apologies received from Lee Ruahina-August, Andrea Rutene, and Deputy-Mayor Saddler Futter be accepted and leave of absence be granted."

3. PUBLIC COMMENT

No public comment was made.

4. CONFLICT OF INTEREST DECLARATIONS

No conflicts of interest were declared.

5. MINUTES

RESOLVED: (Mayor Barry/Mayor Baker) **Minute No. WWC 24302**

"That the minutes of the meeting of the Wellington Water Committee | Komiti Ngā Wai Hangarua held on Friday, 24 May 2024, be confirmed as a true and correct record."

6. LOCAL WATER DONE WELL - LEGISLATION AND WATER SERVICE DELIVERY PLAN UPDATE

Dougal List, Associate Director at Scott Consulting, delivered the update.

RESOLVED: (Mayor Barry/Mayor Baker) **Minute No. WWC 24303**

"That the Committee receives and notes the presentation."

7. COMPANY AND GOVERNANCE UPDATE 26 JULY 2024

Report No. WWC2024/3/73 by Wellington Water

The Chief Executive of Wellington Water Limited (WWL) elaborated on the report.

In response to questions from members, the Chief Executive WWL noted:

- the first tranche of the water treatment would come online in February 2025.
- she would come back with an answer as to how much of the 24km of pipes were new and how many were renewals
- she could come back with graphics on the leaks that indicated the improvements relating to leak management.

The Wellington Water Board Chair noted the improvement in leak repairs. He noted that renewals would ultimately prove more significant.

Cr Connelly noted that the issue required a two-pronged approach, with leak management and renewals addressing the water issues faced in the region.

The Chair noted that the leaks had decreased in Lower Hutt due to additional funding from the Hutt City Council (HCC).

The Chief Executive WWL noted that:

- the additional HCC funding allowed additional leak repair crews to be set up. They were able to monitor, log, fix and find leaks. The crews could go to an area and repair leaks one after the other rather than working through leaks by order of significance.
- there was enough in the HCC Long Term Plan (LTP) budget to continue with the above leak repair method.

Mayor Barry and the Chief Executive (WWL) agreed to collaborate to make leak repair materials available.

RESOLVED: (Mayor Barry/Cr Connelly) **Minute No. WWC 24304**

"That the Committee receives and notes the report."

8. INDEPENDENT REVIEW OF ESTIMATION ERROR BY WELLINGTON WATER LIMITED

The Board Chair, Board Member Patrick Dougherty, Roy Baker, Independent Reviewer and Kevin Jenkins, Independent Reviewer, elaborated on the report.

In response to questions from members, Roy Baker stated that the assumptions used to calculate the $51M budgeting error were reasonable. He mentioned that the report's recommendations would provide a detailed explanation of the monetary value of the error. He pointed out that papers going to the Wellington Water Board (the Board) in the latter part of the year still indicated that the CAPEX increase stood at 6%, despite the requirement being 10%.

Cr Connelly expressed doubt over the numbers presented to the Committee and Councils.

The Chief Executive Porirua City Council, noted that the Committee was a shareholders representative, which should provide direction to the Board. She said the existence of system issues and risks in getting into particular detail, as system issues might be missed. She noted that the Board should get into the details while the Committee provided direction.

Mayor Guppy believed it was disgraceful to hold a discussion in the public excluded section of the meeting.

RESOLVED: (Mayor Barry/Mayor Baker) **Minute No. WWC 24305**

"The Committee:

(1) agrees that the public be excluded from the item under the grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 to protect the privacy of natural persons; and

(2) agrees that Nick Leggett, Kevin Jenkins, Roy Baker, and Patrick Dougherty be permitted to remain after the public section of the meeting as they have knowledge of the matter that will assist the Committee in relation to the item."

Mayor Guppy requested that his dissenting vote be recorded against the above matter.

The meeting moved into public excluded at 10:37am. The public part of the meeting recommenced at 11:30am.

The Board Chair noted:

- that WWL was exposed to public opinion and scrutiny and that while people on the Board and the senior leadership team took that on knowingly, most staff did not. The CE and the Board wanted to ensure that staff were supported and provided with reassurance.
- that WWL had great people and needed to ensure the culture of WWL did not prevent them from doing their jobs.

Mayor Whanau thanked the Board for the report. She noted that change starts from the

top and looked forward to seeing improvements. She was keen to see constructive engagement between Council staff and WWL staff. She acknowledged the work the staff on the ground were conducting.

Cr Connelly noted that the issues raised were not new to the Committee.

The Board Chair noted that the issues were not new and that the Fluoride report had not been thoroughly addressed. He stated that a plan would be put together with Committee guidance, and the Board would demonstrate that they could make change.

The Chair noted serious questions regarding WWL and the Committee's view that the Board must act immediately to implement a plan to create change. He noted that it was important to address the issues from the report, but also to acknowledge the work of the ground staff. He further noted that disruptions in water reform had continued to take a toll on the Committee and the organisation.

Mayor Guppy made comment to note that the issue was not something new, and noted the responsibility is around the Committee table. He noted WWL had been thumbing their noses at the Committee for far too long.He believed the Committee had not challenged WWL enough. He added it was a wake up call for everyone around the table.

RESOLVED: (Mayor Barry/Cr Connelly) **Minute No. WWC 24306**

"That the Committee:

(1) receives the report from Kevin Jenkins and Roy Baker, External Review Wellington Water Limited: capital programme estimating and budget systems;

(2) notes the report includes commentary, themes and recommendations covering accountability frameworks, structure, systems, processes, relationships and culture leading to a serious error in budget figures provided to shareholding Councils for their Long Term Plans;

(3) directs the Board of Wellington Water Limited (the Board) to develop an improvement plan and assurance framework to address the recommendations in the report, specifically in the following areas:

a) the structure and accountabilities of the management team at Wellington Water Limited;

b) relationships with shareholders;

c) rebuilding the Finance and Planning functions at Wellington Water Limited, with particular reference to the failures in the control environment that led to this issue;

d) addressing the culture issues that have their roots in systems, processes and overall accountability framework for the organisation, including the relationship with the Board; this should include work to ensure the values of Wellington Water Limited are within all work areas and employees are acknowledged for their value-based actions;

e) residual errors from the Fluoride Report; and

f) cost estimates associated with any improvements and assurances that resources are aligned efficiently and appropriately;

(4) provides this plan to the Chair of the Wellington Water Committee within four weeks, noting that this should not preclude immediate steps the Board can take to remedy the issues presented;

(5) notes that the Chair of Wellington Water Committee will schedule an additional meeting of the Wellington Water Committee to discuss the plan and assurance framework once received;

(6) agrees to schedule a workshop for the Wellington Water Committee and the Board to enable the relationship and accountabilities between the committee (comprising shareholding Council representatives and iwi) and the company to be appropriately managed as the region navigates the Local Water Done Well reform programme; and

(7) acknowledges the day to day efforts of workers on the ground within Wellington Water Limited who are making good progress in trying circumstances."

9. STATEMENT OF INTENT 2024-27

Report No. WWC2024/3/74 by the Wellington Water

The Chief Executive, Wellington Water Limited, elaborated on the report.

RESOLVED: (Mayor Barry/Mayor Guppy) **Minute No. WWC 24307**

"That the Committee:

(1) notes that the Wellington Water Constitution requires:

(a) the Wellington Water Board to deliver the completed Statement of Intent 2024-27 to the Committee; and

(b) the Wellington Water Committee to consider Wellington Water Ltd's final Statement of Intent 2024-27;

(2) notes the draft Statement of Intent was circulated to the Wellington Water Committee on 5 April and the subsequent feedback incorporated; and

(3) receives the final Statement of Intent 2024-2027."

10. ACUTE WATER SHORTAGE RISK

Report No. WWC2024/3/75 by the Wellington Water

The Director of Regulatory Services Wellington Water Limited (WWL) elaborated on the report.

In response to questions from members, the Director of Regulatory Services stated that communications were reviewed after last summer. He noted that a report would be considered by the Committee and the Board. He explained that WWL's recommendations for applying water restrictions were based on several factors. He also mentioned that during the winter, having restrictions in place did not make a substantial difference day to day, and there was a risk of people getting tired of restrctions if they were applied year-round.

RESOLVED: (Mayor Barry/Mayor Guppy) **Minute No. WWC 24308**

"That the Committee receives and notes the report."

11. ANNUAL GENERAL MEETING

Report No. WWC2024/3/76 by the Wellington Water

The Chief Financial Officer and General Manager of Business Services, Wellington Water Limited, elaborated on the report.

RESOLVED: (Mayor Barry/Mayor Baker) **Minute No. WWC 24309**

"That the Wellington Water Committee signs the Shareholders' resolution in lieu of an Annual General Meeting for the 2023/24 Financial Year."

12. INFORMATION ITEM

Wellington Water Committee Forward Programme 2024

Memorandum dated 10 July 2024 by the Democracy Advisor

RESOLVED: (Mayor Barry/Mayor Whanau) **Minute No. WWC 24310**

"That the Committee receives and notes the draft Forward Programme and future workshop topics for the Wellington Water Committee for 2024 attached as Appendix 1 to the memorandum."

13. QUESTIONS

There were no questions.

14. EXCLUSION OF THE PUBLIC 12.03

RESOLVED: (Mayor Barry/Mayor Baker) **Minute No. WWC 24311**

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

15. Minutes - 24 May 2024

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A) (B) (C)

General subject of the matter to be considered.	*Reason for passing this resolution in relation to each matter.*	*Ground under section 48(1) for the passing of this resolution.*
Minutes of the Wellington Water Committee | Komiti Ngā Wai Hangarua held on 24 May 2024	*The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).*	*That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.*

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

There being no further business the Chair declared the meeting closed at 12.03 pm.

Mayor C Barry
CHAIR

CONFIRMED as a true and correct record
Dated this 27th September 2024

Komiti Ngā Wai Hangarua
Wellington Water Committee

13 September 2024

Report no: WWC2024/4/96

Company and Governance Update

Recommendation

That the Committee receives and notes the report.

Appendices

No.	Title	Page
1⇩	Company and Governance Update 27 September 2024	19
2⇩	Company and Governance Update - Council Advice Risk Dashboards	26
3⇩	WWC Report - Company and Governance Update - Combined operations report sept 24	47
4⇩	Company and Governance Update - Treatment plant dashboards	66
5⇩	WWC Report - Company and Governance Update - Summary of Papers	79

Author: External Author (Wellington Water Ltd)

Wellington Water Committee | Komiti Ngā Wai Hangarua

27 September 2024

File: ( )

Report no:

Company and Governance Update

Purpose of Report

1. To provide an overview of the Three Waters activities across the metropolitan area of Wellington and the South Wairarapa District Council.

Recommendations

That the Committee receives and notes the report.

How to read this report

2. There are three parts, as follows:
   i. Governance Update,
   ii. Water Committee Priorities, and
   iii. Operational Achievements and Issues.

Governance Update

3. Tonia Haskell resigned as Chief Executive on 8 August 2024. Director of Regulatory Services Charles Barker was the Acting Chief Executive until the Board appointed Pat Dougherty who commenced the role on 18 September.
4. The key Governance conversations held, and actions taken by the Board of Wellington Water (Board) since the last meeting of the Wellington Water Committee (Committee) include:
   i. Approved the Annual Report for 2023/24, which is presented to this meeting.
   ii. Has a combined off-site with SLT to develop a revised purpose and outcomes for the company to guide 2025/26 planning cycle.

iii. Ensuring we support and protect our people as much as possible during an increased period of uncertainty and change.

5. Since presenting the independent review into the estimation error to the Committee in July, the Board has been working on the plan to implement the findings. This is presented to the Committee in a separate paper. The deep dive check of the corporate costs is complete and results will be shared with councils.

Summary of Performance

6. There is no quarterly overview available for this meeting, as we are still in Quarter 1.

The Water Committee Priorities

7. There is a workshop following the Committee meeting to review and update these priorities.

Ensuring a smooth transition through water reform to the new entity in 2024

8. Wellington Water continues to support the regional planning for water service delivery as required.

Three Waters Investment Planning for 2024-34

9. Final operational and capital programmes, Level of Service Projections and Active Risk Registers have been provided to all councils. A Council 'Investment Snapshot' summary document for each council has been drafted. Once these documents have been reviewed with each Council, they will be published to the WWL website. A copy of the Council Active Risk Registers is provided in Appendix 1.
10. South Wairarapa District Council chose to undertake an enhanced annual planning exercise last year and are now preparing to complete their Long Term Planning. Preliminary workshops have been held with Council during September and we are working closely with them to provide the LTP advice they need.
11. As recommended by the Board Review into the capital programme estimating and budget systems, internal Wellington Water business planning processes have been aligned to Council investment advice and decisions timelines.

Sustainable water supply and reducing consumption.

12. The separate paper on the Acute Water Supply and Demand Risk provides a full update to the Committee.
13. The residential metering programme is a core activity to achieve a sustainable water supply for the region. It supports and enables water loss reduction and customer water use efficiency. Programme establishment is progressing well with recruitment of a core team with good capability who are progressively starting work on the programme in Q1. We have now established a joint working group with council officers and mana whenua to guide an integrated regional approach to the programme. The development of the programme plan along with other critical activities are progressing well.

14. Wellington Water's strategic work on sustainable water supply and demand has been chosen as a case study for a Water Research Foundation project that is developing international guidance on Scenario Planning and Adaptive Planning. This is the work that was undertaken by Wellington Water with support from Connect Water, Niwa, and other partners that underpinned the "Keep-Reduce-Add" investment approach that was presented at the Regional Water Summit. The other case studies are Vancouver Metro Water, Denver Water, and the Portland Water Bureau. Wellington Water's lead for this work is also on the project's Water Utility's Practitioners Group.

Regulatory performance

15. Monthly reporting to Taumata Arowai on the Acute Water Shortage risk and the performance of the associated reduction activities continues and is meeting the expectations for the regulator.
16. Work continues with GWRC on the abatement notices for Seaview Odour issues, with the first notice having been received. GWRC intend to issue three notices, the first two focusing on the staged delivery of improvements to odour management; these improvements works are well underway. The third notice has not been defined, however is likely to be defined following the outcomes of the first two notices.
17. The Ministry of Health has been informed of fluoride performance and it is significant that all four metropolitan water treatment plants were compliant for fluoride in July because of physical works completed on dosing pumps and improvements in data integrity and reporting.
18. The Chief Ombudsman is conducting a self-initiated investigation into the Local Government Official Information and Meetings Act 1987 (LGOIMA) policies and practices within Wellington Water along with some other big infrastructure providers (Auckland Transport, Wellington City Council, Queenstown Lakes District Council and Marlborough District Council). Staff have been encouraged to participate fully.

Operational Achievements and Issues

People

19. Unplanned turnover is currently sitting at 12.6% and continues to track steadily (12 month rolling average).
20. The staff engagement capital score is slightly down, at 55% compared with 58% in quarter 3. One driver for this dip is the uncertainty around the future of the organisation. Our highest engagement outcomes are safety, culture, and values.
21. A series of Better Work by Design Workshops have been run, which look at the factors of work which impact an individual's wellbeing. Generally, our people report that they have supportive workmates, good work conditions, and a good work-life balance. The harming factors are that Wellington Water has insufficient systems and processes to manage the work we do - this has flow-on effects where people also feel that the workload can be excessive.
22. External compliance inspections have found our storage of hazardous substances to be non-compliant. There are no immediate risks to health and safety, as the issues are administrative in nature (e.g., updating signage, emergency response plans, site plans, and records). A work programme is currently underway to remedy these

issues. These issues are not due to any degradation in our systems or practices, but a more stringent compliance environment and an increased focus from the regulator.

Wellington Water corporate budget

23. The Board has approved a corporate budget of $4m deficit for 2024/25, utilising the prior year's surplus to mitigate funding pressures while ensuring delivery can continue. The mapping of the corporate charge process is underway.

Opex Delivery

24. For the financial year to date (as at 31 August 2024), we have spent $24m.
25. A focus has been on implementation and roll out of reporting for UHCC, HCC and PCC for recent additional investment into leaks to provide visibility and detailed reporting into the progress of work. These reports are available on our website and are attached as to the Acute Water Shortage Paper.
26. One high profile recent job was the watermain burst in Kent Tce. This was in a high traffic area, with significant customer impacts but the main complicating factor was the difficulty in isolating the break from the network. Multiple isolation valves were operated in an attempt to isolate the break, resulting in the impact of the break to be wider than needed. Many of the valves were "passing" (not closing properly), or could not be located, resulting in the team having to repair the pipe while water continued to flow through it. This shows the downside of deferring planned maintenance and renewals with some of these assets likely being as old as the pipe itself (1890).
27. Operational reports are provided as Appendix 2.

Capex Delivery

28. For the financial year to date (as at 31 August 2024), spend on the capital delivery programme was $46m at a regional programme level.

Council	**YTD capital spend for 2024/25**
Greater Wellington Regional Council	$19.4m
Hutt City	$8.0m
Porirua City	$9.7m
South Wairarapa District	$0.5m
Upper Hutt City	$2.6m
Wellington City	$5.4m
Total	**$45.7m**

29. It is not possible to report on metres of pipe constructed as we are only part-way through Quarter 1. For the 2024/25 year, we are forecasting a total of 9.1 km against the 100km recommended by Wellington Water.

	Metres planned 2024/25
Hutt City	4,971

Wellington City	427
Porirua City	200
Upper Hutt City	2,838
South Wairarapa District	472
Greater Wellington Regional Council	180
Total	**9,088m**

30. There has been a sustained effort on improving cost forecasting at the project level - whilst this has improved, there is still room for improvement and the focus will shift to improving contractor cashflow forecasting within the quarter. The programme has integrated the capital carbon assessment requirements; however the focus remains on data collection as no reduction targets have been set. The rate of project delivery process improvement is constrained by budget available to make these process and system improvements.
31. The programme delivery teams have responded to a change in the anticipated size of the capital delivery programme. Whereas the programme was previously on a growth trajectory, it was confirmed through the councils' Long-Term Plans that the budgets will plateau.
32. There is no annual programme level capex contingency, which makes the programme vulnerable to changes such as unplanned asset failures requiring urgent renewal and cost escalation on projects.
33. In 2024/25 the delivery teams will seek to work more closely with Council Officers to ensure transparency of decision making on Major Projects and Annual Capital Programme changes.

Wastewater Treatment Plants

34. The Featherston, Greytown, Martinborough, Moa Point, and Seaview Wastewater Treatment Plants were non-compliant at the end of August due to either capacity, mechanical or environmental factors. Moa Point plant treatment capacity has been restored following completion of stage 2 of the inlet pump station renewal and Clarifier #2 renewal work. Western WWTP is now compliant for effluent quality. Discharge into the Karori Stream has now ceased with completion of the main outfall pipeline repair work.
35. The main outfall pipe at Seaview experienced a failure in August relating to the connection with the Days Bay pump station. We worked with iwi and the local community to minimise impacts and repairs were completed on Thursday 5th September 2024.
36. A mass flow imbalance has identified a leak in the Greytown Wastewater Treatment Ponds. Further work has identified the location of a leak, and we are investigating remediation options. Greater Wellington Regional Council have been informed.
37. WWL and Veolia has undertaken a joint review of the Regional Wastewater Treatment Plants (RWWTP) The purpose of the review was to clarify the causes of poor performance at the region's metropolitan Wastewater Treatment Plants (WWTPs) and to identify opportunities for further improvements that would bring the WWTPs back to full compliance. The report is being finalised, together with an

action plan for implementation. These will be sent out to the Wellington Water Committee and then put on our website.

38. Details of the status of wastewater plant non-compliance are provided in the latest monthly Wastewater Treatment Plant and Water Treatment Plant dashboard reports, attached as Appendix 3.

Growth update

39. In the past year the Land Development team processed over 4770 applications for the three waters network in our region, including approximately 1240 building consents, 980 water and drainage connections, and 350 resource consents.
40. This is a reduction from around 6000 applications processed two years ago, highlighting a reduction in economic activity around the housing market.
41. We are working with Council officers at Porirua City Council, Upper Hutt City Council and Hutt City Council through a number of planned workshops to understand the current and future state in relation to growth, as well as identifying the specific risks and mitigations required to support sustainable growth.
42. We are also working closely with Porirua City Council and Kainga Ora on the design and construction of a new nine megalitre reservoir in Porirua that will increase resiliency and allow growth to continue in Eastern Porirua and Whitby.

Environmental Water Quality update

43. Wellington Water is committed to improving the health of the region's waterways and harbours. We have concerns regarding the ability of the region to meet Greater Wellington Regional Council's new standards for stormwater and wastewater overflows from the networks, particularly given the level of investment confirmed in councils' LTPs.
44. Wellington Water is proceeding with preparation for the Plan Change 1 hearings working with the metropolitan councils and mana whenua. We continue to work with Greater Wellington Regional Council but remain concerned that relying solely on the Plan Change Hearings will not be sufficient to fully mitigate the ongoing risk of non-compliance in the long term.

Net Zero Carbon update

45. Capital Carbon Monitoring has commenced with our consultant and contractor panel members inserting carbon figures and using the Moata tool. There is minimal funding to undertake any emission reductions, but we are continuously looking for opportunities to optimise the performance of our operations and integrate low carbon approaches in our capital delivery projects.

Technology Systems

46. We have completed the high-level review of Wellington Water's current technology systems after no significant investment in them for three years due to Affordable Water Reform plans. From this review we have developed options for investment to ensure current technology system risks are mitigated and Wellington Water is

effectively enabled by technology systems. A separate paper is provided on the recommended investment.

Summary Report

47. A summary report is provided at Appendix 4 to assist with individual councils understanding of the material the Committee is working on.

Appendices

There are four appendices for this report.

1.	Council Advice Risk Dashboards included with Long Term Planning / Annual Planning Advice.
2.	Regional and Council Operations Reports for August
3.	Water Treatment Plant and Wastewater Treatment Plant dashboard reports for August
4.	Summary for Councillors of papers to the WWC meeting

Author: Charles Barker

External Author (Wellington Water Ltd)

Wellington Water

Wellington City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	WCC Finance and Infrastructure Strategy	Issue	Circumstances	WWL Overarching Risk	WWL Overarching Risk Context
1	SOCIAL	There is inadequate investment to ensure provision of safe drinking water supplies after a significant earthquake event.	Some seismic resilient storage exists, in certain zones, but overall the quantity of storage across the city is below the level of storage required. There is insufficient funding to make seismic improvements to critical water assets.	**Water Supply Shortage**	Asset resiliency has the potential to compromise the provision of safe drinking water.
2	SOCIAL	Water demand for Wellington City is outstripping supply due to water loss in the network and growth. Network water loss means water use is contrary to the principles of Te Mana o te Wai.	Demand driven by network age and condition, water loss, private side water loss and growth. Resourcing constraints are impacting the ability to mitigate / reduce the loss (metering, data, backlog ,etc.). Operational funding for finding and fixing leaks is constrained. Aging network and increasing renewals backlog is compounding the leakage issue. Despite increasing funding for leak repairs the issue will be ongoing because of the growing leak backlog. WCC have limited investment in reducing the backlog, water loss management requires sustained an on-going funding into the future.	**Water supply shortage**	Condition of the network impact's ability to supply sufficient water to customers. Demand outpaces supply capacity and Level 3 restrictions or worse are required for the region during summer. Cost of additional source capacity for the region is significant. WWL budgets in compliance with the LTP which highlight areas of insufficient funding to maintain, operate and repair assets. The increasing reactive leak repair costs impacts on other proactive maintenance work.
3	SOCIAL	Existing reservoir storage insufficient for design standards (including fire storage) with growth adding to the demand and reducing the storage further.	Storage in the reservoirs is insufficient to provide supply for significant network outages and is a risk during peak demand periods. This increases the operational risk. In the current funding environment growth will go ahead of upgrades of reservoir capacity meaning a shortfall in reservoir storage and potential customer impact over time. There is no current defined minimum level of service. Allowing continued new connections and developments will degrade the existing capacity. This is also driving undesirable operational outcomes in the form of temporary storage provided by developers in the form of tank farms.	**Water supply shortage**	Results in more operational costs impacting maintenance budgets with consequential potential for reduction in levels of service. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
4	SOCIAL	Reservoirs condition means they are vulnerable to contamination. There are a number of reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure. Redwood, Highland Park, Bell Road are examples.	There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding. The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk. Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis. This increases the risk of contamination of water supply. LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated. Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding required. Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.	**Unplanned critical three waters asset failure**	Asset condition has the potential to compromise the provision of safe drinking water. WWL budgets in compliance with the LTP have areas of insufficient funding to maintain, operate and repair assets. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
5	SOCIAL	Significant and growing renewals back log in water and wastewater due to age profile and condition of pipe materials. The rate of stormwater renewals have been deferred in the LTP. Very High Criticality stormwater assets are impacted Glenmore Road, Holloway Road, Rugby Street, Moorefield Road, Palm Grove, Glover Street and Tinakori Road are examples.	Aging infrastructure, leakage, blockages / overflows, seepage. Condition assessment is difficult. Capex spend does not address the backlog. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt critical regional infrastructure, the general public and disrupt services to a range of customers. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure.

Wellington Water

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LTP Advice 2024

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Risk ID	WCC Finance and Infrastructure Strategy	Issue	Circumstances	WWL Overarching Risk	WWL Overarching Risk Context
6	ENVIRONMENTAL	System deterioration (water, waste, stormwater), e.g. leaks, inflow and infiltration, means that the assets have to work harder than they are designed for.	The assets life is reduced with the flow on effect being an increase in failures. The whole of life is reduced leading to additional investment above what would be normally expected. There is no funding in the LTP to account for the system deterioration impact.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the system deterioration impact which leads to more failures over time. Potential loss of service to customers for significant periods of time.
7	ENVIRONMENTAL	Pump stations are at risk of failure due to the backlog of renewals, known condition and funding constraints.	Pump stations have a range of components including many with shorter e.g. 15 year life, requiring on-going investment to keep up in reliable operation. The current capex spend does not address the required investment and there is a backlog of renewals specifically in the mechanical and electrical components. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Some critical components have long lead times to replace when they fail which does compromise the resiliency of the pump station and increases operational costs. Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt services to customers e.g. reservoirs draining, overflows to the environment, properties flooded. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. property flooding, loss of water.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the asset renewal backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure e.g. flooding
8	SOCIAL	Michael Fowler Storm Tank and Stormwater main - proposal to build over it.	Storm tank requires access for maintenance/operations and end of life replacement and does not have odour treatment. The tank is also not designed for additional structures to be constructed over or beside it. Stormwater main is a large aged asset constructed from bricks.	**Unplanned critical three waters asset failure**	Building over critical infrastructure compromises the resiliency and reliability. Historic WCC growth planning had not allowed for regional and city infrastructure 3 Water limitations. Historic development / buildings constructed over stormwater and wastewater infrastructure. Critical wastewater and stormwater assets are compromised by Council approvals that don't facto infrastructure asset management, operations and associated increased costs due to changes in land use.
9	SOCIAL	Condition of Very high criticality wastewater pipe assets under Wellington Airport land. Several significant pipe lengths have been revealed in very poor condition.	Currently working through investigation and contingency plans and planning for renewal. Discussions with Airport continue. Structural assessment on taxi way crossing has confirmed protection is in place around the pipe which hasn't been affected.	**Unplanned critical three waters asset failure**	Resiliency of critical three waters infrastructure co-located on restricted and/or regionally significant infrastructure site. Three waters assets with the potential to impact regionally significant assets. Carrying remedial works in these locations is very complex and can result in major disruption to the community. There is significant cost associated with these situations. Improvement work deferred from 2023/24 capital programme due to limited funding.
10	ENVIRONMENTAL	Wastewater main near BP Horokiwi services parts of Newlands continual failures and difficult to maintain. Legacy land development site where the accepted solution has proved to be extremely difficult to maintain reliably.	Wastewater main has failed twice causing untreated wastewater to discharge to the environment and incur significant OPEX cost. If this goes again this will be significant and will require significant repair. Current spend to date is $720K with large portion of the cost related to maintaining service and mitigating environmental impact. On-going monitoring suggests we have another leak. Long term solution is to re-route the pipe. Condition assessment complete. Need to be considered for investment. Pipe services a number of properties in the Newlands area.	**Unplanned critical three waters asset failure**	Assets located in unstable environment and poor asset development. Historic development of wastewater infrastructure compromised by Council approvals that don't factor infrastructure asset management, operations and associated increased costs due to high maintenance infrastructure. Limited alternative solutions available. This type of system would not be accepted in current land development environment.
11	ENVIRONMENTAL	Western WWTP outfall pipeline damage due to rainfall and surrounding environment (steep country) and is vulnerable to further failures. Pipeline undersized with replacement of the pipe impacted by the re-consenting of the Western WWTP. On private land - makes it difficult.	Outfall in an unstable environment and requires significant OPEX and CAPEX investment to remain operational. Funding provided by WCC for short term repair.	**Unplanned critical three waters asset failure**	Assets located in unstable environments that cause failure may lead to environmental and cultural impact. Potential for non-compliance leading to regulatory action. Investment may need to be re-prioritised to ensure the level of service is maintained.
12	ENVIRONMENTAL	Inlet Pump Station at Moa Pt is in a very poor condition.	The likelihood of failure is high. Consequence of failure could be very likely to lead to prosecution due to an untreated discharge to the short outfall. Significant CAPEX will be required to mitigate the risk which is funded in the LTP. Phase 1 construction to repair has started and will be complete by June 2024. This will partially mitigate the risk. The remainder of the works to mitigate the risk are funded in the LTP. Remains a failure risk while the mitigation works are delivered. The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work.	**Unplanned critical three waters asset failure**	Investment may need to be re-prioritised to meet the asset condition and redundancy requirements. Non-compliance while the work is underway.
13	ENVIRONMENTAL	Southern landfill sludge facility and Moa Pt sludge transfer system resiliency is becoming mechanically fragile.	Changed the renewal strategy for the Sludge facility at the landfill meaning that operational costs are increasing, and reliability is decreasing. Renewal and maintenance work is being carefully planned in line with the expected construction of the SMF. Potential of asset failure during this period impacting operation.	**Unplanned critical three waters asset failure**	Extending plant components beyond their economic life to align with the sludge minimisation project introduces an increased risk of asset failure. This has the potential to impact landfill operations and the Moa Point WWTP compliance.

Wellington Water

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LTP Advice 2024

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14	ENVIRONMENTAL	Stormwater network is not resilient to flooding nor climate change the network is under capacity and is degrading with growth and climate change impacting customers and the environment. There is no funding for the existing LOS stormwater flooding issues in the growth areas to the level that is needed to support growth. (Tawa, Johnsonville and CBD).	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the stormwater assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Growth has increased the risk over time reducing the capacity of the system and increasing operational costs with new infrastructure. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time. The frequency and extremity of storm events will increase over time as a result of climate change rendering the network less able to deal with extreme events. Flooding / stormwater flow causing damage to pipes, creating voids, causing slips and impacting health and safety and causing legal liability and decline in customer satisfaction. Investment in the stormwater network will not address the long-term impacts of climate change if adaptation is no introduced and the required mitigations are taken into account e.g. managed retreat. Risk the when the stormwater asset fails and we do not have a strategic plan for what the most effective renewal is.	**Unplanned critical three waters asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure and on-going issues e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Potential for impact on response times and a disconnect between customer expectations and service delivery. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted. Insufficient CAPEX to support growth.
15	ENVIRONMENTAL	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by WCC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events are not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.	**Unplanned critical three waters asset failure**	Insufficient OPEX to maintain current levels of service. Council will incur significant unbudgeted costs when these unexpected events occur.
16	ENVIRONMENTAL	We are unable to meet mana whenua and the community expectations to control contaminant discharges in particular wastewater overflows and stormwater contaminants. Murphy Street Interceptor overflow point and Otari Wilton Bush are examples for wastewater. Known water quality issues in catchments for WCC.	Very low funding for growth projects and level of service improvements to meeting environmental water quality improvement expectations. Investment in network renewals is not to the level recommended to reduce the issues which cause contaminant discharges. The way that growth is permitted exacerbates the issue.	**Unplanned critical three waters asset failure**	The continued discharges of wastewater contaminants discharging into the environment. OPEX costs to respond to customer issues.
17	ENVIRONMENTAL	Wastewater networks resiliency is compromised due to poor condition of asset and underinvestment in maintenance and renewals.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the waste assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time.	**Unplanned critical three waters asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
18	SOCIAL	Drinking Water network safety, performance and resiliency is compromised due to poor condition of assets and underinvestment in operational activities and asset renewals.	Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased contamination risk and less reliable when needed during incidents. e.g. backflow prevention, unauthorised access to fire hydrants, pressure management, critical valve maintenance Lack of investment in monitoring and investigations means the maturity and accuracy of water measurement is heavily constrained. This means we are not able to confidently calculate water loss. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time. Renewals and upgrade funding is constrained which will limit opportunities to address fire flow deficiencies. There is no dedicated funding to target parts of the network that have specific issues with meeting fire fighting requirements. As growth develops in these areas the number of properties exposed increases.	**Unplanned critical three waters asset failure**	Parts of the network will fail with no notice causing a loss of supply and the potential to compromise provision of safe drinking water. Council will incur significant unbudgeted costs when these assets fail. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action. Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
19		The condition of the Western WWTP assets and the delayed funding window means that there may be compliance issues until the funded renewals are complete.	The assets at Western WWTP pose a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks will be addressed through capital renewal which will not commence until 2028 and will take some time to complete. Reliable consent compliance will likely be to achieved when these asset renewals are complete. Operating plant at or near end of life results in an increased likelihood of breakdowns and/or compliance failure. The Western plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets compliance requirements. This means investment is required.	**Treatment of Wastewater**	Treatment cannot be ensured due to the condition of the assets. There may be periods of non-compliance until the renewals are complete.

Wellington Water

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LTP Advice 2024

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Risk ID	WCC Finance and Infrastructure Strategy	Issue	Circumstances	WWL Overarching Risk	WWL Overarching Risk Context
20	ENVIRONMENTAL	The condition of the Moa Point WWTP assets means that there will continue to be compliance issues until the funded renewals are complete. The redundancy of Moa Point is inadequate for major maintenance while ensuring compliance can be met. The most fragile of the assets is the Instrumentation and Electrical control equipment.	The ageing assets in Moa Point WWTP poses a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks are currently being addressed through capital renewal which will take some time and are subject to funding availability. Reliable consent compliance will likely be to achieved when these asset renewals are complete. Operating plant at or near end of life results in an increased likelihood of breakdowns and/or compliance failure. The Moa Point plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets both capacity and compliance requirements. This means investment is required in the short term. The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work. Changes in WorkSafe Workplace exposure standards for Hydrogen Sulphide means that investment may need to be prioritised to meet safety requirements.	**Treatment of Wastewater**	Treatment cannot be ensured due to the condition of the assets. There will be periods of non-compliance until the renewals are complete. Investment may need to be re-prioritised to meet the WorkSafe requirements.
21	ENVIRONMENTAL	Completely reliant on Southern Landfill acceptance of sludge from wastewater treatment plants. SMF is funded and being delivered outside of the LTP programme managed by WWL.	If the sludge minimisation project is not completed within as planned our ability to meet consent requirements will be compromised. There are not any other options for landfill disposal in Wellington region, potentially requiring sludge to be transported to Waikato region. WWL are working with the project team on consent extensions if required.	**Treatment of wastewater**	Non-compliance with consents and discharge of high levels of sludge to the environment. Alternative options would be very operationally expensive. Discharges of sludge would cause cultural and environmental harm. High likelihood of prosecution.
22	SOCIAL	Unauthorised access to water network	Unauthorised access to the water network poses a significant risk to safe and healthy drinking water. Often roading contractors, weed sprayers, demolition contractors, and other commercial users will tap into hydrants using standpipes for their own purposes with consent or approval to do so, with no controls whatsoever. WWL has a approval/permit process which is not well used or policed. However Taumata Arowai's drinking water quality assurance rules now require that access to the water network not be permitted except by Fire and Emergency New Zealand, other emergency services, the drinking water supplier, or authorised contractors to the drinking water supplier where it is reasonably necessary to access the network for the operation of the drinking water supply. This means that authorised fill points constructed with suitable network protection devices need to be constructed to provide a location where commercial users can safety collect water, and that the existing permit system needs to be phased out as soon as possible. Council investment in and support for the authorised bulk water fill points is required to facilitate this.	**Safe and healthy drinking water**	Unauthorised access without appropriate controls puts safe and healthy drinking water at risk. Potential widespread illness or death due to network contamination Council investment in and support for the authorised bulk water fill points is required to meet Taumata Arowai rules.
23	ENVIRONMENTAL	Coastal stormwater outfalls experiencing sea level risk resulting in increased sedimentation and need for more frequent clearing. Increasing the potential for impact on customers.	The OPEX budgeted provided by WCC does not include adequate allowance for the costs of responding to sea level rise. Response to maintain levels of service are not optional and result in un-forecasted pressures on the OPEX budget.	**Operational funding**	Insufficient OPEX to maintain current levels of service. WCC has not agreed a level of service that will be provided within the agreed budget. WWL budgets in compliance with the LTP which highlight areas of insufficient funding to maintain, operate and repair assets. WCC has not communicated to the public the expected reduction in services.
24	ENVIRONMENTAL	Closed Landfill leachate Houghton Bay.	Legacy landfill closed in 1971, however leachate from the old landfill gets into the stormwater culvert below the landfill. There is a dry weather diversion to wastewater, however this frequently overtops and results in leachate discharging to Houghton Bay with associated environmental and aesthetic (orange discharge, foam and hydrocarbon odour). Resolution requires landfill remediation. Consent for leachate discharge has expired. GWRC, WCC and local residents are working together on a long term solution. Until this is in place WWL will continue to receive requests for response to contamination incidents. Due to funding constraints preventative maintenance has been reduced.	**Operational funding**	Non-three waters asset issues impacting already constrained OPEX budgets. Due to the discharge going into stormwater we have been forced into managing this issue. The core issue relates to a grandfather landfill which was not designed to modern standards and is proving very difficult to mitigate effects along with current community expectations. This should be a contaminated site issue rather than a stormwater infrastructure issue. Ongoing expenditure of an already tight OPEX budget on non-three waters infrastructure issues.
25	ENVIRONMENTAL	Harris Street Syphon	Investigations of the Harris Street Syphon was found to be full of large quantities of sediment and high levels of contamination. There is no funding allocated in the LTP. This increases the potential for flooding in the CBD.	**Operational funding**	Regulatory risk as the current discharge from the stormwater pipe is not complying with global stormwater discharge consent. Risk of flooding as syphon is currently full of material
26	SOCIAL	Operational budgets are insufficient for maintenance and operation of network assets and proactive condition assessment. (Monitoring and investigations, planned maintenance and reactive maintenance.)	There are a number of known network assets that are operating at or near capacity. Budgets have increased but this still will not cover planned maintenance and will not cover planned nor unexpected events. WWL response focusses on responding to customer impact rather than reducing the impact on the customer through investigations and preventative actions. The OPEX budget provided has resulted in a number of preventative maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of reactive maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of investigation and monitoring activities that have been reduced or deferred.	**Operational funding**	Insufficient OPEX funding to maintain current levels of service. WCC has not agreed a level of service that will be provided within the agreed budget. Communication to customers on the reduced level of service is unknown. Known defects in the network cause customer impact at several locations. Insufficient OPEX to maintain current levels of service. WWL budgets in compliance with the LTP highlight insufficient funding to carry out preventative maintenance on the networks leading to taking a run-to-failure approach on pump stations, the risk of contamination at service reservoirs, the potential for increased flooding and an increase in wastewater network and pump station overflows. WWL budgets in compliance with the LTP highlight insufficient funding to carry out monitoring and investigations on the networks leading to consent breaches, human health risks, the potential for increased wastewater overflows and the limited ability to inform the forward capital works programme. WWL budgets in compliance with the LTP highlight insufficient funding to carry out reactive maintenance on the networks leading to the potential for repeat visits due to wastewater and stormwater blockages, the increased risk of overflows to the environment, the increase in the non urgent backlog of work and water loss from the network to increase.
27	SOCIAL	There is limited ability to control the impact private property asset condition has on the Council networks. The enforcement powers and policy packages e.g. by-laws are constrained.	Private assets are failing at a similar rate to the public assets impacting the environment and contributing to the asset risk e.g. inflow and infiltration into stormwater and wastewater networks, leakage of water. There have been targeted improvements at finding the private faults but resolutions are difficult with constrained enforcement powers held by Wellington Water.	**Compliance with regulations**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. Private property asset condition has the potential to compromise the provision of safe drinking water. Private property asset condition exacerbates the continues discharges of wastewater contaminants discharging into the environment.
28	ENVIRONMENTAL	Wastewater Network Discharge Consent & Global Stormwater consent	The wastewater network discharge consent and global stormwater consent may require all necessary interventions to be delivered earlier than currently planned. The costs to deliver the necessary interventions to meet the GWRC Plan Change 1 will be far greater than is provided for in the proposed LTP, noting the interventions and associated costs are currently indicative. Mana whenua expectations around reducing frequency of discharge to the environment are higher than currently budgeted for. Regional Council Regulatory frameworks and Council funding models are currently considered unworkable. There is currently a 4.7billion dollar gap across the region between Council investment and GWRC assessment of economic evaluation. There is no certainty that the investment assessed by the Regional Council will achieve the targets that have been set. WWL are assessing the most effective mitigations to achieve the environmental outcomes, these may not align with the Regional Councils funding assessment nor priorities.	**Compliance with regulations**	Additional investment will be required to meet the future resource consent requirements. There are a number of interventions that could be pursued to mitigate the risk of regulatory non-compliance with 2040 standards. There is currently no operational funding to pursue these mitigations. i.e. Plan change hearings, seek changes / variations, work with Regional Council officers. Operational funding to support the activity is constrained which means we may not be able to lodge / support an effective consent application process and carry out the supporting technical analysis.

Wellington Water

Porirua City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
1	There is inadequate investment to ensure provision of safe drinking water supplies after a significant earthquake event.	Some seismic resilient storage exists, in certain zones, but overall the quantity of storage across the city is below the level of storage required. There is insufficient funding to make seismic improvements to critical water assets.	**Water Supply Shortage**	Asset resiliency has the potential to compromise the provision of safe drinking water.
2	Water demand for Porirua City is outstripping supply due to water loss in the network and growth. Network water loss means water use is contrary to the principles of Te Mana o te Wai.	Demand driven by network age and condition, water loss, private side water loss and growth. Resourcing constraints are impacting the ability to mitigate / reduce the loss (metering, data, backlog ,etc.). Operational funding for finding and fixing leaks is constrained. Aging network and increasing renewals backlog is compounding the leakage issue. Despite increasing funding for leak repairs the issue will be ongoing because of the growing leak backlog. PCC have limited investment in reducing the backlog, water loss management requires sustained an on-going funding into the future.	**Water supply shortage**	Condition of the network impact's ability to supply sufficient water to customers. Demand outpaces supply capacity and Level 3 restrictions or worse are required for the region during summer. Cost of additional source capacity for the region is significant. WWL budgets in compliance with the LTP which highlight areas of insufficient funding to maintain, operate and repair assets. The increasing reactive leak repair costs impacts on other proactive maintenance work.
3	Existing reservoir storage insufficient for design standards (including fire storage) with growth adding to the demand and reducing the storage further.	Storage in the reservoirs is insufficient to provide supply for significant network outages and is a risk during peak demand periods. This increases the operational risk. In the current funding environment growth will go ahead of upgrades of reservoir capacity meaning a shortfall in reservoir storage and potential customer impact over time. There is no current defined minimum level of service. Allowing continued new connections and developments will degrade the existing capacity. This is also driving undesirable operational outcomes in the form of temporary storage provided by developers in the form of tank farms.	**Water supply shortage**	Results in more operational costs impacting maintenance budgets with consequential potential for reduction in levels of service. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
4	Reservoirs condition means they are vulnerable to contamination. There are a number of reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure. Broken Hill Reservoir has low resilience and Porirua Low level 1 is at end of life (requires Aotea to be built to enable this to be decommissioned), Aotea Reservoir is unfunded in the LTP.	There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding. The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk. Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis. This increases the risk of contamination of water supply. LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated. Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding required. Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.	**Unplanned critical three waters asset failure**	Asset condition has the potential to compromise the provision of safe drinking water. WWL budgets in compliance with the LTP have areas of insufficient funding to maintain, operate and repair assets. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
5	Significant and growing renewals back log in water and wastewater due to age profile and condition of pipe materials.	Aging infrastructure, leakage, blockages / overflows, seepage. Condition assessment is difficult. Capex spend does not address the backlog. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt critical regional infrastructure, the general public and disrupt services to a range of customers. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure.
6	System deterioration (water, waste, stormwater), e.g. leaks, inflow and infiltration, means that the assets have to work harder than they are designed for.	The assets life is reduced with the flow on effect being an increase in failures. The whole of life is reduced leading to additional investment above what would be normally expected. There is no funding in the LTP to account for the system deterioration impact.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the system deterioration impact which leads to more failures over time. Potential loss of service to customers for significant periods of time.
7	Pump stations are at risk of failure due to the backlog of renewals, known condition and funding constraints.	Pump stations have a range of components including many with shorter e.g. 15 year life, requiring on-going investment to keep up in reliable operation. The current capex spend does not address the required investment and there is a backlog of renewals specifically in the mechanical and electrical components. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Some critical components have long lead times to replace when they fail which does compromise the resiliency of the pump station and increases operational costs. Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt services to customers e.g. reservoirs draining, overflows to the environment, properties flooded. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. property flooding, loss of water.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the asset renewal backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure e.g. flooding

Wellington Water

Porirua City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
8	Stormwater network is not resilient to flooding nor climate change the network is under capacity and is degrading with growth and climate change impacting customers and the environment. There is limited funding for the existing LOS stormwater flooding issues. Karehana and Hongoeka catchments and Takupuwahia pipe upgrade are examples. Stormwater Very High Criticality Assets - Papakiwhai Road, Bernie Wood Reserve, Hampshire Street and Sievers Grove are examples.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the stormwater assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Growth has increased the risk over time reducing the capacity of the system and increasing operational costs with new infrastructure. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time. The frequency and extremity of storm events will increase over time as a result of climate change rendering the network less able to deal with extreme events. Flooding / stormwater flow causing damage to pipes, creating voids, causing slips and impacting health and safety and causing legal liability and decline in customer satisfaction. Investment in the stormwater network will not address the long-term impacts of climate change if adaptation is no introduced and the required mitigations are taken into account e.g. managed retreat. Risk the when the stormwater asset fails and we do not have a strategic plan for what the most effective renewal is.	**Unplanned critical three waters asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure and on-going issues e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Potential for impact on response times and a disconnect between customer expectations and service delivery. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted. Insufficient CAPEX to support growth.
9	Wastewater rising main SH59 - Paremata to City Centre	Wastewater rising main surcharges adjacent to SH59 and in the vicinity of the Main Trunk Railway line. It has the potential to impact traffic and rail services. Failed section replaced in 2021, current trend is that this surcharging is happening more frequently than previous years.	**Unplanned critical asset failure**	Assets co-located with critical infrastructure have the potential to have major impacts when operational capacity or condition is compromised.
10	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by WCC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events are not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.	**Unplanned critical asset failure**	Insufficient OPEX to maintain current levels of service. Council will incur significant unbudgeted costs when these unexpected events occur.
11	We are unable to meet mana whenua and the community expectations to control contaminant discharges in particular wastewater overflows and stormwater contaminants. Mana Esplanade, Rukutane Pump Station are wastewater examples.	Very low funding for growth projects and level of service improvements to meeting environmental water quality improvement expectations. Investment in network renewals is not to the level recommended to reduce the issues which cause contaminant discharges. The way that growth is permitted exacerbates the issue. Porirua Harbour Accord is at risk due to resourcing constraints.	**Unplanned critical asset failure**	The continued discharges of wastewater contaminants discharging into the environment.
12	Wastewater networks resiliency is compromised due to poor condition of asset and underinvestment in maintenance, renewals, growth and levels of service. Eastern Porirua Regeneration Project - Overall upgrades - Wastewater (excl JV), Western Porirua, Ngāti Toa lead development - Wastewater (excl JV), Whitby Wastewater (excl JV) Pipe Upgrade	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the waste assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time.	**Unplanned critical asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.

Wellington Water

Porirua City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
13	Drinking Water network safety, performance and resiliency is compromised due to poor condition of assets and underinvestment in operational activities and asset renewals.	Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased contamination risk and less reliable when needed during incidents. e.g. backflow prevention, unauthorised access to fire hydrants, pressure management, critical valve maintenance Lack of investment in monitoring and investigations means the maturity and accuracy of water measurement is heavily constrained. This means we are not able to confidently calculate water loss. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time. Renewals and upgrade funding is constrained which will limit opportunities to address fire flow deficiencies. There is no dedicated funding to target parts of the network that have specific issues with meeting fire fighting requirements. As growth develops in these areas the number of properties exposed increases.	**Unplanned critical asset failure**	Parts of the network will fail with no notice causing a loss of supply and the potential to compromise provision of safe drinking water. Council will incur significant unbudgeted costs when these assets fail. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action. Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
14	Compliance with the new Porirua Wastewater treatment plant consent will be challenging within the current funding allocation. Sludge (solids) handling components at the plant are at capacity and have very limited redundancy.	A new discharge resource consent was granted in July 23 for an 18 years term. New consent requirements are still being assessed and may lead to increased OPEX cost for monitoring and community engagement. This needs to be agreed with the Porirua Wastewater Treatment Plant Working Group. An odour treatment project is in place to meet the resource consent conditions outlined in the Air Discharge resource consent. Interim measures controls have been completed. Once the Odour Treatment project is implemented (31 Oct. 25) there will be an increase in OPEX cost. A project is underway to improve the capacity and redundancy of solids handling, the current equipment is not reliable. The upgrade project may require additional funding. Risk is that additional OPEX / CAPEX will need to be found to ensure the existing sludge handling operates until the new one is complete.	**Treatment of wastewater**	Potential for non-compliance with resource consent leading to regulatory action. Potential for non-compliance with consents and discharge of high levels of sludge to the environment leading to potential prosecution. Discharges would cause cultural and environmental harm. The sludge handling components of the plant are at capacity that is impacting compliance performance. Potential for increase in OPEX funding to comply. Investment is required to meet the environmental and consent conditions.
15	Complete reliant on landfill acceptance of sludge from wastewater treatment plants. Waste minimisation initiatives could lead to the landfill not having capacity to receive the de-watered sludge.	If the landfill waste diversion initiative succeeds and/or landfill unable to renew it's consent then an alternative disposal site will need to be considered or significant CAPEX to manage the sludge. Landfill may not get consent after 2030. Dryer could be part of the solution but is not funded in the LTP. There is an uncertainty around the renewal of Spicer Landfill resource consent. PCC is currently in the process of exploring options.	**Treatment of wastewater**	Alternative options would be very operationally expensive which would include transport costs to take the sludge to alternative sites out of the region. Significant capital expenditure may be required.
16	Wastewater treatment plant constrains growth due to the ammonia reduction requirement through the resource consent conditions.	Ammonia system modification is expected to start 2031/32 based on current growth projections. Funding for modifications are not within the LTP. There is a current consent requirement to review ammonia annually using the treatment process model and carry out regular monitoring. Ammonia is currently within consent limits. There is a potential that if the ammonia exceeds consent limits funding may need to be re-prioritised to meet growth. Potential for growth to be constrained, with either connections being declined or coming at a high cost.	**Treatment of Wastewater**	Local growth related development is constrained or thwarted. Investment may need to be re-prioritised to meet the growth requirements. Potential for non-compliance with consents if growth goes ahead of investment.
17	Unauthorised access to water network	Unauthorised access to the water network poses a significant risk to safe and healthy drinking water. Often roading contractors, weed sprayers, demolition contractors, and other commercial users will tap into hydrants using standpipes for their own purposes with consent or approval to do so, with no controls whatsoever. WWL has a approval/permit process which is not well used or policed. However Taumata Arowai's drinking water quality assurance rules now require that access to the water network not be permitted except by Fire and Emergency New Zealand, other emergency services, the drinking water supplier, or authorised contractors to the drinking water supplier where it is reasonably necessary to access the network for the operation of the drinking water supply. This means that authorised fill points constructed with suitable network protection devices need to be constructed to provide a location where commercial users can safety collect water, and that the existing permit system needs to be phased out as soon as possible. Council investment in and support for the authorised bulk water fill points is required to facilitate this.	**Safe and healthy drinking water**	Unauthorised access without appropriate controls puts safe and healthy drinking water at risk. Potential widespread illness or death due to network contamination Council investment in and support for the authorised bulk water fill points is required to meet Taumata Arowai rules.

Wellington Water

Porirua City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
18	Unclear roles and responsibilities of managing urban streams in their relationship to the stormwater network. Karehana Park and Wall Place are examples of this.	Urban streams and the stormwater network interact in the Porirua Urban environment. The roles, responsibilities and expected levels of service are unclear. Leads to confusion and customer frustration at the management of these issues. Urban streams and overland flow paths impact the performance of the stormwater network. There is no planned maintenance to manage this.	**Operational funding**	There is no agreed a level of service that will be provided within the agreed budget. Communication to customers on the reduced level of service is unknown. Impact on customers through potential for property damage due to asset interactions and on-going issues e.g. flooding Due to the impact on the stormwater asset we are forced into managing the issue. Ongoing expenditure of an already tight OPEX budget on assets that roles and responsibilities are unclear.
19	Operational budgets are insufficient for maintenance and operation of network assets and proactive condition assessment. (Monitoring and investigations, planned maintenance and reactive maintenance.)	There are a number of known network assets that are operating at or near capacity. Budgets have increased but this still will not cover planned maintenance and will not cover planned nor unexpected events. WWL response focusses on responding to customer impact rather than reducing the impact on the customer through investigations and preventative actions. The OPEX budget provided has resulted in a number of preventative maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of reactive maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of investigation and monitoring activities that have been reduced or deferred e.g. water network modelling.	**Operational funding**	Insufficient OPEX funding to maintain current levels of service. There is no agreed a level of service that will be provided within the agreed budget. Communication to customers on the reduced level of service is unknown. Known defects in the network cause customer impact at several locations. Insufficient OPEX to maintain current levels of service. WWL budgets in compliance with the LTP highlight insufficient funding to carry out preventative maintenance on the networks leading to taking a run-to-failure approach on pump stations, the risk of contamination at service reservoirs, the potential for increased flooding and an increase in wastewater network and pump station overflows. WWL budgets in compliance with the LTP highlight insufficient funding to carry out monitoring and investigations on the networks leading to consent breaches, human health risks, the potential for increased wastewater overflows and the limited ability to inform the forward capital works programme. WWL budgets in compliance with the LTP highlight insufficient funding to carry out reactive maintenance on the networks leading to the potential for repeat visits due to wastewater and stormwater blockages, the increased risk of overflows to the environment, the increase in the non-urgent backlog of work and water loss from the network to increase.
20	Wastewater Network Discharge Consent & Global Stormwater consent	The wastewater network discharge consent and global stormwater consent may require all necessary interventions to be delivered earlier than currently planned. The costs to deliver the necessary interventions to meet the GWRC Plan Change 1 will be far greater than is provided for in the proposed LTP, noting the interventions and associated costs are currently indicative. Mana whenua expectations around reducing frequency of discharge to the environment are higher than currently budgeted for. Regional Council Regulatory frameworks and Council funding models are currently considered unworkable. There is currently a 4.7billion dollar gap across the region between Council investment and GWRC assessment of economic evaluation. There is no certainty that the investment assessed by the Regional Council will achieve the targets that have been set. WWL are assessing the most effective mitigations to achieve the environmental outcomes, these may not align with the Regional Councils funding assessment nor priorities.	**Compliance with regulations**	Additional investment will be required to meet the future resource consent requirements. There are a number of interventions that could be pursued to mitigate the risk of regulatory non-compliance with 2040 standards. There is currently no operational funding to pursue these mitigations. i.e. Plan change hearings, seek changes / variations, work with Regional Council officers. Operational funding to support the activity is constrained which means we may not be able to lodge / support an effective consent application process and carry out the supporting technical analysis.
21	There is limited ability to control the impact private property asset condition has on the Council networks. The enforcement powers and policy packages e.g. by-laws are constrained.	Private assets are failing at a similar rate to the public assets impacting the environment and contributing to the asset risk e.g. inflow and infiltration into stormwater and wastewater networks, leakage of water. There have been targeted improvements at finding the private faults but resolutions are difficult with constrained enforcement powers held by Wellington Water.	**Compliance with regulations**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. Private property asset condition has the potential to compromise the provision of safe drinking water. Private property asset condition exacerbates the continues discharges of wastewater contaminants discharging into the environment.

Wellington Water

South Wairarapa District Council Active Risk Dashboard

Annual Plan Advice 2024/25

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	Overarching Risk	Overarching Risk Context	SWDC Infrastructure Strategy 21-51 Alignment
1	All drinking water treatment plants' are non-compliant with Water Services Act and Drinking Water Quality Assurance Rules.	Lack of resiliency in the backbone systems (power and communications) to provide validated safe drinking water in accordance with Water Services Act. Lack of redundancy in critical systems (source, treatment, network) to provide safe drinking water in accordance with Water Services Act. The OPEX funding provided by SWDC does not include sufficient allowance to compensate for the lack of resilience nor redundancy. WWL has prioritised Safe Drinking Water CAPEX improvements and SWDC has funded a number of CAPEX improvements to mitigate the immediate risks. Source Water Risk Management Plans (2022) indicate treatment upgrades are required being: a. Martinborough WTP upgrade to 4Log treatment (currently 3Log) b. Waiohine WTP upgrade to 4Log (currently 3Log) Greytown WTP remains non-compliant prior to upgrade. Options have been provided to Council. Council direction on the way forward is required following public consultation. Further work required to confirm extent of work and costs to implement (not currently identified in LTP). Additional source water sampling is required to manage risk in meantime.	**Compliance with Regulations**	Current levels of service may fail with little to no notice due to Insufficient OPEX. The public will lose trust in our ability to provide safe and healthy drinking water due to increasing non-compliance with regulations. The LTP has insufficient funding to meet Water Services Act requirements, rectify known issues with the plants and maintain the assets. Council direction on the way forward for Greyown WTP is needed.	Social Wellbeing
2	Drinking Water network resiliency is compromised due to poor condition of assets. Tauwharenikau River Crossing, Martinborough reservoirs/timber tanks, Greytown reservoir, Waiohine timber tank, Featherston watermain, Martinborough WTP soda ash system (pH) control, Uncapped test bores near extraction locations, Martinborough water supply trunk main condition, Martinborough WTP UV system, Greytown WTP and bore pump.	The limited budget available means that no works can be scheduled beyond those which are required to facilitate safe drinking water, continue work on the Featherston WWTP compliance project, and reactive capital budgets. Lack of investment in asset renewals program leading to reducing levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Martinborough WTP UV & resiliency - The system has no ability to run to waste on pump startup & no dedicated supply main to reservoirs this results in low water turnover and water quality risks in reservoir. Greytown WTP and bore pump has low resiliency and is in poor condition. Failure will comporoimise system pressure and fire flow availability. Options have been provided to Council. Council direction on the way forward is required following public consultation.	**Unplanned critical three waters asset failure**	Parts of the network will fail with no notice causing a loss of safe drinking water supply (e.g. Tauwharenikau River Crossing). Council will incur significant unbudgeted costs when these assets fail. There is no funding in the LTP for these assets. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to prosecution. Council direction on the way forward for Greyown WTP is needed.	Economic wellbeing/ Social wellbeing
3	Wastewater networks resiliency is compromised due to poor condition of assets. Featherston wastewater network has very high inflow of groundwater during winter and in wet weather due to surface water ingress.	There is limited CAPEX to renew the Featherston network to a watertight standard to prevent the groundwater inflow but options are being generated for LTP consideration.		Parts of the network fail with no notice causing loss of service and public health risk. Insufficient OPEX to maintain current levels of service. WWL budgets in compliance with the LTP highlight insufficient OPEX funding to maintain the assets Achievement of the PNRP goal of wastewater disposal to land at Featherston is hindered due to the high levels of groundwater infiltration.	Social wellbeing/ Cultural wellbeing

Wellington Water

South Wairarapa District Council Active Risk Dashboard

Annual Plan Advice 2024/25

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	Overarching Risk	Overarching Risk Context	SWDC Infrastructure Strategy 21-51 Alignment
4	Wastewater treatment plants' ability to comply with resource consents (Martinborough / Greytown)	Treatment plants are at capacity and are acting as a constraint on future growth. The CAPEX / OPEX funding provided by SWDC does not include adequate allowance to compensate for the lack of resilience nor redundancy in : 1. backbone systems (power and communications) to provide validated compliance in accordance with Resource consents. 2. critical systems (collection, treatment, disposal) to meet compliance in accordance with resource consents and duty of care requirements. Occasional trade waste non-compliances impacting plant operation - causing odour issues. Martinborough WWTP - funding in place to remove sludge levels in the oxidation pond to support moving toward consent compliance. Greytown WWTP - there is a funding risk related to pond sludge levels. Enforcement action from GWRC - Martinborough requires careful management. To-do abatement notices are in place. WWL proceeding with developing 10-year plans for the WWTP. Greytown WTP irrigation - conflicting land use constrains irrigation activity in line with consent requirements. Martinborough WTP irrigation - risk over the furture of consented irrigation area.	**Treatment of Wastewater**	Insufficient OPEX to maintain current /compliant levels of service. WWL budgets in compliance with the LTP highlight insufficient funding to meet resource consent requirements. Until funding is secured known issues with the resource consents are unable to be rectified due to funding constraints and historical non-compliance. WWL budgets in compliance with the LTP highlight insufficient funding to maintain the assets. Increasing likelihood of enforcement actions by regulator and significant compliance costs.	Economic wellbeing/ Social wellbeing
5	Featherston Wastewater treatment plant consent has expired.	A new consent application was lodged in early 2023 which allows the plant to continue operating under the current consent until decision is made by GWRC. Continue to work with GWRC on the application information which will be publicly notified later in 2024. Uncertainty in the requirements / decisions that will come from the consent process. Conditions may be applied that would require additional funding to be sourced. Estimates based on the current application have been provided to Council.		Funding has been identified in previous LTP for implementation of new consent. Some risk if consent application is denied by GWRC or additional works are required to meet consent conditions.	Economic wellbeing/ Social wellbeing
6	LTP compliant operational budgets provide insufficient funding for preventative maintenance of network assets and proactive condition assessment.	There are a number of known network assets that are operating at or near capacity. When adverse weather occurs network overflows are causing contamination of property. Budgets have increased but this still will not cover planned maintenance and will not cover planned nor unexpected events. WWL response focusses on responding to customer impact rather than reducing the impact on the customer through investigations and preventative actions.	**Operational funding**	Insufficient OPEX to maintain current levels of service. WWL budgets in compliance with the LTP highlight insufficient funding to carry our preventative maintenance on the networks. Known defects in the network cause customer impact at several locations. Communication to customers on the reduced level of service is unknown.	Economic wellbeing/ Social wellbeing
7	Dam safety inspections and maintenance - Boar Bush raw water dam and WW Ponds.	Regulations came into effect in May 2024 after being notified in 2022. Funding has been requested for the potential impact classification and was not successful. Without an appropriate assessment of the potential impact classification of the dams WWL and SWDC do not understand what level of monitoring and maintenance and investment is appropriate. Funding may be required to remediate any issues identified from the assessment.		Dam failure could cause damage to Council assets, private assets and potential loss of life. Roles and responsibilities are unclear. Insufficient OPEX funding to manage risk and comply with regulation. No CAPEX allocated for potential remediation. Likely to lead to non-compliance with regulations.	Environmental wellbeing

Wellington Water

South Wairarapa District Council Active Risk Dashboard

Annual Plan Advice 2024/25

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	Overarching Risk	Overarching Risk Context	SWDC Infrastructure Strategy 21-51 Alignment
8	Condition of the water, wastewater and stormwater assets degrades at a rate exceeding the renewal rate. The current funded Capex programme is limiting the capacity for delivering further capital projects to SWDC.	Condition of the water, wastewater and stormwater assets degrades at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Funding and projects are focussed on Safe drinking water and Water and Wastewater treatment plant compliance. Reactive renewals as and when required followong asset failure. This means that the network renewals program is defferred. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. pipes under regional assets (Railway, State highways), leaks, blockage and damage over time. Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Annual capex budgets only allow for a small number of top priority projects to be progressed, causing a lack of a steady stream of projects being briefed & designed. Should one project experience delivery issues, there are no side-line projects ready to turn-on or bring forward which can cause a significant gap in budget spent.	**Delivery of the capital programme into the future**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset faiure. Potential for significant gaps and inefficiency in CAPEX budget spend.	Economic wellbeing/ Social wellbeing
9	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by SWDC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events are not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.	**Unplanned critical asset failure**	Insufficient OPEX to maintain current levels of service. Council will incur significant unbudgeted costs when these unexpected events occur.	Economic wellbeing/ Social wellbeing
10	Unauthorised access to water network	Unauthorised access to the water network poses a significant risk to safe and healthy drinking water. Often roading contractors, weed sprayers, demolition contractors, and other commercial users will tap into hydrants using standpipes for their own purposes with consent or approval to do so, with no controls whatsoever. WWL has a approval/permit process which is not well used or policed. However Taumata Arowai's drinking water quality assurance rules now require that access to the water network not be permitted except by Fire and Emergency New Zealand, other emergency services, the drinking water supplier, or authorised contractors to the drinking water supplier where it is reasonably necessary to access the network for the operation of the drinking water supply. This means that authorised fill points constructed with suitable network protection devices need to be constructed to provide a location where commercial users can safety collect water, and that the existing permit system needs to be phased out as soon as possible. Council investment in and support for the authorised bulk water fill points is required to facilitate this.	**Safe and healthy drinking water**	Unauthorised access without appropriate controls puts safe and healthy drinking water at risk. Potential widespread illness or death due to network contamination Council investment in and support for the authorised bulk water fill points is required to meet Taumata Arowai rules.	Social wellbeing

Wellington Water

Greater Wellington Regional Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
1	Water demand for the metropolitan Councils is outstripping supply due to water loss in the network. Network water loss means water use is contrary to the principles of Te Mana o te Wai.	There will be pressure on WWL when complying with the resource consents to ensure we maintain security of supply. Consumer councils are not optimising their system in accordance with Te Mana o te Wai principles. Upgrades to existing supplies (Te Marua Water Treatment Plant) provide short term headroom and are reliant on securing sufficient water from respective sources to utilise the treatment capacity. May not be able to secure renewal of the water takes at the current volumes under the new Whaitua framework. Funding is provided in the LTP for the concept/design and consenting stages for additional raw water storage lakes at Te Marua. Funding for the balance of the project including construction is not within the LTP and is very uncertain. Evidence supports need for the lakes to be in place by mid-2030's for water take re-consenting in anticipation that take volumes will be decreased. Delivery lead time for lakes is around 10 years.	**Breaching of consents**	While managing/maintaining supply there is the potential for resource consent compliance and environment to be compromised. Due to the water loss percapita the metropolitan cities are outstripping supply. If the level of leakage was withir industry standard the supply would be sufficient to meet the metropolitan area in the short term. Even after the TM optimisation upgrade project completion, there remains a longer term dry summer risk due to high demand drawing down the lakes and the potential reduction in water take volumes from re-consenting. WWL budgets in compliance with Metropolitan Council LTPs are insufficient to mitigate the water loss and demand.
2	Current demand is placing at risk the existing assets due to lack of headroom to allow major assets to be taken off-line. Compromising the resilience of the bulk water supply. Maintenance and replacement of Bulk water meters is an example of one of many issues.	System is being operated in a manner outside of original design intent for resiliency and redundancy. System demand is impacting our ability to perform maintenance and critical inspections of infrastructure. Assets are being pushed on their operational parameters and are working harder. Capital projects are being stopped where they compromise headroom and the ability to provide safe drinking water. The mitigations for resolving water loss and reducing demand are not directly under the control of GWRC.	**Unplanned critical asset failure**	There is the potential for asset condition to be compromised as windows for maintenance shrink and is deferred. Compromised asset condition elevates the risk of failure increasing the potential for incurring significant unbudgeted costs when these assets fail. We increasingly have to operate the assets at the peak of their operational parameters to provide headroom for other plant to be taken off-line. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action.
3	Waterloo treatment plant is subject to a liquefaction in the event of high ground shaking.	Ground improvement works to reduce risk and ensure continuity of water supply are not viable. Studies have found no viable option to improve resiliency of the building. Longer term treatment plant replacement may be required. CAPEX funded project in LTP to look at long term options for the Waterloo treatment plant, including range of do nothing to full replacement of treatment plant. Indicative allowance for treatment plant replacement put forward but outside 10yr window but in 30year plans. Contingency planning for significant earthquake damaging treatment plant to be prepared.	**Unplanned critical asset failure**	Uncertainty of the seismic resilience of the treatment systems to meet 100% IL4. Which could result in interruption to supply of safe drinking water post-Wellington Fault earthquake. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action.
4	The condition of some assets at the Water Treatment Plants and Water Intakes means that there may operational disruptions and increased operational costs if the assets fail or need investment before renewal/investment is complete. Waterloo Well Pumps Waterloo Treated Water Pumps Te Marua Booster Pumps Te Marua Treatment Pumps All Water Source Intakes Macaskill Lakes water quality improvements to improve source water quality.	There is limited redundancy in some systems. Projects to optimise capacity and performance will take time to deliver. The ageing assets at the Water Treatment Plants and Water Intakes poses a risk in overall performance and ability to provide water of sufficient quality and quantity to the Metropolitan area. Most of the asset risks are currently scheduled to be addressed through capital investment which will take some time. Operating assets at or near that end of life results in an increased likelihood of breakdowns and/or service delivery failure.	**Unplanned Critical Asset Failure**	Asset condition has the potential to compromise the provision of safe drinking water. Failures of critical assets impacts the ability to provide safe and healthy water to our communities. GWRC needs to ensure that its obligations under Water Services Act carry through and are reflected in the long term plan.
5	Automatic fire suppression systems at Water Treatment Plant switchboards require investment to ensure continuity of operation in the case of a fire and meet good practice expectations.	Fire inspections highlighted that the switchboard rooms were at risk of fire and that fire suppression systems were either not in place or not considered to be fully effective. Until the mitigations are fully investigated and in place there is a low probability high consequence risk. Undertaking thermographic analysis to monitor the risk to the switchboards until the fire suppression mitigation is in place. Contingency plans required until suitable fire suppression systems are installed. Funding will be re-prioritised within the LTP once the required mitigations and corresponding investment is known.	**Unplanned Critical Asset Failure**	Investment will be re-prioritised to mitigate the risk. Potential for Council to fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action.
6	Current demand is highlighting that GWRC may not be able to provide sufficient drinking water to meet its duty of care obligations as an asset owner under the Water Services Act in the long term.	Even if we improve our leakage, further investment will be needed to ensure sustainable supply as per current growth forecasts. In the long term ensure that future supply is sufficient to meet demand. Ensure that as asset owner they have exercised their due diligence to ensure that the drinking water supplier continues to provide a sufficient quantity of water. Upgrades to existing supplies (Te Marua Water Treatment Plant) provide short term headroom and are reliant on securing sufficient water from respective sources to utilise the treatment capacity. May not be able to secure renewal of the water takes at the current volumes under the new Whaitua framework. Funding is provided in the LTP for the concept/design and consenting stages for additional raw water storage lakes at Te Marua. Funding for the balance of the project including construction is not within the LTP and is very uncertain. Evidence supports need for the lakes to be in place by mid-2030's for water take re-consenting in anticipation that take volumes will be decreased. Delivery lead time for lakes is around 10 years.	**Water supply shortage**	Not enough surety in the long term investment to guaranty security of supply (source and treatment). GWRC do not currently meet the 1:50 year drought resilience requirement. GWRC needs to ensure that its obligations under Water Services Act carry through and are reflected in the long term plan.

Wellington Water

Greater Wellington Regional Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
7	Te Marua Pump Station limits the capacity that can be achieved from the Te Marua Treatment Plant optimisation by 50%. Risk that the additional capacity is required due to high demand or unplanned failure at another treatment plant, before the pump station upgrade is able to be funded.	The Te Marua Pump Station requires an upgrade of its capacity to enable the full benefit of the Te Marua Treatment Optimisation to be realised. There is a risk that the increasing trend of leakage leads to the need for additional capacity from the treatment plant and or if there is a failure at another treatment plant requiring augmentation from Te Marua. The Te Marua Pump Station limits the amount of water that the Te Marua Treatment Plant can supply. Upgrades are funded in the LTP and programmed for completion in 2029.	**Water supply shortage**	Asset capacity has the potential to compromise the provisions of safe drinking water. Potential that investment may need to be re-prioritised to meet the capacity and resiliency requirements. GWRC needs to ensure that its obligations under Water Services Act carry through and are reflected in the long term plan.
8	Seismic resilience of the bulk water assets does not meet the required earthquake resiliency standard for ensuring provision of safe drinking water following a significant earthquake event. Mechanical and Electrical Plant Te Marua Clarifiers Macaskill Lakes structures Intake Structures Pipe network Ngauranga Reservoir	Some seismic resilience exists at the Water Treatment plants and in discrete parts of the network, in certain areas, but overall the level of earthquake resiliency is less than standard for ensuring provision of safe drinking water following a significant earthquake event. There is funding in the LTP for seismic upgrades to mechanical and electrical plant. Further investigation is funded to establish the level of resilience of the current assets.	**Water supply shortage**	Asset resiliency has the potential to compromise the provision of safe drinking water. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action.
9	Waste stream at Wainuiomata Water Treatment Plant lacks redundancy and capacity to operate at the increased requirements caused by increased demand. A failure of the plant, prior to completion of Washplant Capacity & Quality Upgrade in 2031/32, impact the performance of the Water Treatment Plant and will eventually cause failure of provision of water.	Waste stream is limited in its capacity to meet the outputs of waste from the Water Treatment process. This compromises the capacity of the Water Treatment plant as the water plant will shut down. Consents for discharge of contaminants from the waste stream are at risk of breach due to the waste stream inability to treat. There are no back-up systems for the waste stream with single point of failure components compromising resiliency e.g. one pump, one centrifuge. There is an increased need for Wainuiomata Water Treatment plant to operate all year round due to the high demand and reduction in system headroom. Full upgrade of waste stream programmed for 2031/32.	**Water supply shortage**	Washplant Capacity & Quality Upgrade project may need to be delivered earlier than currently planned, to mitigate the risk. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action.
10	Waterloo Water Treatment Plant and Hutt City Council Water Network does not meet the new regulatory requirements for chlorine contact due to cross connections off bulk water main.	Cross connections from the bulk water supply to Hutt City network were historically maintained open to boost network pressures. New Water Services Act Assurance Rules have increased the requirements for chlorine contact which cannot be achieved through the current configuration without closing the cross connections or significant upgrade to treatment process. WWL have initiated studies into the required upgrades to meet the regulation and study to confirm drinking water is safe. Network asset investment is required by Hutt City Council, funding is yet to be confirmed.	**Compliance with regulations**	Risk of potential non-compliance with regulations. Time and investment from Hutt City Council is required to ensure that the regulations can be met. Potential that additional investment may be required to upgrade treatment plant if network upgrades cannot be achieved within acceptable timeframes i.e., regulator driven.
11	The system is not yet able to reliably meet regulatory requirements for Fluoride due to lack of redundant systems and asset reliability.	Health and Safety of the handling and storage of fluoride at sites needs to be resolved. Investment is required to meet regulatory standard and my need to be prioritised. Redundancy of the temporary and existing systems. Single point failure of critical components means that when maintenance is requited or an asset fails the provision of fluoride from the site ceases. Investment is required to meet regulatory standard and my need to be prioritised. Resilient and reliable fluoridation system is a requirement of the regulator. Investment is required to meet regulatory standard and my need to be prioritised. Investment is allocated in the LTP in 2027 - 2029 for improvements to the regional fluoride dosing system. The distribution configuration to provide fluoridated and un-fluoridated water (Petone) means that as times the regulatory requirements cannot be met. This configuration issue has the potential to impact the delivery of the regional improvements.	**Compliance with regulations**	Asset condition and resiliency has the potential to compromise the provision of fluoride. Council will fail in their duty of care under the Health and Safety and Health Regulations and are vulnerable to regulatory action. Investment may need to be re-prioritised to mitigate the risk if performance does not meet regulatory requirements.

Wellington Water

Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Item	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
1	There is not enough capacity at the Seaview WWTP to meet full compliance when major maintenance is needed.	The design of the plant means that part of the capacity has to be taken out of service to carry out major maintenance. While this is happening it is not possible to maintain full compliance during wet weather flows. There is no funding in the LTP to increase the redundancy of the plant.	**Treatment of wastewater**	Treatment capacity cannot be ensured due to inadequate redundancy. There will be periods of non-compliance when maintenance activities carried out.
2	The condition of the Seaview WWTP assets means that there will continue to be compliance issues until the funded renewals are complete.	The ageing assets in Seaview WWTP poses a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks are currently being addressed through capital renewal which will take some time and are subject to funding availability. Reliable consent compliance will likely be to achieved when these asset renewals are complete. Operating plant at or near end of life results in an increased likelihood of breakdowns and/or compliance failure. The Seaview plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets both capacity and compliance requirements. This means investment is required in the short term. The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work.	**Treatment of Wastewater**	Treatment cannot be ensured due to the condition of the assets. There will be periods of non-compliance until the renewals are complete.
3	There is a potential that the community expectations of the odour mitigation at Seaview WWTP are not met within the funded LTP project scope.	The work scoped in the funded LTP project focusses on the largest potential odour sources at Seaview WWTP. We are aware that the community may have expectations greater than that which is required to be achieved under the consented activity. This may lead to a further need for investment to upgrade odour management activities. Current condition of assets means that more odour is being generated by those end of life assets, which in turn exacerbates the overall odour issue at the plant.	**Treatment of Wastewater**	Risk of non-compliance until the project is complete. May need to consider further investment.
4	Wastewater Treatment plant and wastewater network vulnerable to climate change.	Investment is being made in strategic planning for an adaptive approach to climate change. The outcomes of which may require further investment to implement.	**Treatment of Wastewater**	May need to consider further investment.
5	Reconsenting the overflow from Seaview to Waiwhetū Stream is more complex due to changes in the NRP and the increased frequency of discharges both wet and dry weather (joint failures).	There has been an increased frequency of wet weather discharges due to changes in the network operation combined with growth and rainfall patterns. Changes in the network operations are focussed on reducing environmental impact through network overflows which has re-directed the impact to the treatment plant. The cumulative number of discharges from Seaview is exceeding the consentable number and is forecast to increase due to growth. There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather. The Waiwhetū overflow is the largest consenting issue at the Seaview WWTP. Active conversation underway with Mana whenua with a focus on the long term solutions.	**Treatment of Wastewater**	Investment will be required to meet the environmental and consent requirements.
6	Seaview long outfall pipe - the frequency of joint leaks / failures is unpredictable leading to a variable increase in OPEX spend and environmental impact. Capacity constraints due to the pipe condition is leading to more frequent treated discharges to the Waiwhetū Stream. This impacts the Waiwhetū consent issue.	There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather. Pre-implementation (option assessments, consent strategy, and early design) to start in 2024/25. Options assessment will determine the funding requirements for the next LTP. Construction is unfunded in the current 10yr LTP. The 18km pipeline was commissioned in 1962. Its max. operating pressure has been lowered twice to reduce rubber ring joint failures, occurring since commissioning. As flows to the plant increase, treated overflows frequency has increased due to the pipeline capacity limitations.	**Unplanned critical three waters asset failure**	Parts of the long outfall pipe fail with no notice causing environmental and cultural impact. Investment may be required to meet the environmental and consent requirements.
7	Sludge dryer at Seaview WWTP is nearing end of life. It is causing increased maintenance costs and the maintenance regime is meaning it is getting close to not being able to meet the demand for sludge drying.	Capital investment is planned in this LTP with target completion mid 2028. Sludge will need to be disposed to landfill for planned or unplanned maintenance, this causes odour issues and is not preferred by the landfill operator. This increases OPEX costs. The sludge dryer is the largest Seaview WWTP investment required. The dryer is also close to its design capacity and will require replacement to accommodate projected growth. One of the key objectives of the project is that the replacement dryer has lower carbon emissions, with the existing natural gas being the largest single source emission in Council control.	**Unplanned critical three waters asset failure**	Condition of assets impacting the ability to deliver sludge treatment potentially leading to consent non-compliance.
8	Erosion occurring on the Hutt River potentially undermining 825mm bulk wastewater pipeline adjacent Taita rock.	River bank is eroding away and is potentially going to undermine the wastewater main that services Upper Hutt, Manor Park and part of Stokes Valley. No funding in LTP to address this risk.	**Unplanned critical three waters asset failure**	Assets located in unstable environments failure may lead to environmental and cultural impact. Investment may need to be re-prioritised to ensure the level of service is maintained.
9	Reservoirs condition means they are vulnerable to contamination. There are a number of reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure.	There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding. The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk. Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis. This increases the risk of contamination of water supply. LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated. Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding required. Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.	**Unplanned critical three waters asset failure**	Asset condition has the potential to compromise the provision of safe drinking water. WWL budgets in compliance with the LTP have areas of insufficient funding to maintain, operate and repair assets. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.

Wellington Water

Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Item	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
10	Significant and growing renewals back log in water and wastewater due to age profile and condition of pipe materials.	Aging infrastructure, leakage, blockages / overflows, seepage. Condition assessment is difficult. Capex spend does not address the backlog. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt critical regional infrastructure, the general public and disrupt services to a range of customers e.g. SH2, Rail corridor etc Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks and damage over time.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure.
11	System deterioration (water, waste, stormwater), e.g. leaks, inflow and infiltration, means that the assets have to work harder than they are designed for.	The assets life is reduced with the flow on effect being an increase in failures. The whole of life is reduced leading to additional investment above what would be normally expected. There is no funding in the LTP to account for the system deterioration impact.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the system deterioration impact which leads to more failures over time. Potential loss of service to customers for significant periods of time.
12	Pump stations are at risk of failure due to the backlog of renewals, known condition and funding constraints.	Pump stations have a range of components including many with shorter e.g. 15 year life, requiring on-going investment to keep up in reliable operation. The current capex spend does not address the required investment and there is a backlog of renewals specifically in the mechanical and electrical components. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Some critical components have long lead times to replace when they fail which does compromise the resiliency of the pump station and increases operational costs. Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt services to customers e.g. reservoirs draining, overflows to the environment, properties flooded. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. property flooding, loss of water.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the asset renewal backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure e.g. flooding
13	Stormwater network is not resilient to flooding nor climate change the network is under capacity and is degrading with growth and climate change impacting customers and the environment.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the stormwater assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. Growth has increased the risk over time reducing the capacity of the system and increasing operational costs with new infrastructure. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time. The frequency and extremity of storm events will increase over time as a result of climate change rendering the network less able to deal with extreme events. Flooding / stormwater flow causing damage to pipes, creating voids, causing slips and impacting health and safety and causing legal liability and decline in customer satisfaction. Investment in the stormwater network will not address the long-term impacts of climate change if adaptation is no introduced and the required mitigations are taken into account e.g. managed retreat. Risk the when the stormwater asset fails and we do not have a strategic plan for what the most effective renewal is.	**Unplanned critical three waters asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure and on-going issues e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Potential for impact on response times and a disconnect between customer expectations and service delivery. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
14	Drinking Water network safety, performance and resiliency is compromised due to poor condition of assets and underinvestment in operational activities and asset renewals.	Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased contamination risk and less reliable when needed during incidents. e.g. backflow prevention, unauthorised access to fire hydrants, pressure management, critical valve maintenance Lack of investment in monitoring and investigations means the maturity and accuracy of water measurement is heavily constrained. This means we are not able to confidently calculate water loss. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time. Renewals and upgrade funding is constrained which will limit opportunities to address fire flow deficiencies. There is no dedicated funding to target parts of the network that have specific issues with meeting fire fighting requirements. As growth develops in these areas the number of properties exposed increases.	**Unplanned critical asset failure**	Parts of the network will fail with no notice causing a loss of supply and the potential to compromise provision of safe drinking water. Council will incur significant unbudgeted costs when these assets fail. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action. Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.

Wellington Water

Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Item	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
15	Wastewater networks resiliency is compromised due to poor condition of asset and underinvestment in maintenance and renewals.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the waste assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time.	**Unplanned critical asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
16	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by HCC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events are not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.	**Unplanned critical asset failure**	Insufficient OPEX to maintain current levels of service. Council will incur significant unbudgeted costs when these unexpected events occur.
17	We are unable to meet mana whenua and the community expectations to control contaminant discharges e.g. wastewater and stormwater overflows	Very low funding for growth projects and level of service improvements to meeting environmental water quality improvement expectations. Investment in network renewals is not to the level recommended to reduce the issues which cause contaminant discharges. The way that growth is permitted exacerbates the issue.	**Unplanned critical asset failure**	The continued discharges of wastewater contaminants discharging into the environment.
18	Water demand for Hutt City is outstripping supply due to water loss in the network and growth. High proportion of high-risk materials for ongoing leakage (Likely to either be leaking or leaking in the near future.) i.e., >90% of the galvanised watermains in the region. ~ 110km of galvanised pipe. Network water loss means water use is contrary to the principles of Te Mana o te Wai.	Demand driven by network age and condition, water loss, private side water loss and growth. Resourcing constraints are impacting the ability to mitigate / reduce the loss (metering, data, backlog ,etc.). Operational funding for finding and fixing leaks is constrained. Aging network and increasing renewals backlog is compounding the leakage issue. Despite increasing funding for leak repairs the issue will be ongoing because of the growing leak backlog. HCC have invested in reducing the backlog, however water loss management requires sustained an on-going funding into the future.	**Water supply shortage**	Condition of the network impact's ability to supply sufficient water to customers. Demand outpaces supply capacity and Level 3 restrictions or worse are required for the region during summer. Cost of additional source capacity for the region is significant. WWL budgets in compliance with the LTP which highlight areas of insufficient funding to maintain, operate and repair assets. The increasing reactive leak repair costs impacts on other proactive maintenance work.
19	Existing reservoir storage insufficient for design standards (including fire storage) with growth adding to the demand and reducing the storage further.	Storage in the reservoirs is insufficient to provide supply for significant network outages and is a risk during peak demand periods. This increases the operational risk. In the current funding environment growth will go ahead of upgrades of reservoir capacity meaning a shortfall in reservoir storage and potential customer impact over time. There is no current defined minimum level of service. Allowing continued new connections and developments will degrade the existing capacity. This is also driving undesirable operational outcomes in the form of temporary storage provided by developers in the form of tank farms. The Eastern Hills reservoir programme will commence in 2026/27 and once complete (estimated 3-4yrs) will significantly reduce this risk.	**Water supply shortage**	Results in more operational costs impacting maintenance budgets with consequential potential for reduction in levels of service. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
20	There is inadequate investment to ensure provision of safe drinking water supplies after a significant earthquake event.	Some seismic resilient storage exists, in certain zones, but overall the quantity of storage across the city is below the level of storage required. There is insufficient funding to make seismic improvements to critical water assets.	**Water Supply Shortage**	Asset resiliency has the potential to compromise the provision of safe drinking water.
21	Coastal stormwater outfalls experiencing sea level rise resulting in increased sedimentation and need for more frequent clearing. Coastal outfalls are causing flooding on Jackson Street with no physical solution to fix.	The OPEX budgeted provided by HCC does not include adequate allowance for the costs of responding to sea level rise. Response to maintain levels of service are not optional and result in un-forecasted pressures on the OPEX budget. Foreshore is changing and impacting the functionality of outlets.	**Operational funding**	Increasing pressures from climate change and sea level rise will impact ability to meet levels of service. There is no agreed level of service that will be provided.
22	Wastewater Network Discharge Consent & Global Stormwater consent	The wastewater network discharge consent and global stormwater consent may require all necessary interventions to be delivered earlier than currently planned. The costs to deliver the necessary interventions to meet these consents may be greater than expected, noting the interventions and associated costs are currently indicative. Mana whenua expectations around reducing frequency of discharge to the environment are higher than currently budgeted for. Regional Council Regulatory frameworks and Council funding models are currently considered unworkable. There is currently a 4.7billion dollar gap across the region between Council investment and GWRC assessment of economic evaluation. There is no certainty that the investment assessed by the Regional Council will achieve the targets that have been set. WWL are assessing the most effective mitigations to achieve the environmental outcomes, these may not align with the Regional Councils funding assessment nor priorities.	**Compliance with regulations**	Additional investment will be required to meet the future resource consent requirements. There are a number of interventions that could be pursued to mitigate the risk of regulatory non-compliance with 2040 standards. There is currently no operational funding to pursue these mitigations. i.e. Plan change hearings, seek changes / variations, work with Regional Council officers. Operational funding to support the activity is constrained which means we may not be able to lodge / support an effective consent application process and carry out the supporting technical analysis.

Wellington Water

Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Item	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
23	Waterloo Water Treatment Plant and Hutt City Council Water Network does not meet the new regulatory requirements for chlorine contact due to cross connections off bulk water main, until related remediation proejcts are deleiverd by the end of 2025.	Cross connections from the bulk water supply to Hutt City network were historically maintained open to boost network pressures. Water Services Act / Drinking Water Quality Assurance Rules have increased the requirements for chlorine contact which cannot be achieved through the current configuration without closing the cross connections or significant upgrade to treatment process. LTP includes funding in 2024/25 into the required upgrades to meet the regulation and study to confirm drinking water is safe. The bacteria compliance criteria compliance criteria are forecasted to be met from the end of 2025 once related initiatives that'll increase the contact time for chlorine with water leaving the Waterloo Water Treatment Plant are delivered.	**Compliance with regulations**	Risk of potential non-compliance with regulations until related projects are delivered by the end of 2025
24	There is limited ability to control the impact private property asset condition has on the Council networks. The enforcement powers and policy packages e.g. by-laws are constrained.	Private assets are failing at a similar rate to the public assets impacting the environment and contributing to the asset risk e.g. inflow and infiltration into stormwater and wastewater networks, leakage of water. There have been targeted improvements at finding the private faults but resolutions are difficult with constrained enforcement powers held by Wellington Water.	**Compliance with regulations**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. Private property asset condition has the potential to compromise the provision of safe drinking water. Private property asset condition exacerbates the continues discharges of wastewater contaminants discharging into the environment.

Wellington Water

Upper Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
1	Pinehaven Stream stormwater improvements - there is no certainty on the funding for the delivery of the project phases. The funding currently allocated will not meet the objectives of the Pinehaven Flood Management Plan.	Benefit realisation will not be to be met until all phases are complete. Phase 2 in delivery Phase 3 funded Phase 4 & 5 not funded. The current constraints on funding do not enable efficient delivery of the work. Consent expires in 2028. Risk that the consent expires before the works are complete. Potential that when it expires there may be a need for significant investment to re-consent. Not funded to deliver past Phase 3. WWL require Council to decide the future direction of the works. WWL have no influence with Greater Wellington Regional Councils stormwater funding nor the specific funding agreements between UHCC and GWRC. The private property access and reinstatement agreements with the impacted parties have expired and will require significant work to re-instate.	**Delivery of the capital programme**	Council have not confirmed the future funding to deliver the agreed level of service. Council have not communicated with customers the funded level of service. WWL are unable to deliver past Phase 3 due to no confirmed funding for the remaining phases.
2	Operational budgets are insufficient for maintenance and operation of network assets and proactive condition assessment. (Monitoring and investigations, planned maintenance and reactive maintenance.)	There are a number of known network assets that are operating at or near capacity. Budgets have increased but this still will not cover planned maintenance and will not cover planned nor unexpected events. WWL response focusses on responding to customer impact rather than reducing the impact on the customer through investigations and preventative actions. The OPEX budget provided has resulted in a number of preventative maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of reactive maintenance activities that have been reduced or deferred. The OPEX budget provided has resulted in a number of investigation and monitoring activities that have been reduced or deferred. Everything we do in stormwater and wastewater is responding to customer complaints and issues is reactive. Planned maintenance funding allocation is primarily focussed on wastewater wet well cleaning, open drain mowing and maintenance. Very simple focussed works. Asset deterioration risk increases due to the lack of planned maintenance.	**Operational funding**	Insufficient OPEX funding to maintain current levels of service. UHCC has not agreed a level of service that will be provided within the agreed budget. Communication to customers on the reduced level of service is unknown. Known defects in the network cause customer impact at several locations. Insufficient OPEX to maintain current levels of service. WWL budgets in compliance with the LTP highlight insufficient funding to carry out preventative maintenance on the networks leading to taking a run-to-failure approach on pump stations, the risk of contamination at service reservoirs, the potential for increased flooding and an increase in wastewater network and pump station overflows. WWL budgets in compliance with the LTP highlight insufficient funding to carry out monitoring and investigations on the networks leading to consent breaches, human health risks, the potential for increased wastewater overflows and the limited ability to inform the forward capital works programme. WWL budgets in compliance with the LTP highlight insufficient funding to carry out reactive maintenance on the networks leading to the potential for repeat visits due to wastewater and stormwater blockages, the increased risk of overflows to the environment, the increase in the non-urgent backlog of work and water loss from the network to increase.
3	Water demand for Upper Hutt City is outstripping supply due to water loss in the network and growth. Network water loss means water use is contrary to the principles of Te Mana o te Wai. The expected backlog of repairs and water loss is projected to increase.	Demand driven by network age and condition, water loss, private side water loss and growth. Resourcing constraints are impacting the ability to mitigate / reduce the loss with the expected backlog of repairs and water loss projected to increase. (metering, data, backlog ,etc.). Operational funding for finding and fixing leaks is constrained. Aging network and increasing renewals backlog is compounding the leakage issue. Despite increasing funding for leak repairs the issue will be ongoing because of the growing leak backlog. UHCC have limited investment in reducing the backlog, water loss management requires sustained an on-going funding into the future. There is no investment in the LTP for water metering. Some operational funding has been provided for the business case. There is no funding for implementation.	**Water supply shortage**	Condition of the network impact's ability to supply sufficient water to customers. Demand outpaces supply capacity and Level 3 restrictions or worse are required for the region during summer. Cost of additional source capacity for the region is significant. WWL budgets in compliance with the LTP which highlight areas of insufficient funding to maintain, operate and repair assets. The increasing reactive leak repair costs impacts on other proactive maintenance work.
4	Existing reservoir storage insufficient for design standards (including fire storage) with growth adding to the demand and reducing the storage further.	Storage in the reservoirs is insufficient to provide supply for significant network outages and is a risk during peak demand periods. This increases the operational risk. In the current funding environment growth will go ahead of upgrades of reservoir capacity meaning a shortfall in reservoir storage and potential customer impact over time. There is no current defined minimum level of service. Allowing continued new connections and developments will degrade the existing capacity. This is also driving undesirable operational outcomes in the form of temporary storage provided by developers in the form of tank farms.	**Water supply shortage**	Results in more operational costs impacting maintenance budgets with consequential potential for reduction in levels of service. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
5	There is inadequate investment to ensure provision of safe drinking water supplies after a significant earthquake event.	Some seismic resilient storage exists, in certain zones, but overall the quantity of storage across the city is below the level of storage required. There is insufficient funding to make seismic improvements to critical water assets.	**Water Supply Shortage**	Asset resiliency has the potential to compromise the provision of safe drinking water.

Wellington Water

Upper Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
6	There is limited ability to control the impact private property asset condition has on the Council networks. The enforcement powers and policy packages e.g. by-laws are constrained.	Private assets are failing at a similar rate to the public assets impacting the environment and contributing to the asset risk e.g. inflow and infiltration into stormwater and wastewater networks, leakage of water. There have been targeted improvements at finding the private faults but resolutions are difficult with constrained enforcement powers held by Wellington Water.	**Compliance with regulations**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. Private property asset condition has the potential to compromise the provision of safe drinking water. Private property asset condition exacerbates the continues discharges of wastewater contaminants discharging into the environment.
7	Wastewater Network Discharge Consent & Global Stormwater consent	The wastewater network discharge consent and global stormwater consent may require all necessary interventions to be delivered earlier than currently planned. The costs to deliver the necessary interventions to meet these consents may be greater than expected, noting the interventions and associated costs are currently indicative. Mana whenua expectations around reducing frequency of discharge to the environment are higher than currently budgeted for. Regional Council Regulatory frameworks and Council funding models are currently considered unworkable. There is currently a 4.7billion dollar gap across the region between Council investment and GWRC assessment of economic evaluation. There is no certainty that the investment assessed by the Regional Council will achieve the targets that have been set. WWL are assessing the most effective mitigations to achieve the environmental outcomes, these may not align with the Regional Councils funding assessment nor priorities.	**Compliance with regulations**	Additional investment will be required to meet the future resource consent requirements. There are a number of interventions that could be pursued to mitigate the risk of regulatory non-compliance with 2040 standards. There is currently no operational funding to pursue these mitigations. i.e. Plan change hearings, seek changes / variations, work with Regional Council officers. Operational funding to support the activity is constrained which means we may not be able to lodge / support an effective consent application process and carry out the supporting technical analysis.
8	System deterioration (water, waste, stormwater), e.g. leaks, inflow and infiltration, means that the assets have to work harder than they are designed for.	The assets life is reduced with the flow on effect being an increase in failures. The whole of life is reduced leading to additional investment above what would be normally expected. There is no funding in the LTP to account for the system deterioration impact. Interventions to mitigate customer impact have proven to be unable to be undertaken due to condition of asset.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the system deterioration impact which leads to more failures over time. Potential loss of service to customers for significant periods of time.
9	Pump stations are at risk of failure due to the backlog of renewals, known condition and funding constraints.	Pump stations have a range of components including many with shorter e.g. 15 year life, requiring on-going investment to keep up in reliable operation. The current capex spend does not address the required investment and there is a backlog of renewals specifically in the mechanical and electrical components. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Some critical components have long lead times to replace when they fail which does compromise the resiliency of the pump station and increases operational costs. Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt services to customers e.g. reservoirs draining, overflows to the environment, properties flooded. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. property flooding, loss of water.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the asset renewal backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure e.g. flooding
10	Unexpected events including severe weather events, result in OPEX budget exceedance or reduction in maintenance activities.	The OPEX budgeted provided by UHCC does not include adequate allowance for the costs of responding to unexpected events including severe weather and asset failure events. Response to events are not optional and result in un-forecasted pressures on the OPEX budget. Funding of incident/emergency events from reactive opex/capex budgets impacts maintenance and renewal activity funding and leads to deferral of other critical activities. No funding within budgets to respond to unexpected events.	**Unplanned critical asset failure**	Insufficient OPEX to maintain current levels of service. Council will incur significant unbudgeted costs when these unexpected events occur.
11	Reservoirs condition means they are vulnerable to contamination. There are a number of reservoirs that are reaching the end of life and have condition issues. This makes them vulnerable to having contamination issues and increased risk of structural failure.	There is the potential that several reservoirs may be compromised in the life of the LTP due to the optimisation of the funding. This leads to the potential for a contamination event or structural failure that may require reprioritisation of funding. The funding constraints means that the renewal of reservoirs is not ideally aligned to the level of risk. Ageing reservoir assets require increasing levels of operational maintenance in an ongoing basis. This increases the risk of contamination of water supply. LTP is funding the remediation of contamination risk. There will be a residual risk until the contamination is remediated. Regulatory requirements include the need for a Water Storage Management Plan which may mean additional funding is required. Renewals of individual reservoirs are a significant investment requirement i.e. tens of millions.	**Unplanned critical three waters asset failure**	Asset condition has the potential to compromise the provision of safe drinking water. WWL budgets in compliance with the LTP have areas of insufficient funding to maintain, operate and repair assets. Failures of critical assets impacts the ability to provide safe and healthy water to our communities.
12	Significant and growing renewals back log in water and wastewater due to age profile and condition of pipe materials. Western Hills main sewer under RiverLink is an example of a very high critical asset which has emerged as requiring urgent attention due to condition and will be a risk until the works are completed.	Aging infrastructure, leakage, blockages / overflows, seepage. Condition assessment is difficult. Capex spend does not address the backlog. Assets may fail before planned renewal. Funding will need to re-prioritised as assets fail with knock on impacts to the overall programme of renewals (more reactive approach). Reprioritisation causes impacts to customers and inefficiency. Assets have the potential to disrupt critical regional infrastructure, the general public and disrupt services to a range of customers. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time, blockages.	**Unplanned critical three waters asset failure**	Results in more operational costs impacting maintenance budgets with consequential reduction in levels of service e.g. less leaks repaired, more blockages. CAPEX spend is insufficient to address the backlog which leads to more failures over time. Potential loss of service to customers for significant periods of time. Impact on customers through potential for property damage due to asset failure.

Wellington Water

Upper Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
13	We are unable to meet mana whenua and the community expectations to control contaminant discharges e.g. wastewater and stormwater overflows	Very low funding for growth projects and level of service improvements to meeting environmental water quality improvement expectations. Investment in network renewals is not to the level recommended to reduce the issues which cause contaminant discharges. The way that growth is permitted exacerbates the issue.	**Unplanned critical asset failure**	The continued discharges of wastewater contaminants discharging into the environment.
14	Wastewater networks resiliency is compromised due to poor condition of asset and underinvestment in maintenance and renewals.	Lack of investment in asset renewals program leading to reducing levels of service as the condition of the waste assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased public health and environmental risk and less reliable when needed during incidents. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. slips, leaks, overflows and damage over time.	**Unplanned critical asset failure**	Parts of the network fail with no notice causing loss of service and public health and environmental risk. Council will incur significant unbudgeted costs when these assets fail. Impact on customers through potential for property damage due to asset failure e.g. overflows, slips Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
15	Drinking Water network safety, performance and resiliency is compromised due to poor condition of assets and underinvestment in operational activities and asset renewals.	Lack of investment in asset renewals programme leading to reduced levels of service as the condition of the water assets degrade at a rate exceeding the renewal rate leading to an increase in required operational interventions (and cost) to fix asset failures and other resulting asset issues. As growth goes ahead of asset investment the risk is exacerbated. This may lead to connections being declined or coming at a high cost. Historical deferral and lack of planned maintenance across all asset funding leading to decreased maintenance on critical operational assets meaning that the network operability decreases, is less resilient, increased contamination risk and less reliable when needed during incidents. e.g. backflow prevention, unauthorised access to fire hydrants, pressure management, critical valve maintenance Lack of investment in monitoring and investigations means the maturity and accuracy of water measurement is heavily constrained. This means we are not able to confidently calculate water loss. Funding of incident/emergency events from reactive opex/capex budgets impacting maintenance and renewal leads to deferral of other critical activities. Potential for damage to third party property impacting health and safety and causing legal liability and decline in customer satisfaction. e.g. leaks and damage over time. Renewals and upgrade funding is constrained which will limit opportunities to address fire flow deficiencies. There is no dedicated funding to target parts of the network that have specific issues with meeting fire fighting requirements. As growth develops in these areas the number of properties exposed increases. Interventions to mitigate customer impact have proven to be unable to be undertaken due to condition of asset.	**Unplanned critical asset failure**	Parts of the network will fail with no notice causing a loss of supply and the potential to compromise provision of safe drinking water. Council will incur significant unbudgeted costs when these assets fail. Council will fail in their duty of care to provide sufficient drinking water under the Water Services Act and are vulnerable to regulatory action. Insufficient OPEX to maintain current levels of service. Insufficient OPEX funding to maintain the assets. Local growth related development is constrained or thwarted.
16	Erosion occurring on the Hutt River potentially undermining 825mm bulk wastewater pipeline adjacent Taita rock.	River bank is eroding away and is potentially going to undermine the wastewater main that services Upper Hutt, Manor Park and part of Stokes Valley. No funding in LTP to address this risk.	**Unplanned critical three waters asset failure**	Assets located in unstable environments failure may lead to environmental and cultural impact. Investment may need to be re-prioritised to ensure the level of service is maintained.
17	Seaview long outfall pipe - the frequency of joint leaks / failures is unpredictable leading to a variable increase in OPEX spend and environmental impact. Capacity constraints due to the pipe condition is leading to more frequent treated discharges to the Waiwhetū Stream. This impacts the Waiwhetū consent issue.	There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather. Pre-implementation (option assessments, consent strategy, and early design) to start in 2024/25. Options assessment will determine the funding requirements for the next LTP. Construction is unfunded in the current 10yr LTP. The 18km pipeline was commissioned in 1962. Its max. operating pressure has been lowered twice to reduce rubber ring joint failures, occurring since commissioning. As flows to the plant increase, treated overflows frequency has increased due to the pipeline capacity limitations.	**Unplanned critical three waters asset failure**	Parts of the long outfall pipe fail with no notice causing environmental and cultural impact. Investment may be required to meet the environmental and consent requirements.
18	Sludge dryer at Seaview WWTP is nearing end of life. It is causing increased maintenance costs and the maintenance regime is meaning it is getting close to not being able to meet the demand for sludge drying.	Capital investment is planned in this LTP with target completion mid 2028. Sludge will need to be disposed to landfill for planned or unplanned maintenance, this causes odour issues and is not preferred by the landfill operator. This increases OPEX costs. The sludge dryer is the largest Seaview WWTP investment required. The dryer is also close to its design capacity and will require replacement to accommodate projected growth. One of the key objectives of the project is that the replacement dryer has lower carbon emissions, with the existing natural gas being the largest single source emission in Council control.	**Unplanned critical three waters asset failure**	Condition of assets impacting the ability to deliver sludge treatment potentially leading to consent non-compliance.
19	There is not enough capacity at the Seaview WWTP to meet full compliance when major maintenance is needed.	The design of the plant means that part of the capacity has to be taken out of service to carry out major maintenance. While this is happening it is not possible to maintain full compliance during wet weather flows. There is no funding in the LTP to increase the redundancy of the plant.	**Treatment of wastewater**	Treatment capacity cannot be ensured due to inadequate redundancy. There will be periods of non-compliance when maintenance activities carried out.

Wellington Water

Upper Hutt City Council Active Risk Dashboard

LTP Advice 2024

Purpose: Articulation to Councils risks that Wellington Water are not resourced to control and the alignment to Wellington Water overarching risks.

Risk ID	Issue	Circumstances	WWL Overarching Risk	Overarching Risk Context
20	The condition of the Seaview WWTP assets means that there will continue to be compliance issues until the funded renewals are complete.	The ageing assets in Seaview WWTP poses a significant risk in the plant's overall performance and compliance with the resource consents. Most of the asset risks are currently being addressed through capital renewal which will take some time and are subject to funding availability. Reliable consent compliance will likely be to achieved when these asset renewals are complete. Operating plant at or near end of life results in an increased likelihood of breakdowns and/or compliance failure. The Seaview plant has come to a time in its asset life where major renewals and operational intervention is required to ensure it meets both capacity and compliance requirements. This means investment is required in the short term. The lack of asset redundancy means that maintenance and renewal is complex and compliance risk increases as treatment capacity is reduced during renewal work.	**Treatment of Wastewater**	Treatment cannot be ensured due to the condition of the assets. There will be periods of non-compliance until the renewals are complete.
21	There is a potential that the community expectations of the odour mitigation at Seaview WWTP are not met within the funded LTP project scope.	The work scoped in the funded LTP project focusses on the largest potential odour sources at Seaview WWTP. We are aware that the community may have expectations greater than that which is required to be achieved under the consented activity. This may lead to a further need for investment to upgrade odour management activities. Current condition of assets means that more odour is being generated by those end of life assets, which in turn exacerbates the overall odour issue at the plant.	**Treatment of Wastewater**	Risk of non-compliance until the project is complete. May need to consider further investment.
22	Wastewater Treatment plant and wastewater network vulnerable to climate change.	Investment is being made in strategic planning for an adaptive approach to climate change. The outcomes of which may require further investment to implement.	**Treatment of Wastewater**	May need to consider further investment.
23	Reconsenting the overflow from Seaview to Waiwhetū Stream is more complex due to changes in the NRP and the increased frequency of discharges both wet and dry weather (joint failures).	There has been an increased frequency of wet weather discharges due to changes in the network operation combined with growth and rainfall patterns. Changes in the network operations are focussed on reducing environmental impact through network overflows which has re-directed the impact to the treatment plant. The cumulative number of discharges from Seaview is exceeding the consentable number and is forecast to increase due to growth. There is an increase in frequency of joint failure on the outfall pipe leading to treated discharges to Waiwhetū Stream during dry weather. The Waiwhetū overflow is the largest consenting issue at the Seaview WWTP. Active conversation underway with Mana whenua with a focus on the long term solutions.	**Treatment of Wastewater**	Investment will be required to meet the environmental and consent requirements.

Wellington Water

Our water, Our Future

Operations Report

CUSTOMER OPERATIONS GROUP

Reporting Date: 12th September 2024

GLOSSARY OF TERMS

	Acronyms
Total Recordable Injury Frequency Rate	TRIFR
Severe Injury Frequency Rate	SIFR
Case Action Management System	CAMs
Financial Year To Date	FYTD
Customer Operations Group	COG
Customer Service Request	CSR
Service Level Agreement	SLA
Department of Internal Affairs	DIA
Drinking Water	DW
Storm Water	SW
Wastewater	WW

Wellington Water

August Operations Report * - Regiona

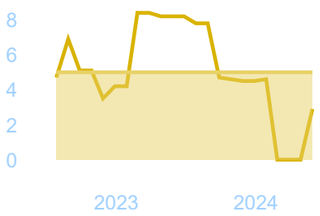
CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

0 Rolling SIFR
0 –
from prev month
Target < 10

2.9 Rolling TRIFR
0 –
from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4 ▲ from prev month	0 – from prev month	2 ▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3 ▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

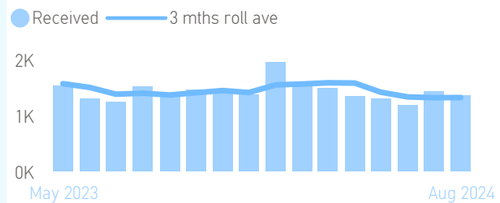
29 CAMs cases raised
29 ▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

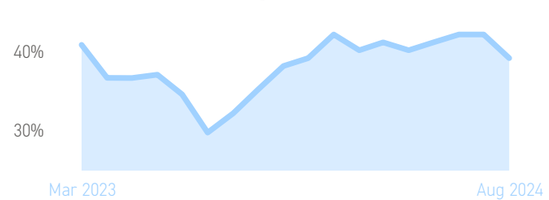
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

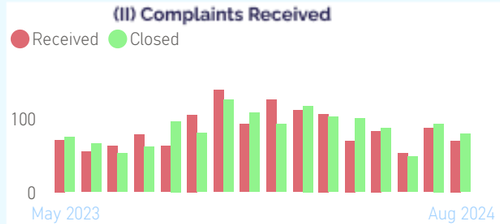
(I) Customer Service Requests



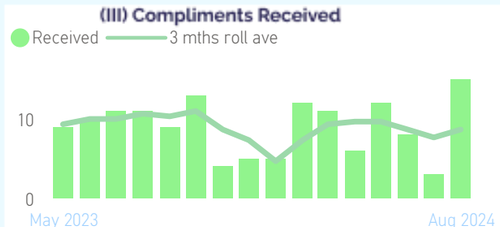
(IV) CSR Duplicate rate



(II) Complaints Received



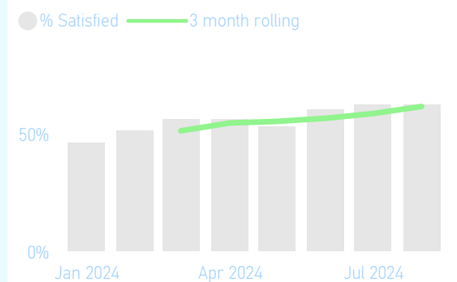
(III) Compliments Received



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II)Similarly, there were increased customer complaints received in the summer months aligning with the dry season when visible leaks prompted more reports. This trend noticeably drops off in the winter months.
(III) 15 compliments were received from customers in August
(IV) Duplicates for the region remains steady at approximately 40%.

CUSTOMER SATISFACTION

(V) Customer Satisfaction



(VI) Customer contact within 15 mins (Median)

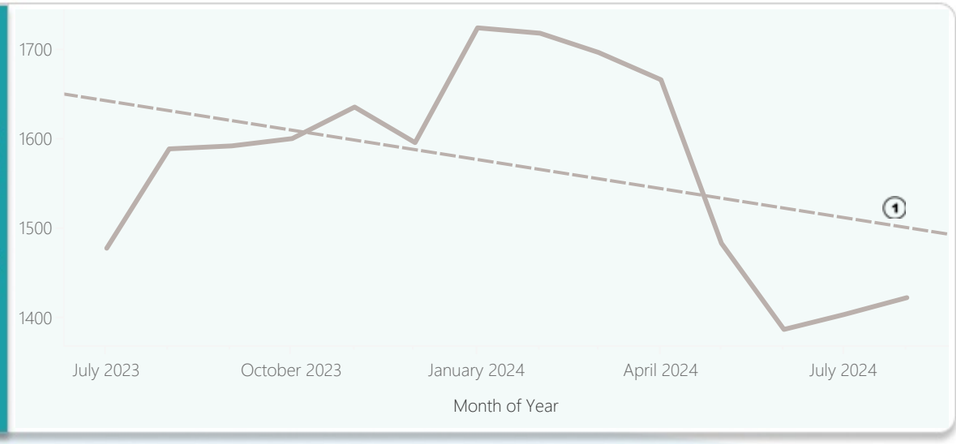
(V) The customer satisfaction rate over the past 6 months is trending up, reflecting a steady increase from 46% in January to 62% in August. Satisfaction with WWL's urgent job responses consistently remained high. Non-urgent satisfaction also saw notable improvements, rising from 38% in January to 58% in August. This positive trend is likely due to funding injections, associated resourcing and continued improvement in job management, which has significantly reduced the backlog and improved response times.
(VI) In August, the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

Wellington Water

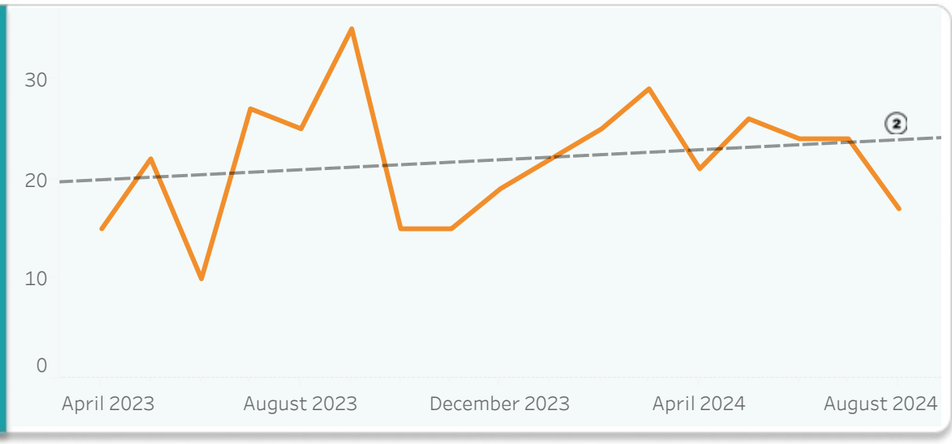
August Operations Report* - Regional

CUSTOMER OPERATIONS GROUP

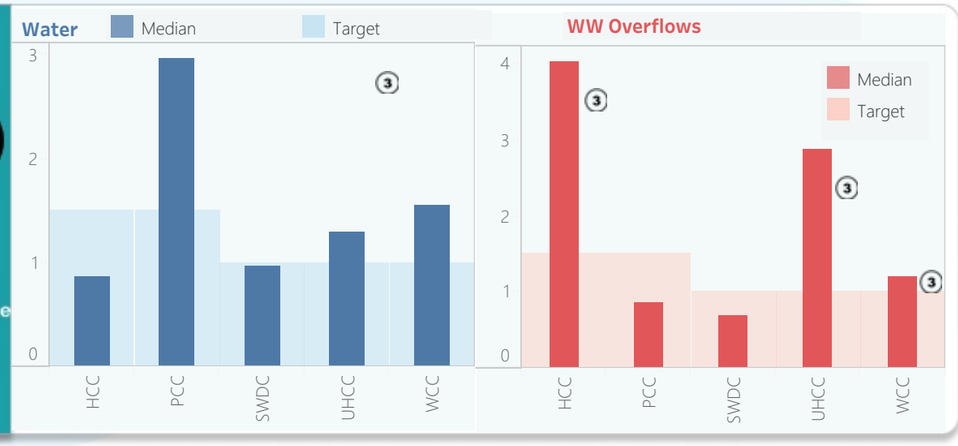
Network Faults



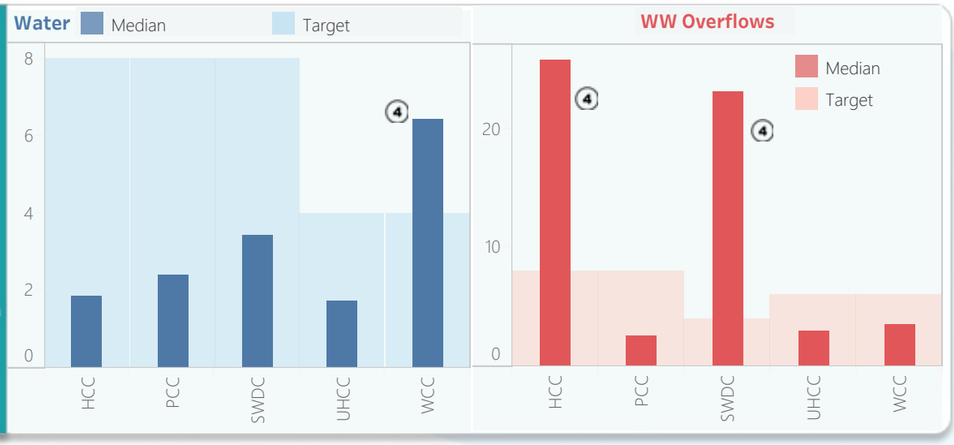
Incidents



DIA FYTD Median Attendance times - Urgent (hrs)



DIA FYTD Median Resolution times - Urgent (hrs)



Insights

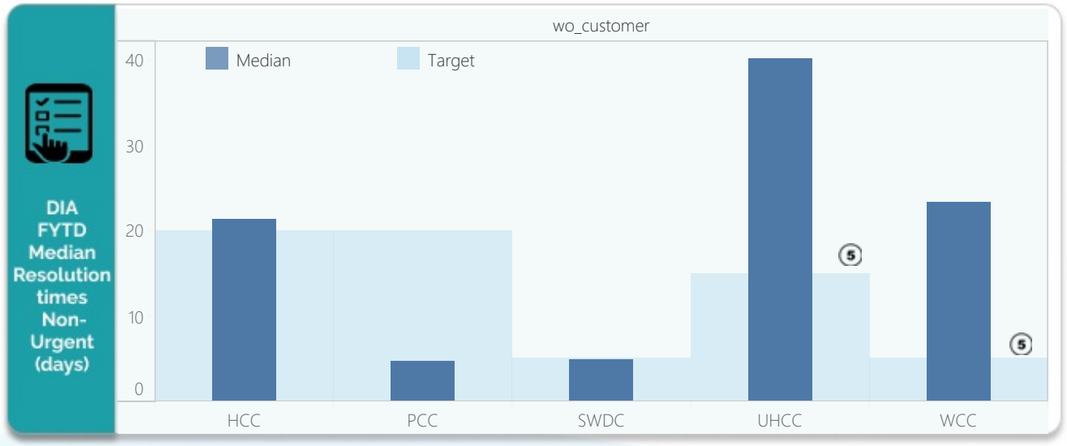
1. In the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
2. Incident Management and Planning continues to play a role this year across COG. This ongoing upward trend has a real impact on resources and our ability to manage BAU while we continue to stretch the rubber band even further.
3. Attendance within SLAs remains a challenge - UHCC and WCC for water and HCC for drainage. This is due to the SLAs not being closely tied to the fiscal envelope.
4. Progress in resolving urgent jobs remain on target across all councils, WCC remains a challenge for Drinking Water, HCC remains a challenge under drainage. This is largely attributed to work volumes and process issues - adversely impacting data accuracy. SWDC was missed in the last month due to a process issue and low volume of jobs recorded so far. We expect this to improve in the upcoming months

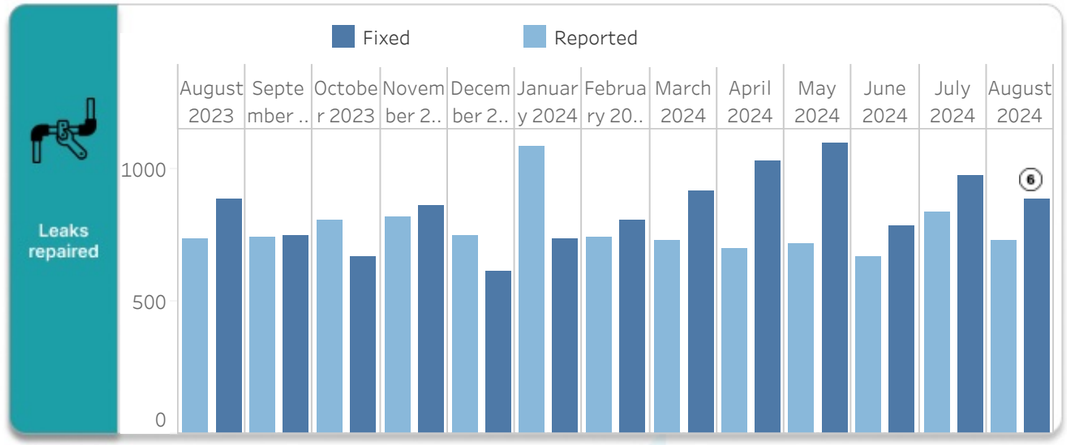
*Note that Report provides a snapshot in time. Analysis Date: 12/09/24

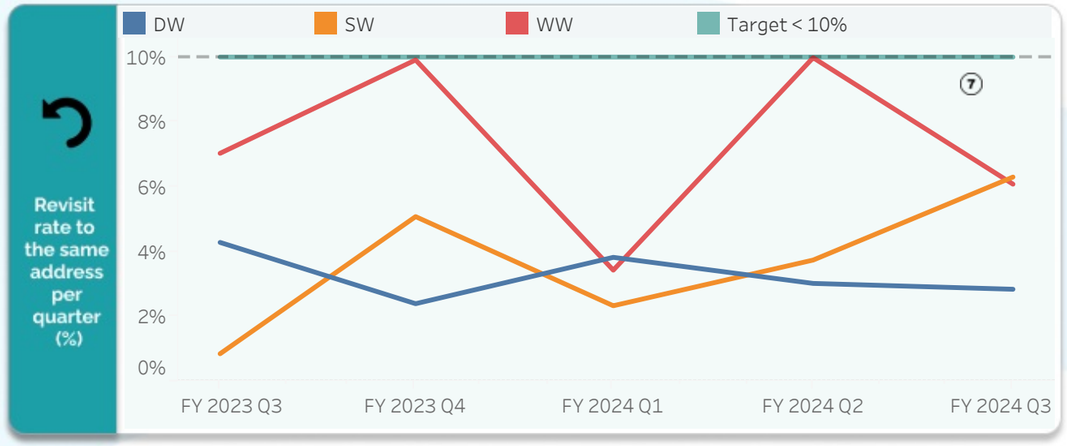
Wellington Water

August Operations Report* - Regional

CUSTOMER OPERATIONS GROUP







Insights

5 Progress in resolving non-urgent water jobs in UHCC and WCC remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff and our on-field behaviors presents its own set of challenges within reporting.

6 Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 7000 leaks.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.8% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at approximately 1780 - with a peak in January of approximately 4454. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 12/09/24

Wellington Water

August Operations Report * - WCC

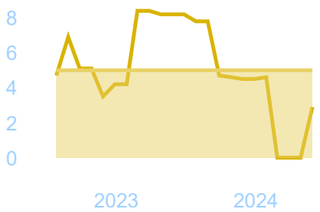
CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

0 Rolling SIFR
0 – from prev month
Target < 10

2.9 Rolling TRIFR
0 – from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4▲ from prev month	0 – from prev month	2▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

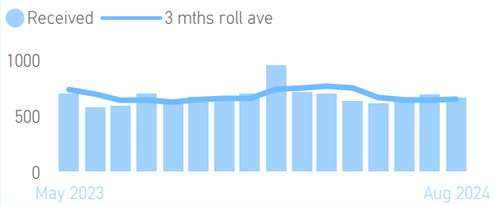
29 CAMs cases raised
29▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

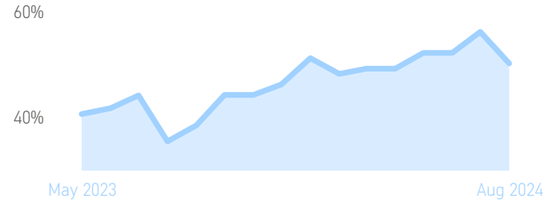
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

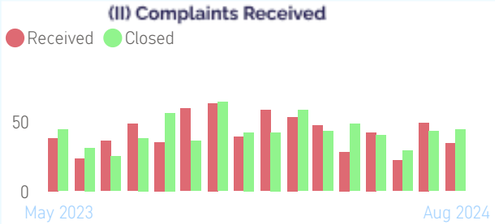
(I) Customer Service Requests



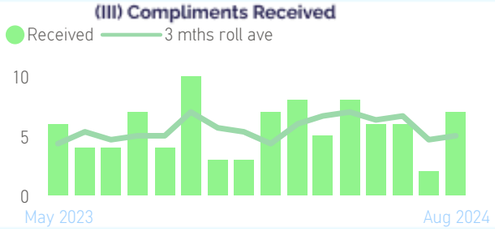
(IV) CSR Duplicate rate



(II) Complaints Received



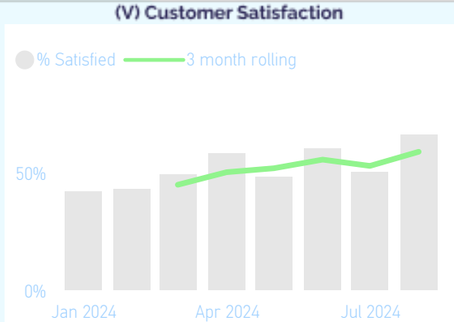
(III) Compliments Received



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II) Customer complaints decreased slightly from the previous month.
(III) 7 compliments were received from customers in August.
(IV) Duplicate rate in August for WCC remains high at 50%.

CUSTOMER SATISFACTION

(V) Customer Satisfaction



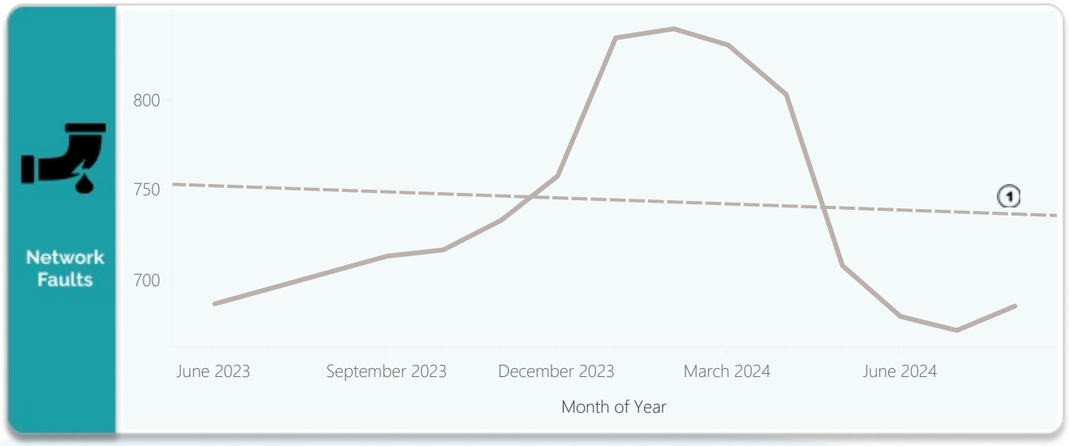
(VI) Customer contact within 15 mins (Median)

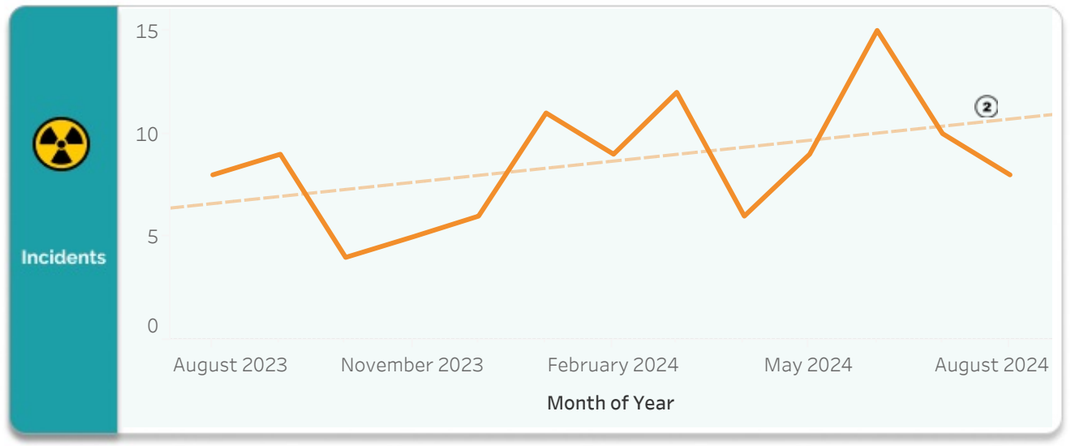
(V) The average customer satisfaction rate over the past 6 months was 55%, reflecting a steady increase from 42% in January to 66% in August. Satisfaction with WWL's urgent job responses consistently remained high, peaking at 100% in August. Non-urgent satisfaction also saw notable improvements, rising from 29% in January to 56% in August. This positive trend is likely due to funding injections, associated resourcing and continued improvement in job management, which has significantly reduced the backlog and improved response times.
(VI) In August, the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

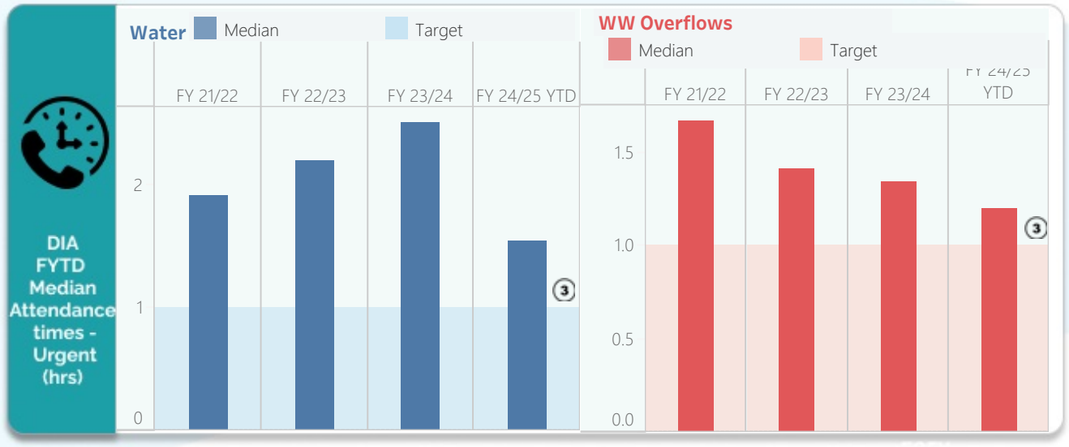
Wellington Water

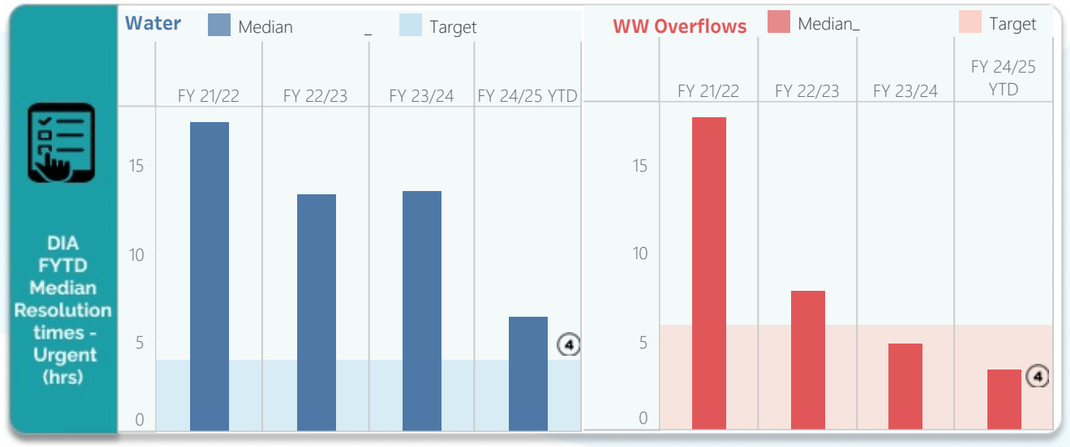
August Operations Report* - WCC

CUSTOMER OPERATIONS GROUP









Insights

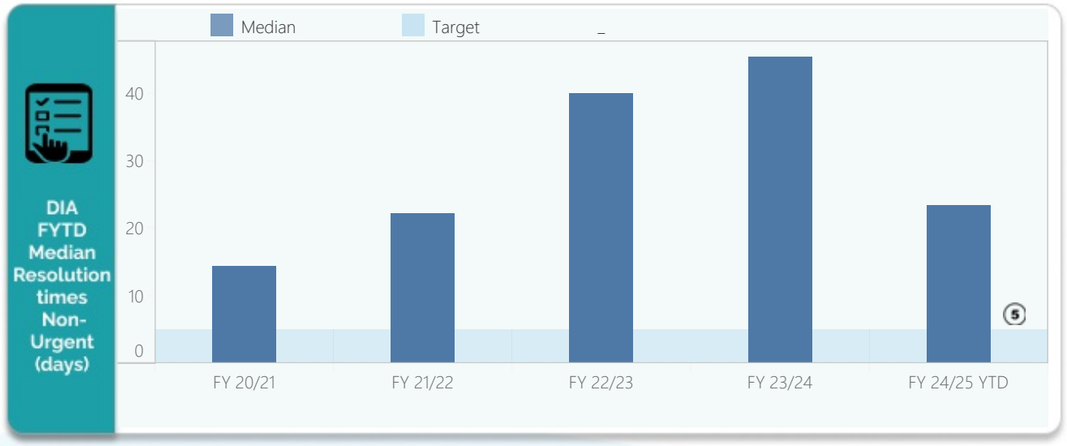
1. Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
2. Incident Management continues an upward trend over the last 12 months, further impacting on our resources and our ability to manage BAU while we continue to stretch the rubber band even further.
3. Attendance within SLAs remains a challenge. This is due to the SLAs not being closely tied to the fiscal envelope.
4. Wastewater resolution times has seen notable improvements over the past few years, currently meeting agreed-upon targets. Urgent water resolution remains a challenge. This is largely attributed to work volumes, the SLAs not being closely tied to the fiscal envelope, and process issues - adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff and our on field behaviors presents its own set of challenges within reporting.

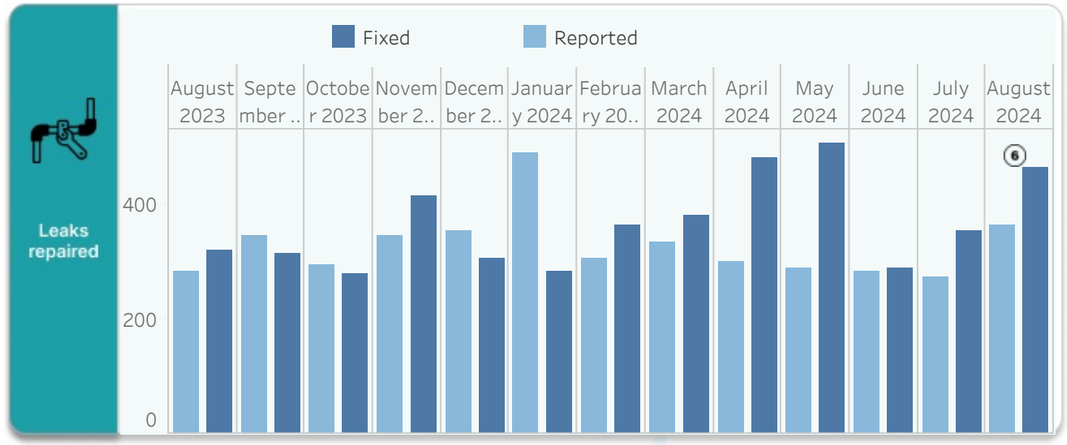
*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

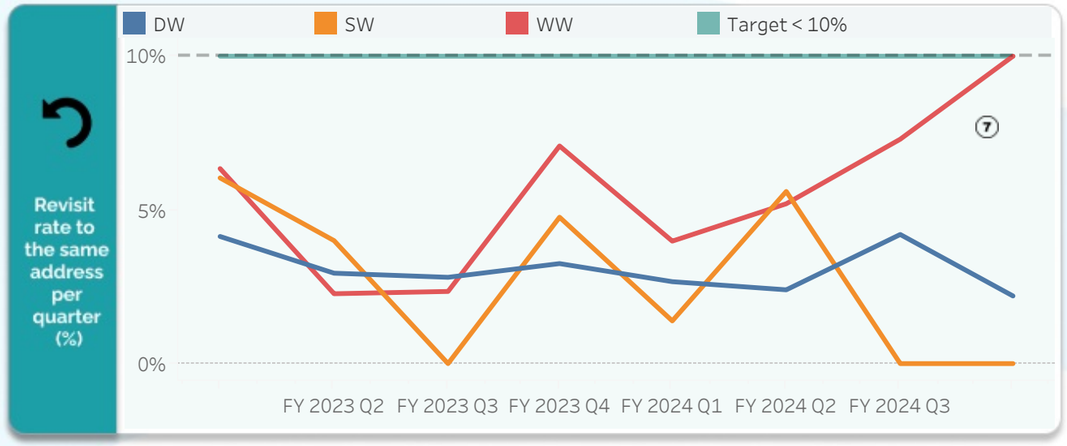
Wellington Water

August Operations Report* - WCC

CUSTOMER OPERATIONS GROUP







Insights

5 Progress in resolving non-urgent water jobs in WCC remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff presents its own set of challenges within reporting and ensuring that our on-field behaviors dont impact reporting.

6 Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 3200 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In August, we fixed over 460 leaks, a 31% increase from the previous month.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at approximately 1160 - with a peak in January of approximately 3000. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

Wellington Water

August Operations Report * - HCC

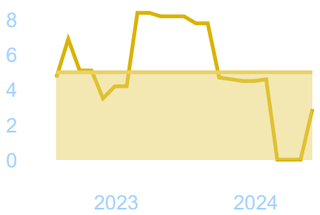
CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

0 Rolling SIFR
0 – from prev month
Target < 10

2.9 Rolling TRIFR
0 – from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4 ▲ from prev month	0 – from prev month	2 ▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3 ▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

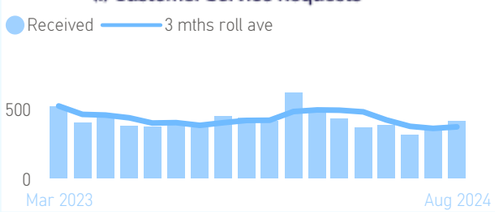
29 CAMs cases raised
29 ▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

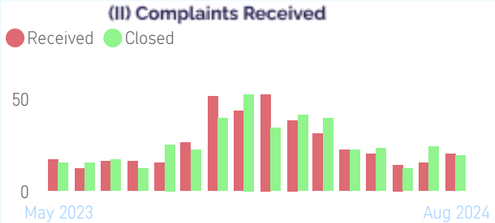
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

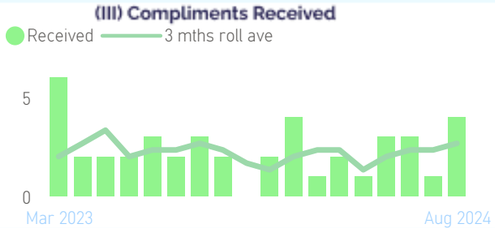
(I) Customer Service Requests



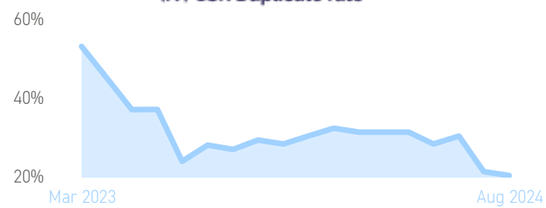
(II) Complaints Received



(III) Compliments Received



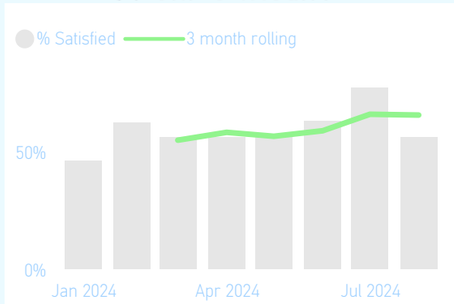
(IV) CSR Duplicate rate



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II)Similarly, there were increased customer complaints received in the summer months aligning with the dry season when visible leaks prompted more reports. This trend noticeably drops off in the winter months as seen in the last few months.
(III) 4 compliments were received in August.
(IV) Duplicates rate for HCC in August was 20% .

CUSTOMER SATISFACTION

(V) Customer Satisfaction



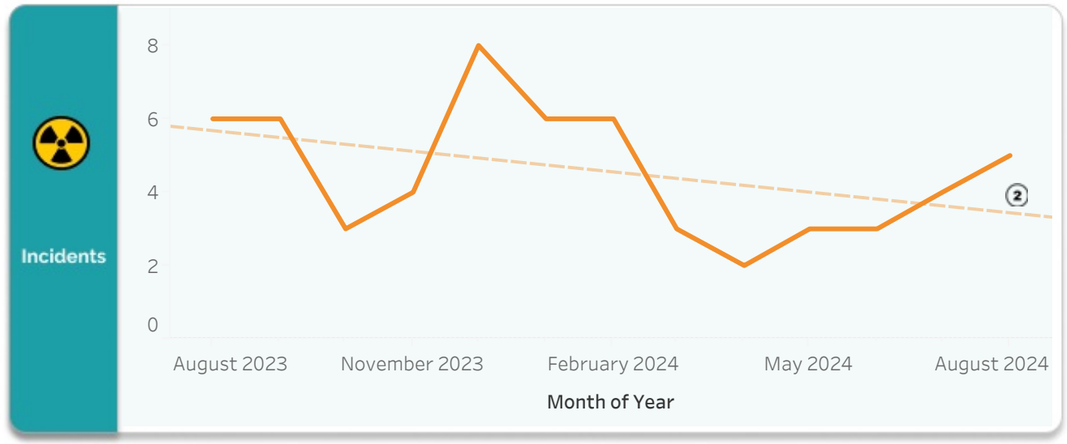
(VI) Customer contact within 15 mins (Median)

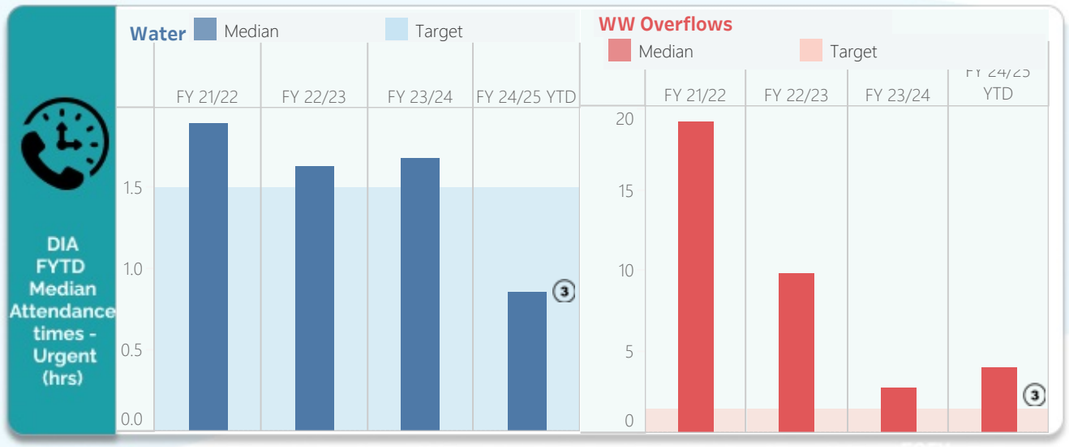
(V) The average customer satisfaction rate over the past 6 months was 61%. It increased from 46% in January to a peak of 77% in July. Satisfaction with WWL's urgent job responses remained consistently high, reaching 88% in both February and July. Non-urgent job satisfaction improved significantly increasing from 43% in January to 71% in July. This positive trend is likely attributed to increased funding, enhanced resources, and ongoing improvements in job management, which have effectively reduced backlog and improved response times for non-urgent jobs.
(VI) In August, while the prompt response time for urgent complaints dipped slightly from the previous month, we still met our KPI, contacting over 70% of customers within 15 minutes.

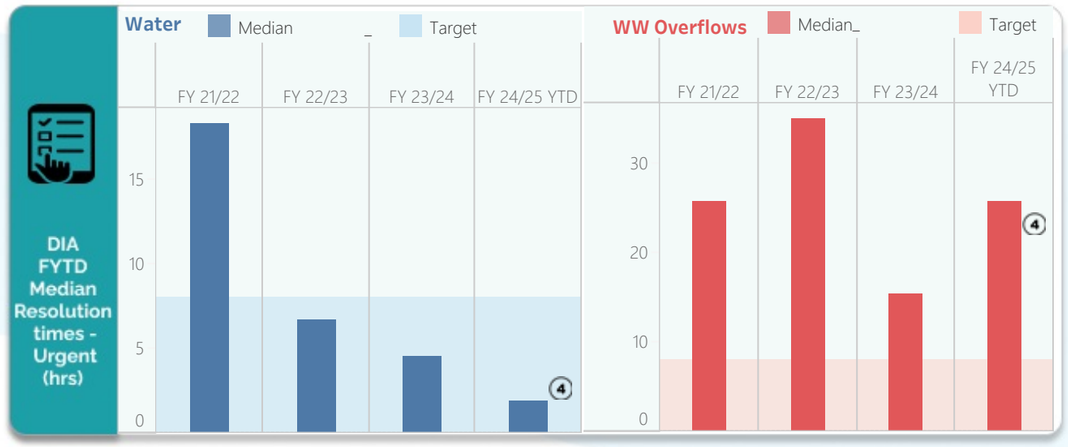
Wellington Water

August Operations Report* - HCC

CUSTOMER OPERATIONS GROUP







Insights

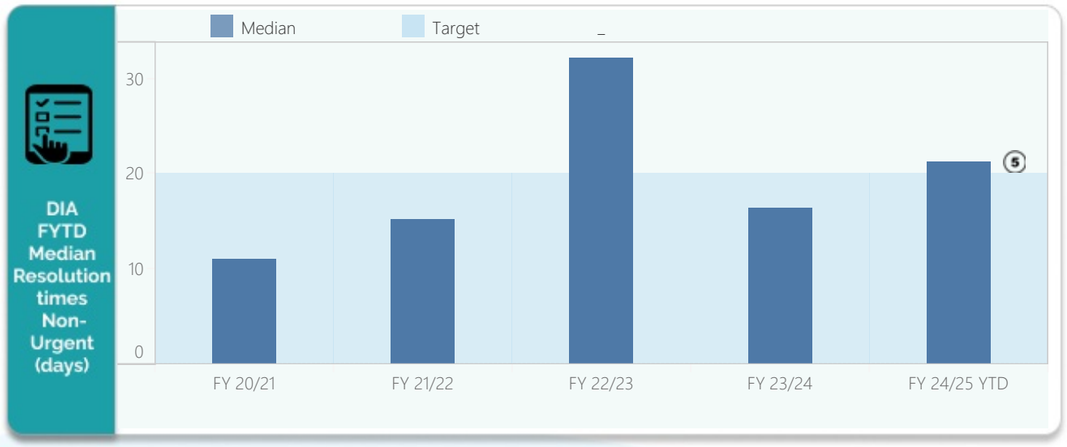
1. Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
2. Over the past 12 months, the trend shows a consistent downward momentum in Incidents reported.
3. Attendance within SLAs remains a challenge due to the SLAs not being closely tied to the fiscal envelope but have improved in drainage over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.
4. Progress in resolving urgent jobs remains a challenge for wastewater. We have encountered process issues that have negatively affected resolution times. This is primarily due to a significant portion of wastewater jobs being handled by subcontractors, leading to challenges in their onboarding.

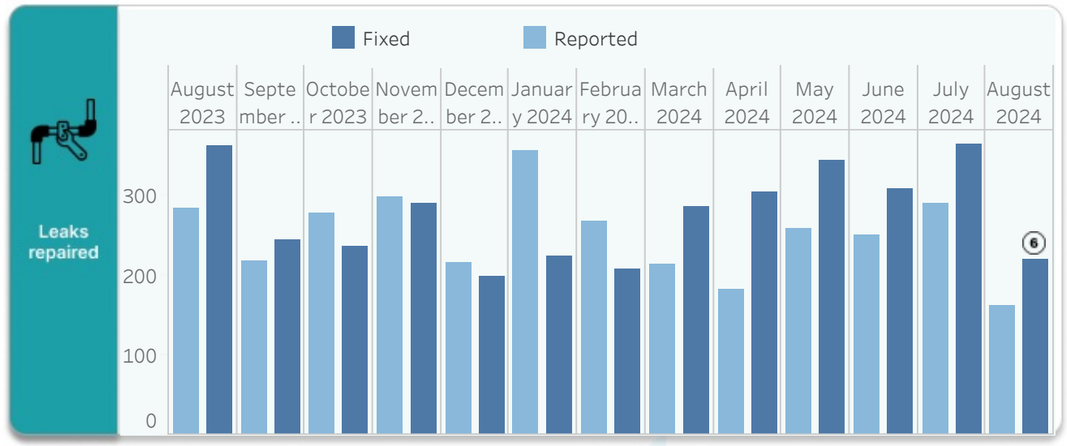
*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

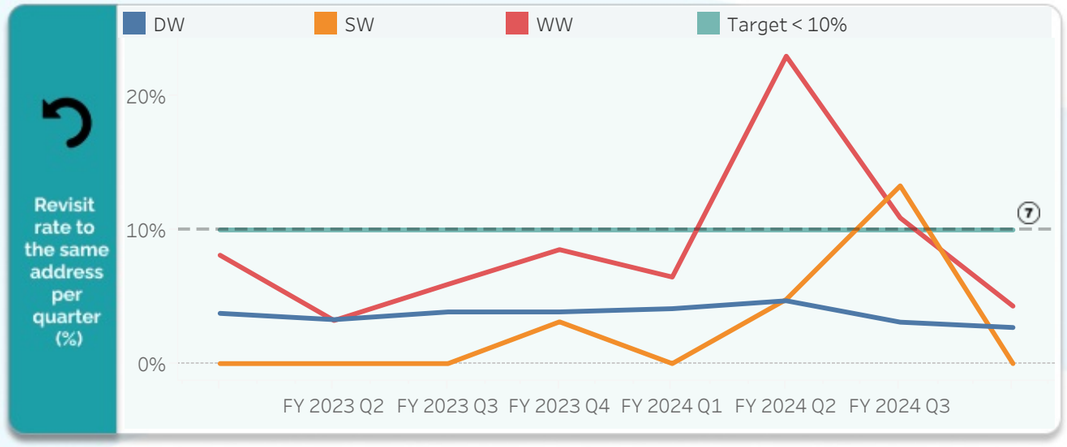
Wellington Water

August Operations Report* - HCC

CUSTOMER OPERATIONS GROUP







Insights

5 Progress in resolving non-urgent water jobs is slightly off track but we expect to be on target in the coming months.

6 Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 2300 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In August, we fixed 221 leaks, a decrease from the previous month.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at approximately 370 - with a peak in January of approximately 1000. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

Wellington Water

August Operations Report * - PCC

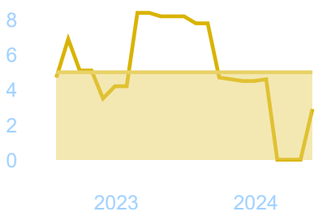
CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

0 Rolling SIFR
0 – from prev month
Target < 10

2.9 Rolling TRIFR
0 – from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4▲ from prev month	0 – from prev month	2▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

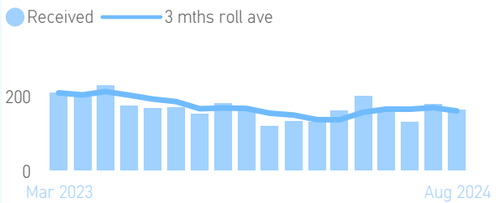
29 CAMs cases raised
29▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

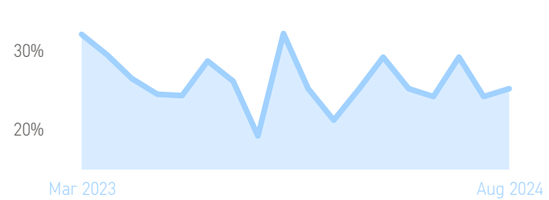
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

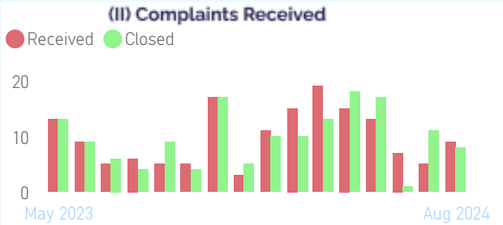
(I) Customer Service Requests



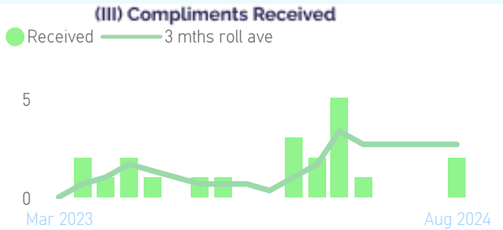
(IV) CSR Duplicate rate



(II) Complaints Received



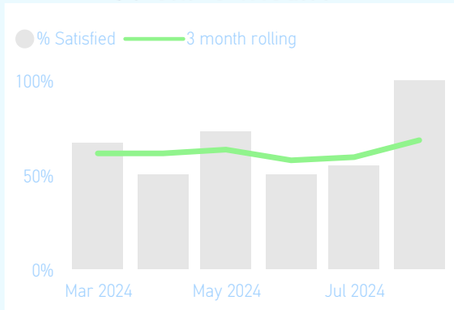
(III) Compliments Received



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II)Similarly, there were increased customer complaints received in the summer months aligning with the dry season when visible leaks prompted more reports. This trend noticeably drops off in the winter months as seen in the past few months..
(III) 2 compliments were received in July.
(IV) Duplicates rate for August was 25%. This is an increase of 1% from the previous month.

CUSTOMER SATISFACTION

(V) Customer Satisfaction



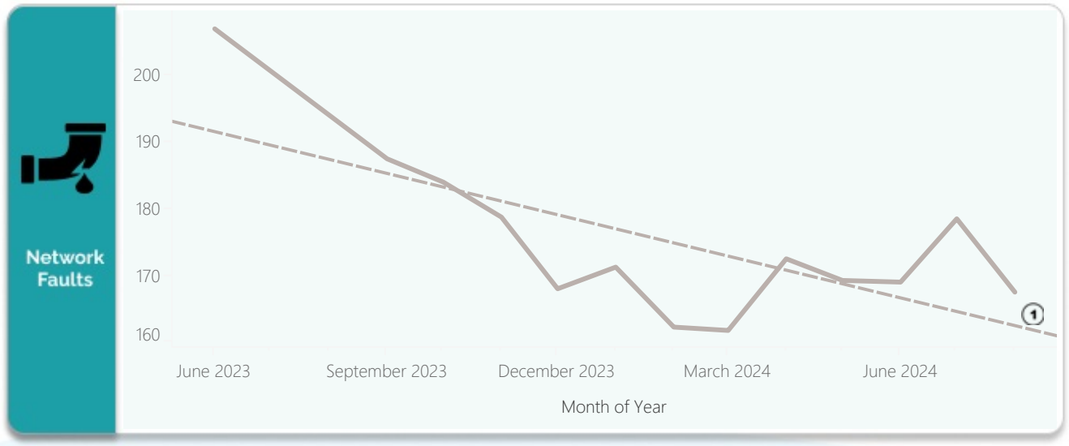
(VI) Customer contact within 15 mins (Median)

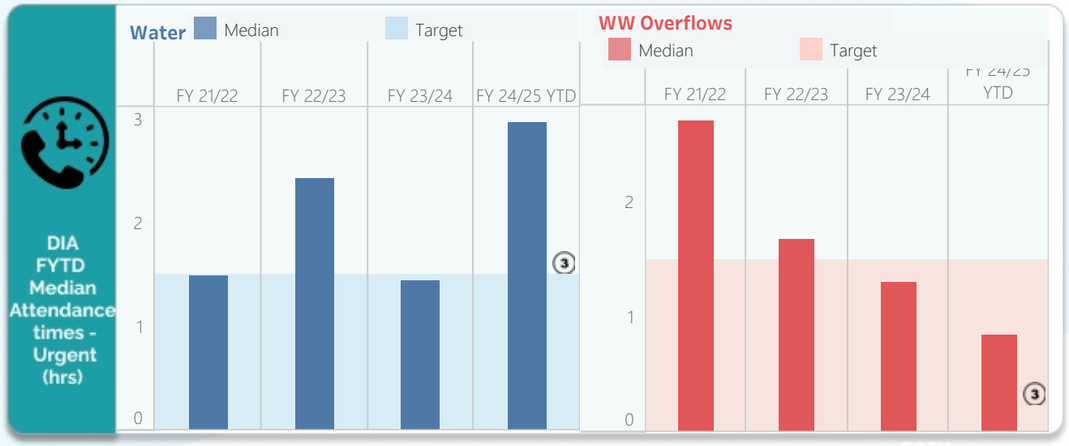
(V) The average satisfaction rate over the last 6 months was 66%. Customer satisfaction with WWL's urgent job responses remained consistently high, reaching 100% in May. Satisfaction with non-urgent job responses also showed steady improvement, averaging 67% in recent months.
(VI) In August, while the prompt response time for urgent complaints dipped slightly from the previous month, we still met our KPI, contacting over 70% of customers within 15 minutes.

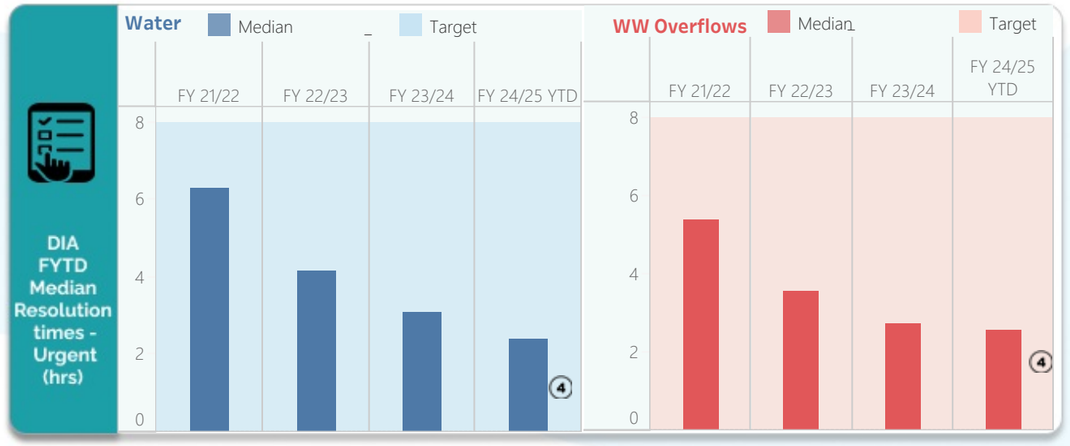
Wellington Water

August Operations Report* - PCC

CUSTOMER OPERATIONS GROUP







Insights

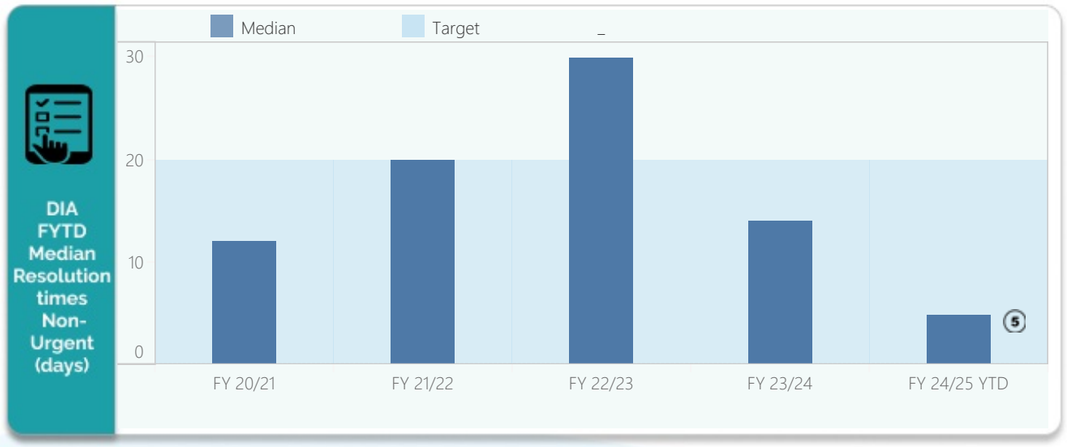
1. Over the past 12 months, the trend shows a consistent downward momentum in Network Faults.
2. Over the past 12 months, the trend shows a slightly downward momentum in Incidents reported
3. Progress in responding to urgent jobs is on track for wastewater.
4. Progress in resolving urgent jobs is on track.

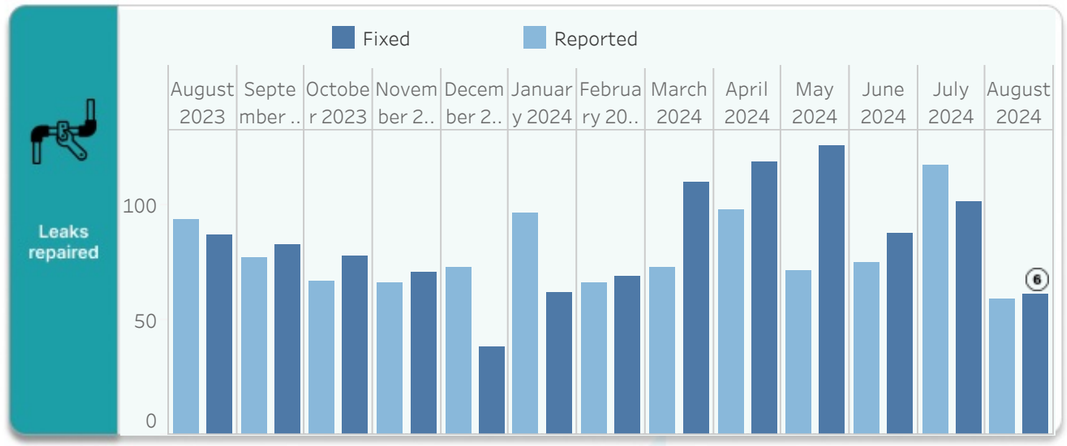
*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

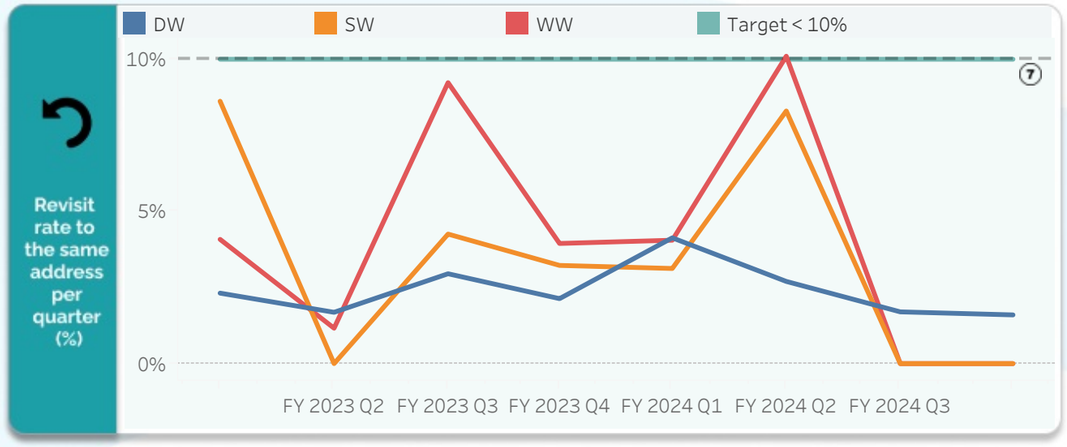
Wellington Water

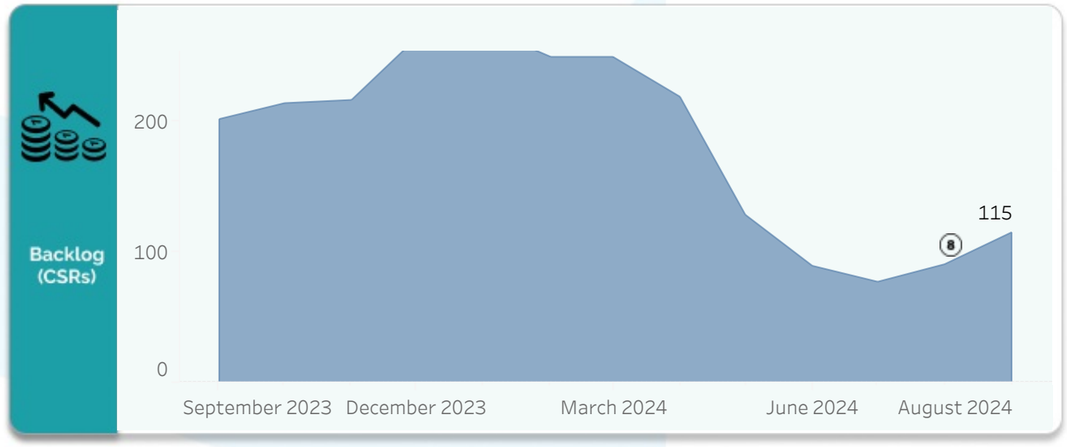
August Operations Report* - PCC

CUSTOMER OPERATIONS GROUP









Insights

5 Progress in resolving non-urgent water jobs is on track.

6 Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 750 leaks. Additionally, we have reinstated approximately 59% of those leaks requiring permanent reinstatement. In August, we fixed over 61 leaks, a decrease from the previous month.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at approximately 115 - with a peak in January of approximately 250. Since then, we have observed a decline, attributed to funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

Wellington Water

August Operations Report * - UHCC

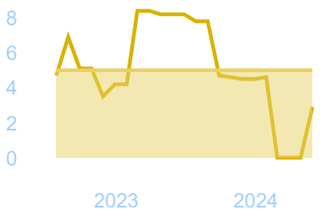
CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

0 Rolling SIFR
0 – from prev month
Target < 10

2.9 Rolling TRIFR
0 – from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4▲ from prev month	0 – from prev month	2▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

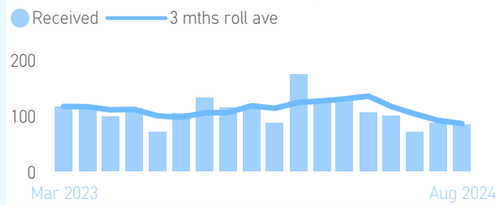
29 CAMs cases raised
29▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

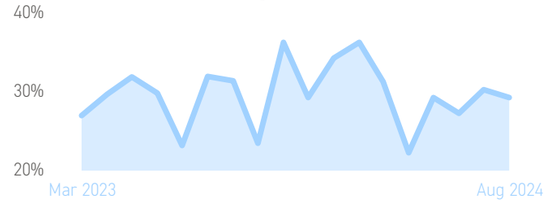
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

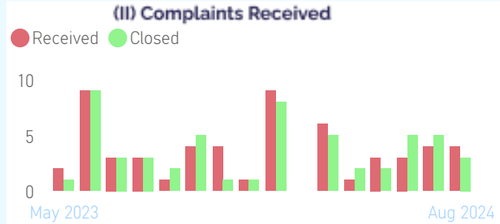
(I) Customer Service Requests



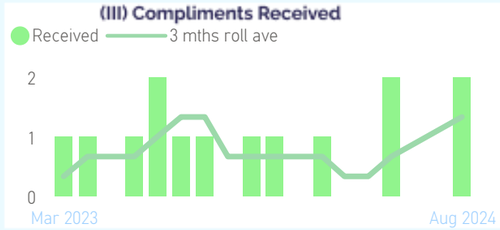
(IV) CSR Duplicate rate



(II) Complaints Received



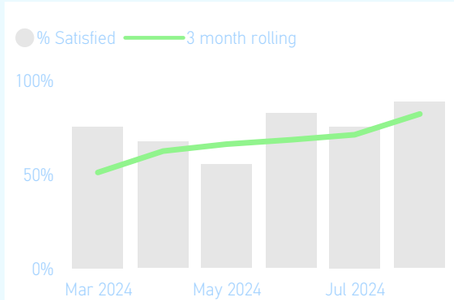
(III) Compliments Received



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II)Similarly, there were increased customer complaints received in the summer months aligning with the dry season when visible leaks prompted more reports. This trend noticeably drops off as we move into the wetter months, as observed from April. This pattern is expected to continue until the return of the summer season.
(III) 2 compliments were received in August.
(IV) In August, duplicates rate was 30%. This is a decrease of 1% from the previous month.

CUSTOMER SATISFACTION

(V) Customer Satisfaction



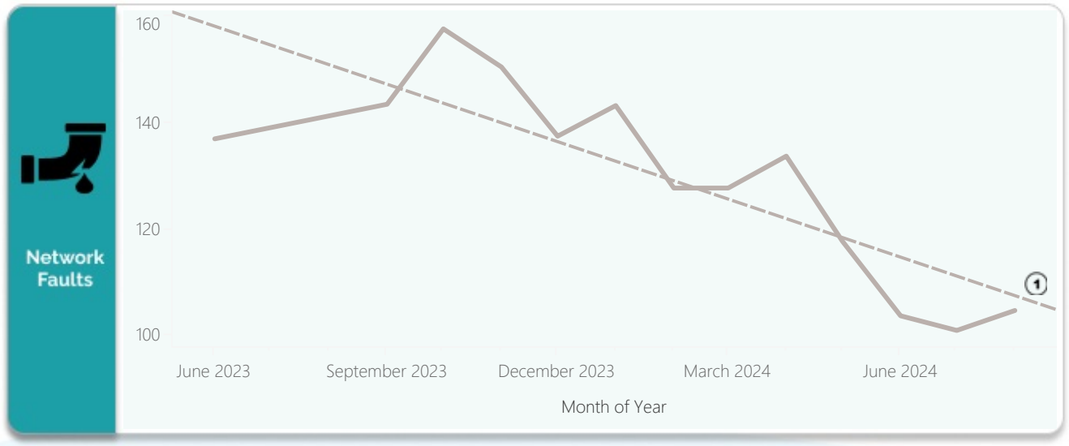
(VI) Customer contact within 15 mins (Median)

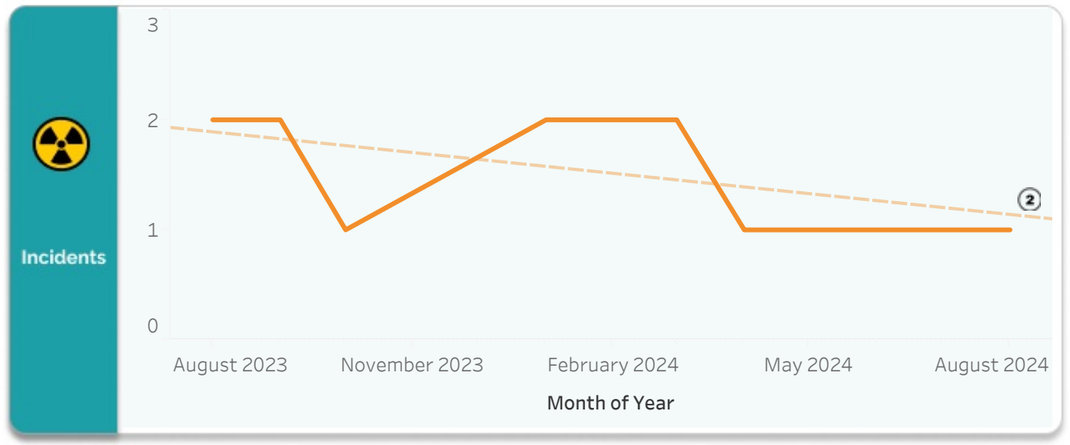
(V) The average customer satisfaction rate over the past 6 months was 68% increasing from 33% in January to 88% in August. Satisfaction with WWL's urgent job responses remained consistently high. Non-urgent job satisfaction showed steady improvements increasing from 43% in January to 100% in July. This positive trend is likely attributed to increased funding, enhanced resources, and ongoing improvements in job management, which have effectively reduced backlog and improved response times for non-urgent jobs.
(VI) In August, the prompt response to urgent complaints, contacting customers within 15 minutes continued its upwards trend remaining well above target.

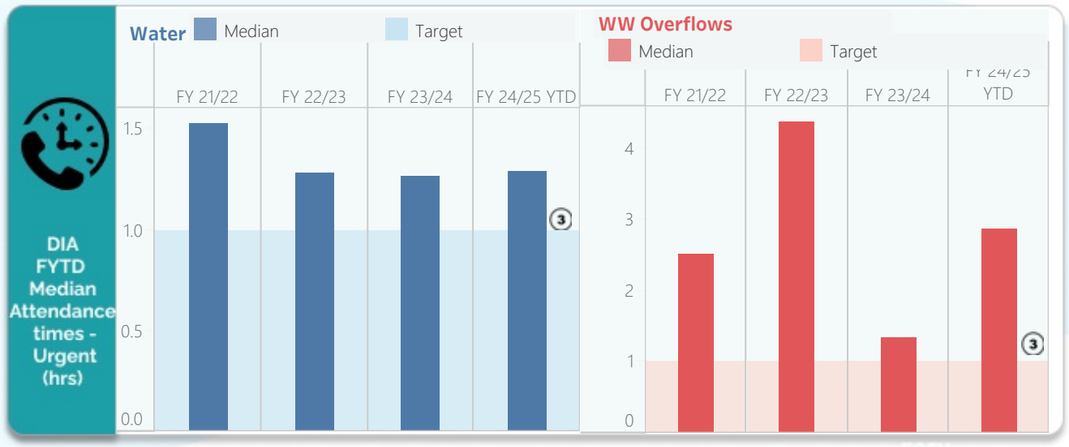
Wellington Water

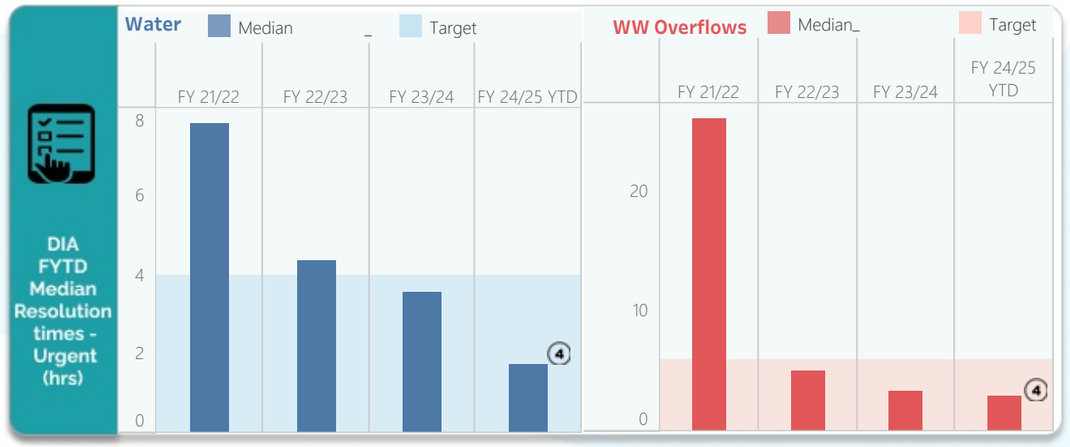
August Operations Report* - UHCC

CUSTOMER OPERATIONS GROUP









Insights

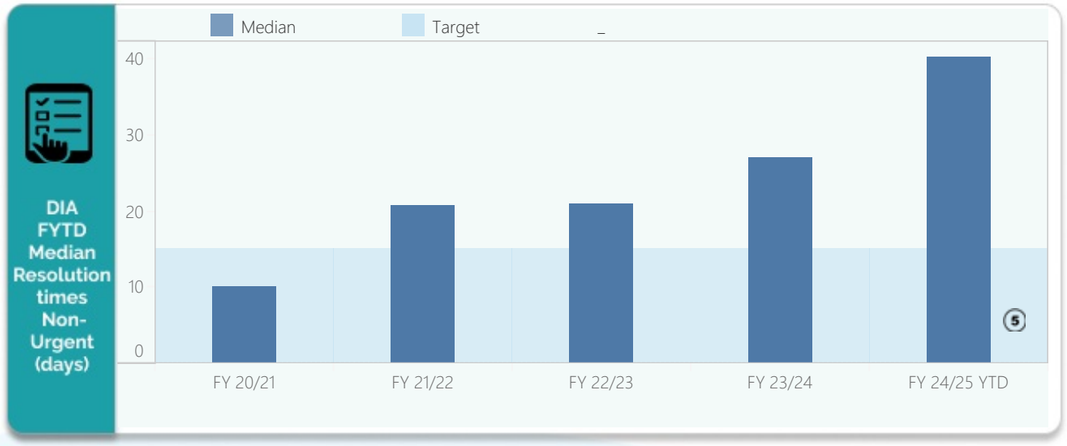
1. Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
2. 1 incident recorded so far in FY 24/25
3. Attendance within SLAs remains a challenge due to the SLAs not being closely tied to the fiscal envelope. However, we have improved over the past few years showcasing our unwavering commitment to customer safety and prompt resolution of high-priority concerns.
4. Resolution within SLAs is on track

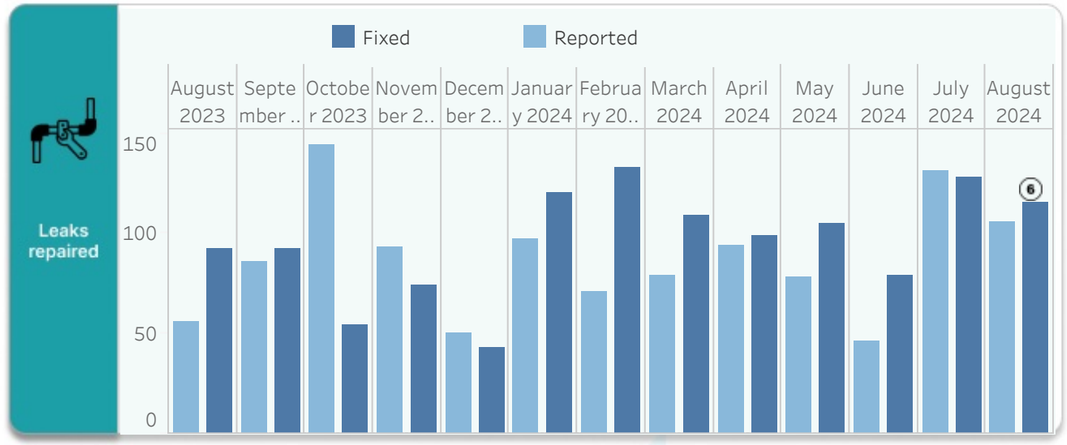
*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

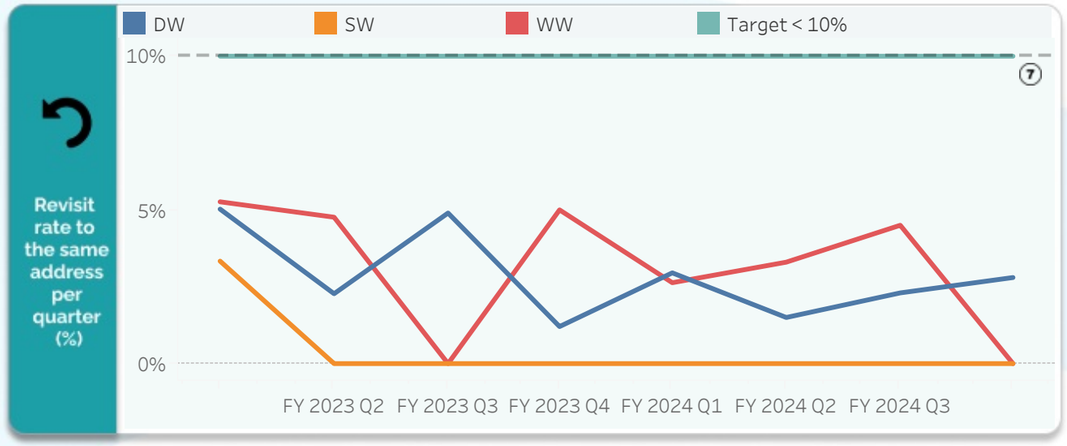
Wellington Water

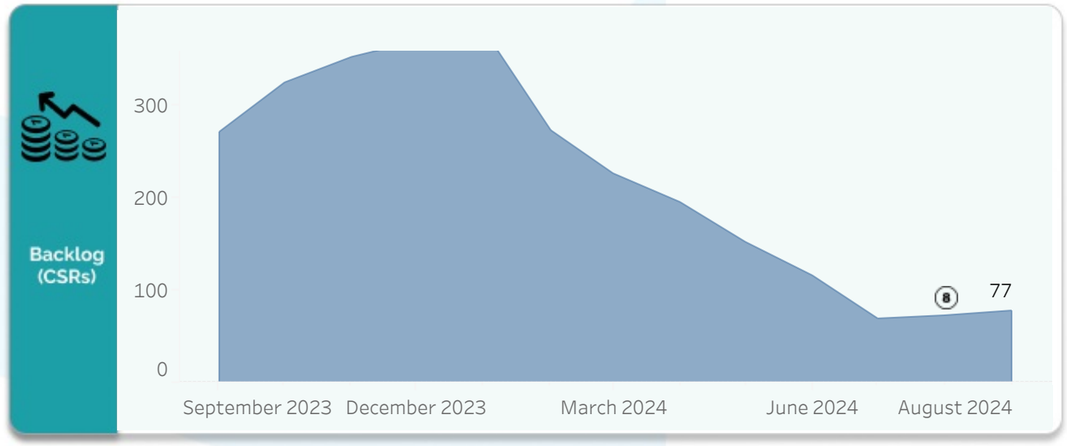
August Operations Report* - UHCC

CUSTOMER OPERATIONS GROUP









Insights

5 Progress in resolving non-urgent water jobs remains an issue. This is largely attributed to SLAs not being closely tied to the fiscal envelope, work volumes and process issues adversely impacting data accuracy. We have recognized that the ongoing process of onboarding new staff and our on-field behaviors presents its own set of challenges within reporting.

6 Progress in resolving leaks has maintained its positive momentum attributed to recent funding injections and associated resourcing. Since 1 Jan this year we have fixed over 900 leaks. Additionally, we have reinstated approximately 49% of those leaks requiring permanent reinstatement. In August, we fixed over 115 leaks, a decrease from the previous month.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at approximately 80 - with a peak in January of approximately 400. Since then, we have observed a decline, attributed to recent funding injections and associated resourcing. These changes are beginning to positively impact our backlog, and we expect this trend to continue especially as we transition into the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

Wellington Water

August Operations Report * - SWDC

CUSTOMER OPERATIONS GROUP

HEALTH & SAFETY (H & S) LAG INDICATORS (AT A GLANCE) *

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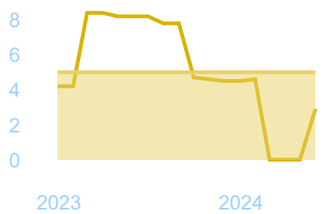
Target < 10

2.9 Rolling TRIFR
0 – from prev month
Target < 5

Injury Frequency Rate (TFIFR)



Incidents

0 High/ Extreme	4 Near Misses	0 Notifiable incidents	2 Life saving rule breaches
0 – from prev month	4▲ from prev month	0 – from prev month	2▲ from prev month
0 YTD	4 YTD	0 YTD	2 YTD

Please note that August H & S figures are still being collated.
In July, incidents and injury statistics continue to decline, supported by ongoing emphasis on risks and controls during toolbox talks and team meetings.

Additionally, two life saving rule breaches were recorded, investigated and controls were implemented to prevent further harm.

H & S LEAD INDICATORS *

3 Safety Improvements
3▲ from prev month
3 YTD

Please note that August H & S figures are still being collated.

In July, there were three safety improvements. We are making a concerted effort to improve our health and safety performance, including a sub-contractor safety forum to address H & S performance.

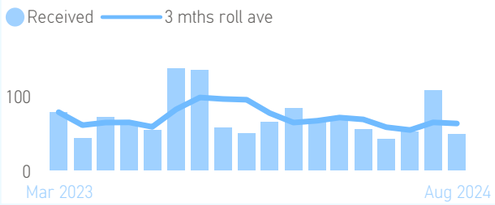
29 CAMs cases raised
29▲ from prev month
29 YTD

Please note that August H & S figures are still being collated.

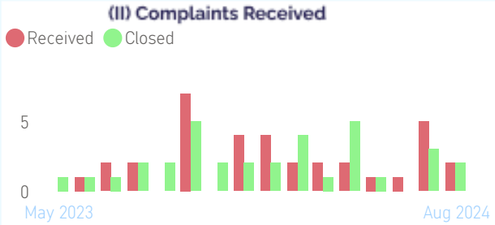
In July, 29 CAMs (H & S recording and reporting system) cases were raised.

CUSTOMER ACTIVITY

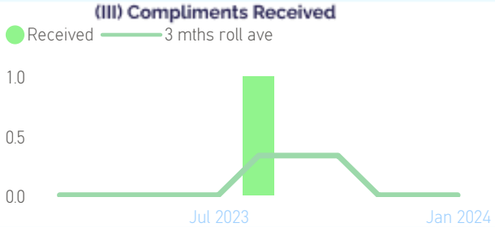
(I) Customer Service Requests



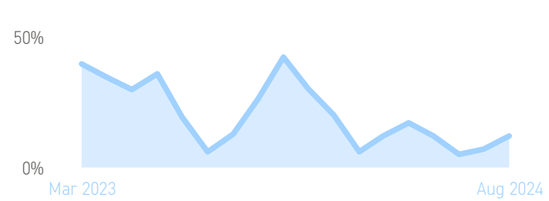
(II) Complaints Received



(III) Compliments Received



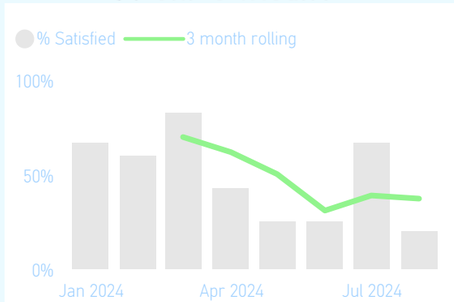
(IV) CSR Duplicate rate



(I) Historical data reveals a recurring seasonal trend with Customer Service Requests with peak periods resulting during the drier months(comprising mostly of leaks) when the customers are more likely to notice and report the leaks.
(II)Customer complaints decreased notably from the previous month.
(III) No compliments received in the previous month.
(IV) Duplicate rate for August was 12%. This is an increase of 5% from the previous month.

CUSTOMER SATISFACTION

(V) Customer Satisfaction



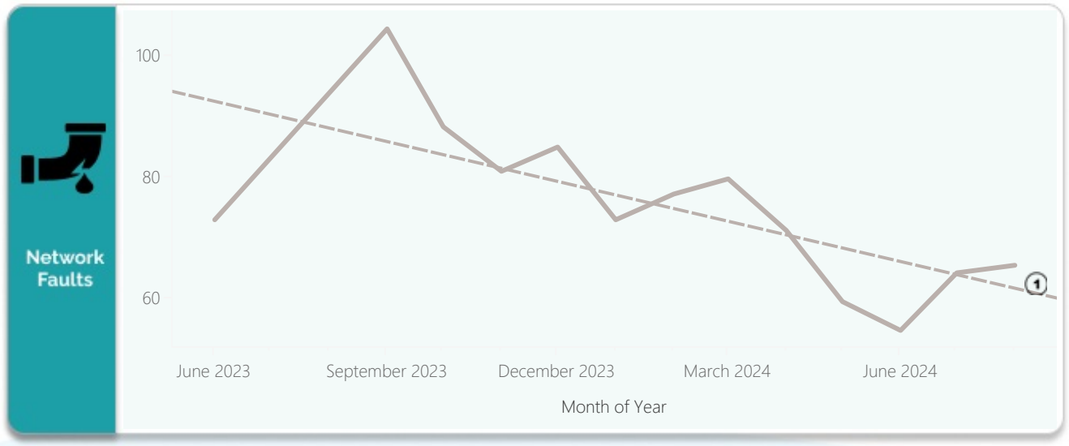
(VI) Customer contact within 15 mins (Median)

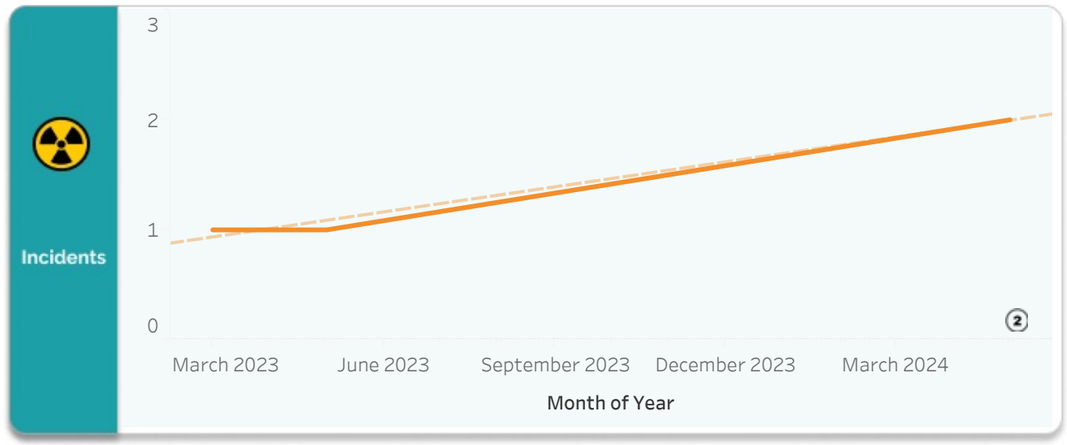
(V) The average customer satisfaction rate over the past 6 months was 49%, though based on a small sample size, with a decline from 67% in January to 20% in August. Notably, non-urgent jobs demonstrated steady improvement, reaching 100%% satisfaction in August after lower ratings earlier in the year.
(VI) In August, we upheld our excellence in urgent complaint resolution by contacting all customers within 15 minutes of raising an urgent complaint.

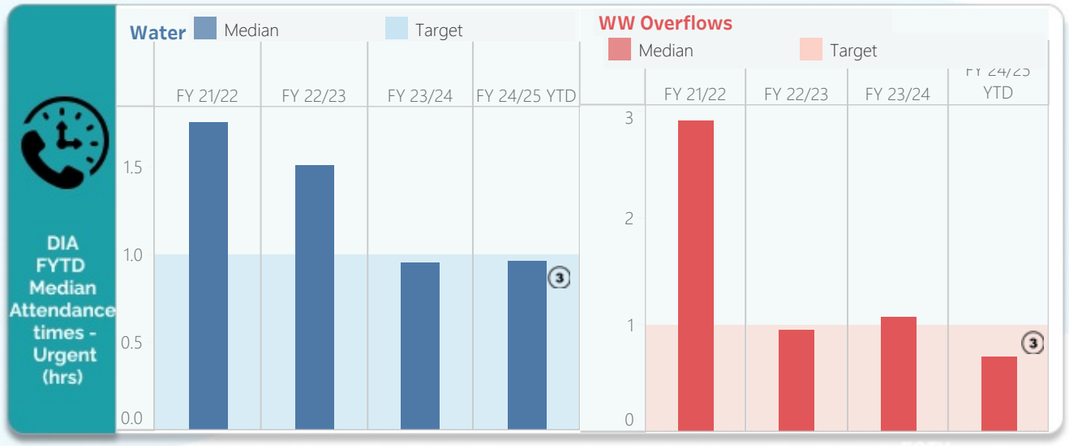
Wellington Water

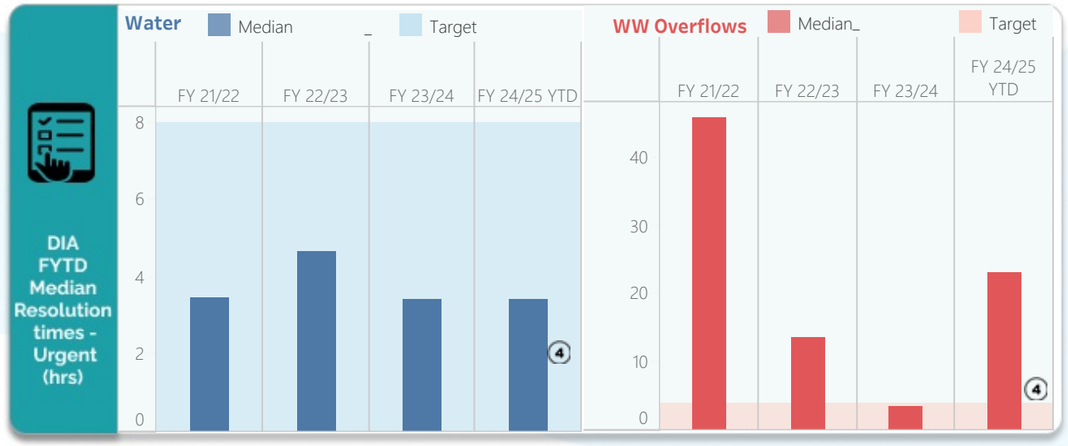
August Operations Report *- SWDC

CUSTOMER OPERATIONS GROUP









Insights

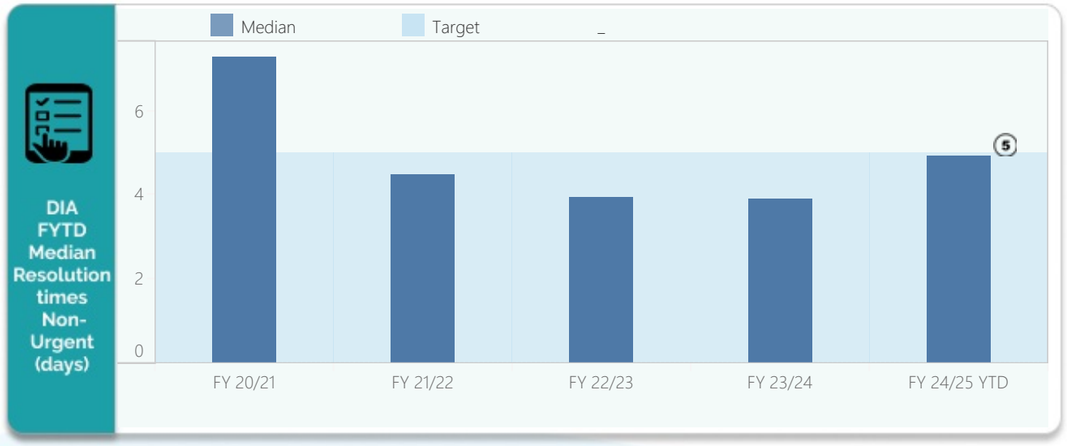
1. Over the past 12 months, there has been a downward trend in Network Faults, largely due to a decrease in reported CSRs during the wetter months. However, as we transition into the drier months, we expect an upward trend in network faults.
2. No incidents to report on so far this FY. The last incident recorded was in May.
3. Progress in responding to urgent jobs is on track.
4. Progress in resolving wastewater urgent jobs was missed in the last month due to a process issue and low volume of jobs recorded so far. We expect this to improve in the upcoming months

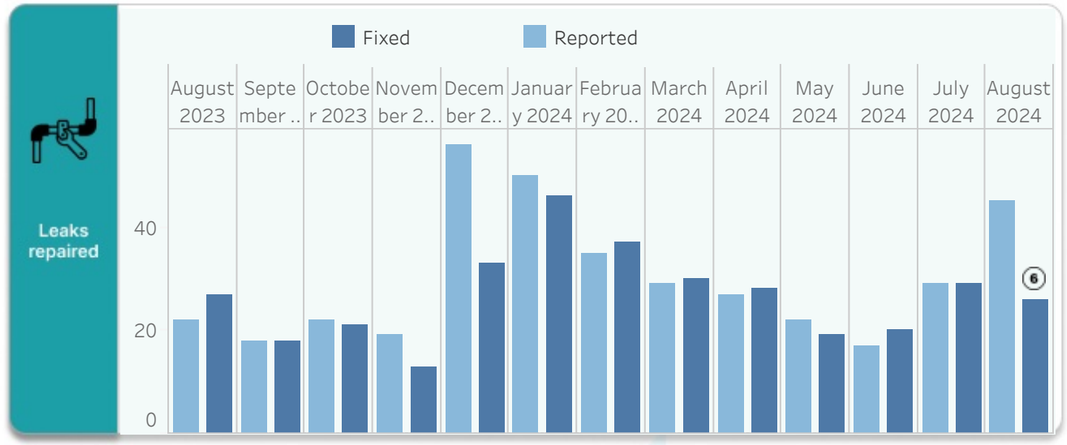
*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

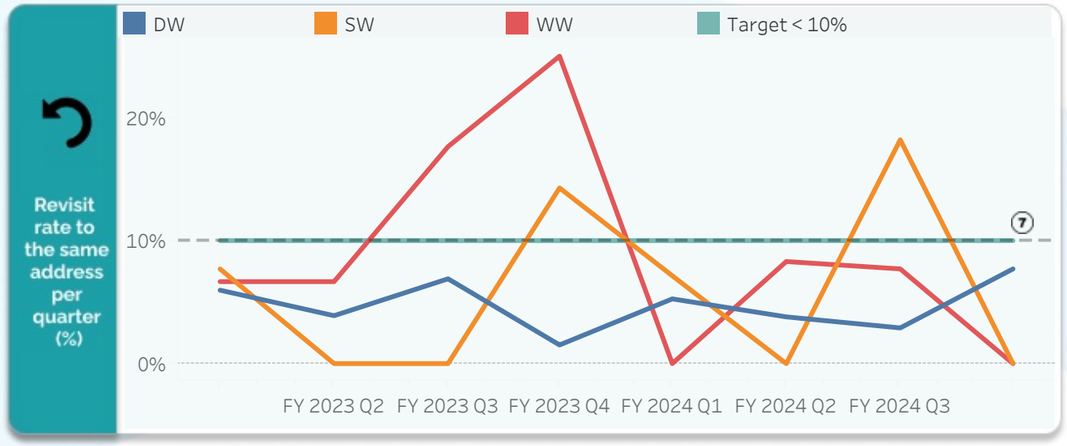
Wellington Water

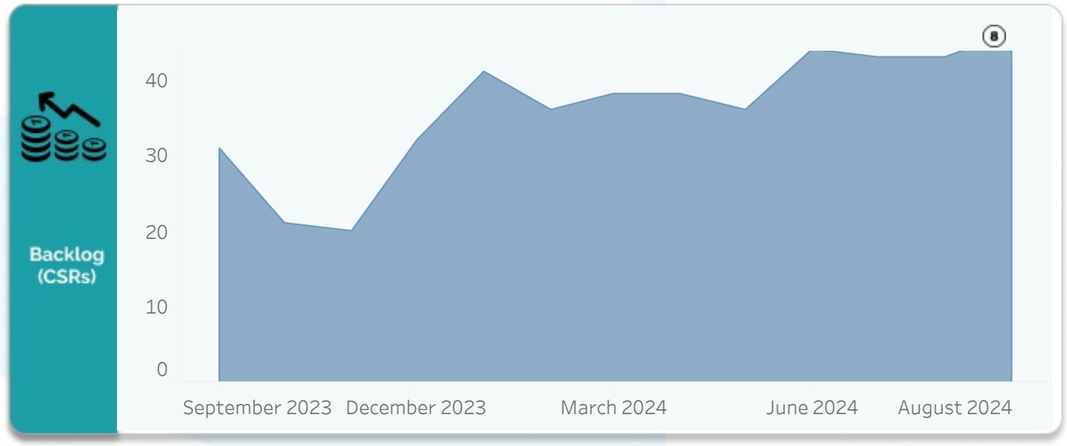
August Operations Report* - SWDC

CUSTOMER OPERATIONS GROUP









Insights

5 Progress in resolving non-urgent water jobs is on track.

6 Since 1 Jan this year we have fixed over 230 leaks. Additionally, we have reinstated approximately 67% of those leaks requiring permanent reinstatement. In August, we fixed 26 leaks, a decrease from the previous month.

7 The revisit rates are primarily reported by revisits to the same address due to limitations with the current systems. Note that a revisit to the same site is not a reflection of the quality of works done by the crews or contractors. An analysis conducted on jobs completed across the region for a six month period this year found that 1.7% of all jobs were identified as actual rework.

8 The current backlog of open CSRs stands at 46. We expect a downward trend to continue in the winter season.

*Note that Report provides a snapshot in time. Analysis Date: 09/09/24

Moa Point Wastewater Treatment Plant performance

Update – August 2024

Current status: Non-compliant

Commentary

The plant remains non-compliant for suspended solids (90th percentile limit) and faecal coliforms (90-day geomean and 90th percentile limits). Steps to fix this are being undertaken. However, breakdowns and planned maintenance work have delayed a return to compliance.

Discharges

There was one consented wet weather discharge on 18 August.

Odour

There was one odour complaint in August relating to the Southern Landfill site and Careys Gully Sludge Dewatering plant.

Items of significance:

Effluent Compliance

The third clarifier coming back into service is expected to improve the biological process, although this change will be gradual as the process stabilises.

The current daily results for both suspended solids and faecal coliforms are close to compliant levels and the 90-day geomean and 90th percentile limits indicate positive improvement.

Porirua Wastewater Treatment Plant performance

Update – August 2024

Current status: Compliant (with noted issue)

Commentary
The plant is compliant for effluent quality.

Discharges
No discharges in August.

Infringement notice issued
GWRC issued an infringement notice in August relating to an unauthorised discharge event that occurred in April.

Odour and Discharge Complaints
No odour complaints in August.
A complaint was lodged relating to a perceived (visual) non-compliant discharge at the Rukutane Outfall during a heavy rain event. The subsequent investigations and evidence provided to GWRC demonstrated that the compliant was not supported.

Items of significance:

UV Performance Issues
The project team continue to monitor the UV system to improve system resilience. The UV manufacturer is supporting this process. Changes made to date have improved UV performance during high volume flows, but occasional faults are still occurring. The system will continue to be closely monitored.

Odour Management
As part of new consent requirements, the operators have installed short term odour control measures to help minimise fugitive odour from the site. This measure is in place until the completion of the odour management upgrade project in late 2025.

Seaview Wastewater Treatment Plant performance

Update – August 2024

Current status: Non-compliant

Commentary:
The plant remains non-compliant for faecal coliforms (90-day geomean, 80th percentile limit). Improvements have been observed in the biological process.

Discharges:
There was one unconsented and two consented discharges in August. The unconsented discharge occurred due to a short mains power outage causing partially treated effluent to discharge via the coastal marine area and Waiwhetu Stream. One of the consented discharges was necessary to facilitate the emergency repair to the main outfall and rising main pipeline in mid-August and the other due to wet weather.

Odour and Discharge Complaints
The plant received one odour complaint in August.
A complaint relating to the discharge to the Waiwhetu Stream during the Main Outfall pipeline repair was also received.

Items of significance:

Abatement notice issued
GWRC issued an abatement notice to ensure the stage-completion dates for the biofilter ''plenum'' project continue to be met, and target delivery is achieved.

Odour Treatment Project
Physical works commenced in August to replace the biofilter "plenum" structure and upgrade cell isolation to improve odour management.

UV System refurbishment
Works to refurbish critical components of the current UV system were largely completed in August. Completion is subject to availability of components.

Seaview Wastewater Treatment Plant performance – Odour Treatment

Update – August 2024

What has been completed:

The contract for the Biofilter upgrades was awarded to Wellington Pipelines in August.

Upgrades to the first of the six Biofilter cells was completed.

The replacement isolation valves arrived on site (these were a long lead procurement and were shipped from China).

The wastewater screening room and dryer building have undergone 3D scan which will be used for ventilation design and screening room ducting replacement.

What is currently in progress:

The biofilter plenum replacement is underway, having commenced in August.

The odour scouting programme continues.

The independent peer review comments/actions are being addressed.

Design activities for the milliscreen ducting replacement and building air treatment continue.

Western Wastewater Treatment Plant performance

Update – August 2024

Current status: Compliant

Commentary
The plant is compliant for effluent quality.

Discharges
No discharges in August.

Odour complaints
No odour complaints in August.

Items of significance:

Outfall inspection
The planned annual physical inspection of the entire main outfall pipeline has been delayed due to recent inclement weather. The activity expected to be completed in September.

Wellington Metropolitan Water Treatment Plants – August 2024

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waterloo*	Waterloo WTP is non-compliant with the Water Services Authority bacterial compliance rules*. This issue does not affect drinking water safety. The WTP is compliant with the Authority's Protozoal compliance rules. Waterloo has fluoridated the drinking water within MoH's recommended levels 92.5.3% of the time. The low fluoride level was due to treatment plant shutdowns and unplanned maintenance. Work is currently underway to address the network configuration issue.	Not compliant with necessary regulatory requirements	Not compliant with necessary regulatory requirements
Wainuiomata	Wainuiomata WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Wainuiomata has fluoridated the drinking water within MoH's recommended levels 95.7% of the time.	Compliant – we are meeting the necessary regulatory requirements	Compliant – we are meeting the necessary regulatory requirements
Te Mārua	Te Marua WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Te Mārua has fluoridated the drinking water within MoH's recommendation levels 99.3% of the time. The DAF project is going well with partial commission expected in Oct 24.	Compliant – we are meeting the necessary regulatory requirements	Compliant – we are meeting the necessary regulatory requirements
Gear Island	Gear Isl WTP is compliant with the Water Services Authority bacterial and protozoal compliance rules. Gear Island has fluoridated the drinking water within MoH's recommended levels 92.0% of the time. The low fluoride level was due to dosing equipment issues, WTP	Compliant – we are meeting the necessary regulatory requirements	Not compliant with necessary regulatory requirements

Compliant – we are meeting the necessary regulatory requirements

Not compliant but nearing compliance

Not compliant with necessary regulatory requirements

*Due to changes in the assurance rules, the capability of the existing Waterloo treatment plant facilities,
and the layout of the network, a significant treatment plant upgrade and/or additional networ infrastructure is required to achieve compliance with the rule as written.

Supply and long-term drought resilience - August 2024

Supply risk	Comments	Risk level
Short term supply	. The Wellington Region is at Level 1 restrictions.	
Long term supply (drought resilience)	Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use.	

- Low risk of not being able to meet demand or needing water restrictions
- Medium risk of not being able to meet demand or likely to need water restrictions
- High risk of not being able to meet demand and high likelihood of severe restrictions

Greytown Wastewater Treatment Plant performance

Period – Aug 2024

Current status: Non-compliant

Commentary:

In 2023, Greater Wellington Regional Council issued letters requesting explanations of non-compliance. Wellington Water is implementing the required corrective actions where possible within the plant and resource constraints.

Major investment is required, and current approved funding levels do not meet this requirement.

A compliance upgrade project is currently underway (excluding growth). The plant is already operating beyond its design loading capacity and so new connections have been paused.

Funding has been approved to complete a Growth-Capacity Study in conjunction with Martinborough's study.

The degree of desludging that will be achieved at Greytown is not yet determined. Further funding may be required to complete.

Items of significance:

Current plant design and processes are inadequate for the connected population, resulting in non-compliance (specifically related to ammonia concentration in the effluent) which is affected by seasonal weather patterns.

New connections have been paused while a Growth-Capacity study is undertaken to determine how to ensure the WWTP can operate compliantly with new connections.

Wellington Water has completed the first of a series of tests to determine the reason for a significant discrepancy between the inflow and the outflow measurements.

The 'Stage 1B Efficacy Report' is currently being updated and will be submitted with the Annual Report. GWRC will then be able to decide what action to take at Greytown.

Featherston Wastewater Treatment Plant performance

Period – Aug 2024

Current status: Non-compliant

Commentary:

Major investment is required to achieve a new consent.

Renewal of the consent is being managed as a major project, and we are operating on an extension of the old consent.

The consent approval process currently underway will better inform the required capacity of the WWTP to cater for growth in Featherston beyond 2032.

A response to GWRC's request for further information regarding the septic tank discharge incident was supplied. It is likely that further enforcement action will be forthcoming.

Items of significance:

A significant effluent non-compliance occurred in May-June. This was due to the high volume of septic tank discharges (from Lake Ferry WWTP) being pumped into the pond via a nearby manhole. Operational mitigation of this event continues; other septic tank discharges have been stopped until the plant recovers adequately.

Plant continues to require ongoing management of resources, focused on effluent quality, to achieve compliance with consent requirements.

An updated set of draft consent conditions has been prepared for submission to GWRC, along with the s.92 response.

Lake Ferry Wastewater Treatment Plant performance

Period – Aug 2024

Current status: Compliant, but with the risks identified below

Commentary:

Further investment is required to achieve this management plan and consent compliance into the future.

Stantec has been commissioned to prepare and develop a new resource consent application by 30 March 2025.

Early conversations suggest that the current scheme will require capital works because of consenting requirements.

More funding is required for the consent 2024-25 renewal project than currently allocated. The extra funding is required to prepare an adequate application and undertake community consultation.

Items of significance:

Source of current high inflow and infiltration is still **not funded** for investigation. Peak loads are near the plant's hydraulic capacity.

Septic Tank cleanouts, filter cleaning, completed. The effect on effluent compliance will be assessed in coming months.

The treatment process is being tested and assessed for optimised operation.

Plant valving automation is required to better comply with consent discharge requirements; however, it is **not funded.**

Projects underway:
Sodium Bicarbonate dosing improvements.
Optioneering dripline leaks – some repaired, more require repair

Martinborough Wastewater Treatment Plant performance

Period – Aug 2024

Current status: Non-compliant

Commentary:

In June 2024, a new 'To Do Abatement Notice' was issued for Martinborough, with a deadline of May 2025 to complete desludging. This superseded the May 2024 and August 2023 'To Do Abatement Notices', which in turn replaced the Abatement Notice issued in 2022, although the WWTP still remains non-compliant.

WWL and SWDC are working together to address the items raised in the new Notice, as part of the compliance upgrade project underway.

Major investment is required, and current approved funding levels do not meet this requirement.

In 2024-25, WWL will undertake a WWTP Growth-Capacity study, to determine how the plant can be upgraded to service new connections. The completed network growth study shows no network issues within the study's horizon.

Items of significance:

Current plant design is insufficient to avoid non-compliance. Effluent discharge rate and quality to land continues to exceed current consent limits. Effluent volume and quality discharged to river continues to exceed the annual consent limits.

Progress is being made on the desludging geobag laydown area consenting and tendering process, as well as UV optimisation.

Work is commencing on the basis of design for the Stage 2A irrigation area as well as the Growth-Capacity Study. These two pieces of work are being developed together to ensure a cohesive solution is defined.

South Wairarapa Water Treatment Plants – August 2024

Water Treatment plants	Comments	Safe drinking water	Fluoride
Waiohine	The Waiohine WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, operators completing qualification requirements, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Memorial Park	The Memorial Park WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, operators completing qualification requirements, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Martinborough	The Martinborough WTP is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, operators completing qualification requirements, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH
Pirinoa	Pirinoa is compliant against new bacterial and protozoal Rules. However further work is required to meet process assurance rules e.g. development of standard operating procedures, operators completing qualification requirements, and implementation of an asset maintenance recording system.		Currently not yet mandated by the MoH

Compliant – we are meeting the necessary regulatory requirements

Compliant but requiring more work

Not compliant with necessary regulatory requirements

Supply and long-term drought resilience August 2024

Supply risk	Comments	Risk level
Short term supply	The South Wairarapa region is at Level 1 water restrictions.	
Long term supply (drought resilience)	Increased leakage and the impacts of climate change will likely lead to severe water restrictions in the years to come e.g. Level 4, which would mean asking people to reduce indoor use.	

- Low risk of not being able to meet demand or needing water restrictions
- Medium risk of not being able to meet demand or likely to need water restrictions
- High risk of not being able to meet demand and high likelihood of severe restrictions

Company and Governance Update

Appendix 4: Summary for councillors of papers to the Wellington Water Committee meeting, Friday 27 September 2024

Purpose

1. This appendix to the Company and Governance Update provides a summary of the content of the meeting's papers.
2. It is intended to support Committee members reporting back to their fellow councillors, and councillors to engage in the work of the Committee.
3. The present meeting is the fourth in the 2024 calendar year. The next meeting is scheduled for 13 December 2024.

Overview of papers

4. Wellington Water items presented to the Committee this meeting are:
    a. Company and Governance Update
    b. Annual Report 2023-4
    c. Water Supply Risk
    d. Systems Investment Options
    e. Implementation of findings from review of Estimation error

Wellington Water Company and Governance Update

5. This paper covers: key governance conversations and actions; Committee priorities; and Operational achievements and issues since the last meeting.
6. As the last Committee meeting reported on Q4 results and we are still within Q1, there are no quarterly results provided to this meeting.
7. **Three Waters Investment Planning for 2024-34**: Final operational and capital programmes, Level of Service Projections and Active Risk Registers have been provided to all councils. Risk Registers are included as an appendix.
8. **Sustainable water supply**: There is an update on progress with establishing the water metering programme.
9. **Regulatory performance:** The company is working closely with Taumata Arowai on planning for the summer risk, and working with GWRC on Seaview compliance issues. Treatment plant dashboards (for drinking and wastewater) are attached to the report.
10. **People:** The paper notes our continuing focus on keeping our people safe, engaged and informed.
11. **Budgets:** We have set budgets for council opex, council capex and WWL corporate budget.
12. **Operational delivery:** Reports are included on areas of work done through the Customer Operations Group, such as: number of faults and incidents; attendance and resolution times; leaks repaired; backlog; and revisit rate.
13. **Capital delivery:** Capital programmes have been agreed for the new triennium. There is no annual programme level capex contingency, which makes the programme vulnerable to

changes such as unplanned asset failures requiring urgent renewal and cost escalation on projects.

14. **Treatment plants:** The report notes that five of the region's wastewater treatment plants are currently non-compliant for wastewater quality or odour. Details are provided in an appendix. WWL and Veolia has undertaken a joint review of the Regional Wastewater Treatment Plants, which will provided to Committee members when finalised.
15. **Growth:** We are working with council officers to understand current and future state in relation to growth and are assisting with growth projects and policy development.
16. **Environmental Water Quality:** We are preparing for hearings on GWRC's Plan Change 1 to the Natural Resources Plan, and progressing activities that contribute to environmental water quality improvements.
17. **Carbon:** Capital carbon monitoring has commenced using the Moata tool.
18. **Technology systems:** We have completed the high-level review of Wellington Water's current technology systems. This is covered in a separate paper.

Annual Report 2023-24

19. The Annual Report is presented to the Committee.

Water Supply Risk

20. The paper provides an update on water loss reduction activities and notes that demand for water in the metropolitan region is declining for the first time since October 2020.

Systems Investment for Wellington Water

21. The paper sets out the recommended investment in technology systems and notes that these will be included in Annual Plan/LTP advice.

Implementation of findings from review of Estimation error

22. The Board presents Wellington Water's revised Purpose and Outcomes and the Draft Organisational Capability Plan associated with the External Review of Wellington Water's Capital Programme Estimating and Budgets Systems, and seeks endorsement of the Draft Organisational Capability Plan for prioritisation and inclusion in individual council annual plan processes.

Komiti Ngā Wai Hangarua
Wellington Water Committee

13 September 2024

Report no: WWC2024/4/97

Wellington Water Limited Annual Report for the year ended 30 June 2024

Recommendation

That the Committee:

(1) notes Wellington Water Limited was advised on Friday 20 September 2024 of a delay in receiving audit clearance to 30 September 2024;

(2) notes the Board of directors are therefore meeting to approve the Annual Report to 30 June 2024 on 30 September 2024; and

(4) notes the final draft of Wellington Water's Annual Report to 30 June 2024 as the basis for a discussion on Wellington Water's performance for the financial year ending 30 June 2024.

Appendices

No.	Title	Page
1⇩	WWC Annual Report to 30 June 2024- Cover Paper	82
2⇩	Draft WWL Annual Report FY24	85

Author: External Author (Wellington Water Ltd)

Wellington Water Committee | Komiti Ngā Wai Hangarua

27 September 2024

File: ( )

Report no:

WWL Annual Report for the year ended 30 June 2024

Purpose of Report

1. To present the Wellington Water Limited Annual Report to 30 June 2024 to the Wellington Water Committee.

Recommendations

2. It is recommended that the Wellington Water Committee:

   a. Note Wellington Water was advised on Friday 20 September 2024 of a delay in receiving audit clearance to 30 September 2024.

   b. Note the Board of directors are therefore meeting to approve the Annual Report to 30 June 2024 on 30 September 2024.

   c. Note the final draft of Wellington Water's Annual Report to 30 June 2024 as the basis for a discussion on Wellington Water's performance for the financial year ending 30 June 2024.

Background

3. Wellington Water Limited (the company) is required to deliver an Annual Report within three months of the end of the financial year which includes the Annual Financial Statements.

4. The Wellington Water Committee are responsible for receiving the final annual report and audit opinion.

5. As Wellington Water Limited is a council-controlled organisation, the Office of the Auditor General is the appointed auditor of the company. Audit New Zealand completed this year's audit on their behalf.
6. Non-financial audit results were due to be shared directly with councils on 23 September 2024, and the final WWL Annual Report ended 30 June 2024 is due to be approved by the Wellington Water Board on 30 September 2024.

Summary of results

7. No material issues were raised through the financial audit. We finished the year close to budget across the council opex and capex programmes – with overspends approved by councils.

8. With regard to the non-financial audit, the council-specific Department of Internal Affairs (DIA) results were, as expected and per previous years, largely not met.

9. There was a non-compliance at the Wainuiomata Water Treatment Plant due to exceeding the allowable turbidity for one minute longer than allowed, as well as ongoing non-compliance at the Waterloo Water Treatment Plant for chlorine contact time until improvements can be made.

10. It remains challenging to provide accurate water loss figures for the Wellington Metropolitan region as residential water use is not universally metered. However, although we saw an overall increased demand for the year, water demand has been trending in the right direction from April 2024.

11. We have had compliance issues at all of our wastewater treatment plants during the calendar year. The majority of these issues relate to asset condition and a lack of redundancy at the treatment plants, with a total of 2 abatement notices and 29 infringement notices for the Metropolitan Wellington region and one abatement notice for SWDC.

12. Regarding the 15 Statement of Intent non-financial performance measures, a total of 6 measures are achieved, while 9 measures are not achieved for the year.

13. We have changed our customer satisfaction methodology from a one-on-one phone survey of a sample of customers to an online survey that all customers are invited to participate in. This saw satisfaction drop from 70% to 54%. While this does not meet expectations, we have seen a positive trend of improvement, with a high of 60% in June 2024.

14. A combination of planned and reactive maintenance, as well as Health and Safety concerns with the fluoride loading process earlier in the year have contributed to not meeting the Ministry of Health (MoH) guidelines (0.7-1.0 parts per million) for the level of fluoride leaving each Water Treatment Plant (95% or more of the time). By the end of the year, all plants except Gear Island were dosing within the MoH guidelines >95% of the time during the final quarter of the year, with Gear Island sitting at 93.9%.

Next steps

15. Following the receipt of the audit opinion and its approval by the Wellington Water Board on 30 September 2024, the Annual Report to 30 June 2024 will be forwarded to shareholders and council officers and published on the Wellington Water website.

16. Shareholding councils are required to publish the final version on their websites within one month of receiving it.

Appendices

No.	Title	Page
1	Annual Report ended 30 June 2024	

Author: External Author (Wellington Water Ltd)

Wellington Water

Annual Report for the year ended 30 June 2024

FINAL DRAFT

1

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Delivering three water services to communities 8
A focus on core services 12
Enhancing our compliance and assurance frameworks to meet new regulatory requirements 23
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Ensuring our people are ready for water reform transition 31
Summary of Non-Financial Performance Statement of Intent 2023-26 Results 32
Governance report 35
Financial statements 42
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Independent Auditor's Report 75

FINAL DRAFT

Taki

He wai, he wai
He wai herenga tāngata
He wai herenga whenua
He wairua
He waiora
Tihei mauri ora!

'Tis water, 'tis water
Water that joins us
Water that necessitates the land
Soul of life
Life forever
'Tis the breath of life!

FINAL

3

Foreword

This year we have maintained our focus on delivering core services. We've provided the region with safe and reliable drinking water; removed and treated wastewater; effectively managed the stormwater network; maintained, replaced, and renewed aging assets; and provided councils with advice on their water assets.

Having sufficient drinking water remains a critical risk for the region. This year we faced a significant risk of water shortages during the summer months due to the high and increasing levels of water lost through public and private leaks. This risk was exacerbated by the drier than normal weather patterns meaning we had to work hard to ensure councils and the public were aware of the risk and prepare the region for tighter water restrictions.

Through increased and sustained engagement with our council owners, our regulators, and the public we successfully managed the region through a tricky summer and avoided councils having to put in place more severe restrictions on water use. Our combined efforts and the hard work of Welingtonians to reduce their water use resulted in the region saving over 400 million litres of water over summer.

In response to the summer's risk, our councils increased their investment in finding and fixing more leaks and reducing the backlog of leaks to a more manageable and sustainable level. This allowed us to increase our operational resources and to take a more planned and strategic approach to tackling leaks by proactively targeting areas across the region with the highest level of water loss and fixing all the public leaks in these areas at the same time. This has seen increased efficiency in the way we use our resources as well as reducing the longer-term disruption on residents. Additionally, we have also increased our efforts to work with residents to fix their private leaks when these are found by our leak detection team. At the beginning of the financial year, the backlog of leaks was 2,228. By the end of the financial year (30 June 2024) this had reduced to 1,489.

We continued to replace and renew the region's aging assets within the allocated funding provided by councils. This year we delivered a record value of $329M on capital development works, an increase of 25% from the last financial year. We also exceeded our target of 20 kilometres of pipe laid based on funding with a total of 24.5 kilometres of pipe laid by the end of the year.

We have demonstrated prudent financial management of council funds this year. We have come in on budget across our operational activities overall. Our capital expenditure was greater than the original budget, however, councils confirmed additional budget in advance which allowed us to deliver core water projects ahead of schedule. This year to respond to the economic climate, we tightened our belts, looked for business efficiencies and delayed recruitment activities. This allowed us to both funnel additional funding into summer activities to manage the potential risk, and to bolster councils' constrained operational budgets to increase maintenance activities on councils' networks and treatment plant assets.

At the beginning of this financial year, we were looking ahead to central Government reforms and the establishment of a new water services entity. With the 2023 change of government and direction, the responsibility for water services remains with our shareholding councils.

Our organisation and people have been living with the anticipation of reforms for a number of years now. This, as well as the need to respond to councils' financial pressures, has led us to delay fundamental organisational improvements and "make do" with systems and processes that are no longer fit for purpose. It has also meant that our ways of working as an organisation and corporate maturity is not at the level our councils and communities would expect for an organisation of our

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age and size. These factors have come to the foreground in recent times and independent reviews led by the Board have clearly highlighted that we have not consistently met the expectations of our shareholders.

Change is needed now to ensure our organisation remains fit for purpose and that our people are well set up to deliver on our responsibilities. A core focus for the year ahead is to rapidly implement critical organisational improvements. We are working at pace to outline how we intend to do this and working with our shareholding councils on a way forward to continue to deliver the best water outcomes for our region.

Nick Leggett
CHAIR OF THE BOARD

Pat Dougherty
CHIEF EXECUTIVE

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Who we are and what we do

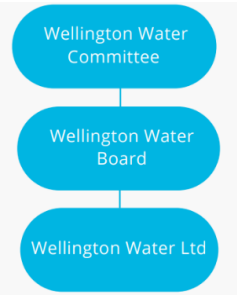
Wellington Water's job is to deliver safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

We are owned by Wellington City Council, Hutt City Council, Porirua City Council, Upper Hutt City Council, Greater Wellington Regional Council, and South Wairarapa District Council.

Councils own the water assets in the region and set the level of funding and investment. They task us to manage the infrastructure and deliver water services to communities and to provide investment advice.

Our governance structure

Wellington Water is governed by a Board of Directors. We receive overall leadership and direction from the Wellington Water Committee. The Committee is made up of representatives from our shareholding councils and mana whenua.



Our values

We are a values-driven organisation, and the value of water sits at our heart. Every day Wellington Water people come to work and strive to deliver services and build infrastructure in a way that provides the best outcomes for communities and the environment.

We are on a journey to embedding Te Mana o te Wai and prioritising the health and wellbeing of water into the way we work. This is reflected in our strategic priorities, our planning, and the advice we give.

Our values reflect this and set out what we stand for and how we behave:

- Tangata tiaki: together we protect our most precious taonga;
- Whānau: united we support, connect with and respect each other; and
- Mana: we recognise, respect, and value the mana of others and seek to build mana-enhancing relationships.

Our strategic focus

Our work over the past year was guided by the regional strategic priorities for water set by the Wellington Water Committee. These were to:

- Look after existing infrastructure;
- Support growth;
- Ensure sustainable water supply for the future;
- Improve water quality of our rivers, streams and harbours;
- Reduce our carbon emissions and adapt to the impacts of climate change; and

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- Increase resilience to natural hazards.

Funding to achieve these priorities varies by council, and our ability to meet these priorities will vary as a result.

Our organisational strategy

To meet the region's strategic priorities, our organisational strategy is to focus on our core functions and build and maintain trust with our councils, stakeholders, and communities.

We put the safety, wellbeing, and growth of our people first. In all our relationships we are values led and strive to be honest, open, transparent, and accountable.

Te Mana o te Wai – our obligations

Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of water protects the health and well-being of the wider environment. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

The Water Services Act requires that Wellington Water and our council owners give effect to Te Mana o te Wai. While the Government has signalled an intention to remove this requirement from legislation, our obligation remains to mana whenua iwi, to our councils, and to all of our customers, to care for, protect, manage, use water responsibly.

Embedding the values of Te Mana o te Wai into the way we work is a multi-faceted endeavour. It begins with early and meaningful engagement and is something that we continue to work towards.

Enhancing relationships with mana whenua

This year we marked meaningful steps for our organisation on our journey to build partnership with mana whenua iwi when we signed new agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui.

The agreements lay a strong foundation for future collaboration and development, anchored in values like whanaungatanga, kaitiakitanga, mana ōrite and kotahitanga. They acknowledge the deep whakapapa connection that mana whenua has to their rohe and commits to early and meaningful engagement.

These partnership agreements demonstrate our commitment to working closely with mana whenua iwi to restore and enhance Te Mana me Te Mauri o te Wai o Te Whanganui-a-Tara. To help us realise the aspirations of mana whenua we have set targets to ensure that we are honouring and giving effect to these partnership agreements.

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Delivering three water services to communities

The delivery of waters services is essential to the functioning of our cities, towns and the region. Our council owners, mana whenua partners, customers, and communities count on us to deliver these services safely and effectively. We take this responsibility seriously and work to care for council assets and deliver services on behalf of our councils to the best of our ability, within the funding levels allocated by our council owners.

In previous years we have focused on building trust with councils through the delivery of three water services. While we have been successful in delivering essential water services this year we have had other issues with our performance which has impacted our ability to maintain a high level trust from councils in us. We're committed to continue working on being a trusted operator for our councils but a shift for us will be to focus on acting in a trustworthy way – this means being open, transparent, accountable in our interactions with our councils, communities and partners.

Delivering long-term planning advice

As the region's water services provider, we provide our council owners with investment advice on their water assets in the region. We do this through the annual planning process and the long-term planning process. Through this, councils then make decisions on what to fund.

This year we provided our councils with investment advice based on a growing understanding of asset condition and achieving the best water outcomes for communities and the environment. Our advice was based on the strategic priorities set by the Wellington Water Committee for the region. We then worked through a process with each of our councils based on their priorities and what they could afford. This included advice on the risks and consequences of not investing.

We provided councils with three levels of capex investment advice for the region:

1. $30 billion over 30 years - the total capital investment needed to deliver on all of the region's strategic priorities (unconstrained).
2. $7.6 billion over 10 years - this is our recommended level of capital investment based on the maximum that can be delivered (a 30% uplift of work year on year for the next 10 years).
3. $2.8 billion baseline programme over 10 years – basic level of capital investment to 'keep the lights on' but won't improve the region's water assets to a sustainable and manageable level.

Our shareholding councils are facing increasing costs and inflationary pressures and must make some hard decisions to strike a balance between investment in water services and other council priorities. Councils have increased funding to the extent that they can afford to: a total of $3.7 billion over the next ten years, a little under half the recommended, but more than the baseline programme.

This level of funding will exacerbate the region's critical risks and see new ones arise over the coming years. For more details on council funding and risks, see our Statement of Intent for 2024-27.

Cost estimation error

In May 2024, we notified our Board and our council owners of an error in the budgeting advice we provided councils for their Long-Term Plans. We did not correctly apply the corporate cost to parts of the capital programme for the first three years of delivery. The corporate cost is an essential charge that covers Wellington Water's overhead costs, which includes project and corporate support.

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The error has resulted in a gap of around $51M across a regional programme of $900M.

We acknowledge that this does not meet the expectations of our councils and communities and on 24 May 2024, we made a public apology for this error.

In response to this, the Board immediately decided to launch an independent review into the causes of the error, provide reassurance regarding the robustness of our ongoing budgeting systems and processes, and implement corrective actions to mitigate future risks.

The review took place in June 2024 and a final report and recommendation was provided to the Board and Wellington Water Committee in July 2024.

The report outlined a wide range of issues and recommendations focused on preventing similar errors and future risks. The report also highlighted a range of areas for critical organisational improvements, so Wellington Water is well placed to deliver on our responsibilities and meet the expectations of our councils and communities.

We are now in the process of developing a draft plan to implement organisational improvements, which will need to be agreed by the Wellington Water Committee and our shareholding councils.

A copy of the final review report and its recommendations can be found on Wellington Water's website.

Meeting the expectations of our communities and customers

Water services are essential for health and wellbeing, and our communities and customers expect that they should be able to turn on the tap or flush their toilets without issues.

When we do have issues, we have to prioritise urgent jobs first – those where our customers completely lose access to drinking water, or where there is an urgent risk to the health of people, property or the environment.

To make the best use of our limited resources, we must prioritise where crews go. Urgent jobs are placed at the top of the list. This means that lower priority jobs will move down list, and it will take longer for us to respond. This undoubtedly has an impact on our customers as we won't be able to get to these jobs as quickly as they would expect.

Wellington Water has a prioritisation process. You can find a copy of our prioritisation framework on our website here.

The two largest drivers of customer satisfaction are response times and keeping our customers updated on progress. We consistently respond quickly for these urgent jobs, and our customers are broadly satisfied with our urgent response. Data for the second half of this year shows that 79% of our customers are satisfied with our urgent response (priority one jobs), compared to 47% for non-urgent jobs[1].

While our response times are directly linked to the level of resources we have available, it is still important we improve our customer service and level of care for those who are not able to receive an urgent response. To do this we have made improvements to how we track our cases and communicate with our customers. Within 10 days of receiving a request for service, we now provide

[1] This year we have changed our methodology from a one-on-one phone survey of a sample of customers to an online survey that customers are invited to complete. This gives us more detailed information, but it only dates back to January 2024. For more information on this change see page 11.

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customers with a plan on how we intend to resolve their job and the priority category that has been assigned to the job, which is important given the longer wait times for less urgent issues.

As a result, we have had no successful disputes against us through the utilities disputes tribunal or the disputes tribunal during the financial year, indicating that we have acted appropriately in our customer response.

This year we have also made improvements to how we schedule our work to try to address more non-urgent jobs at once – targeting these jobs based on location and highest drinking water loss and enabling our crews to be more efficient with their time.

Fluoridating our water supply

We continue our focus on providing fluoridated water to the metropolitan Wellington region and keeping a close watch on the performance of the fluoride facilities. Our target is to meet the Ministry of Health's (MoH) recommended fluoride levels (0.7-1.0ppm, 95% of the time).

This year, the Wainuiomata Water Treatment Plant met this target, dosing within MoH guidelines 97% of the time. The other plants did not meet targets, as shown in the table below.

At the Waterloo and Wainuiomata plant we identified some health and safety concerns with loading the fluoride powder into the fluoride facilities. We turned off the facilities while we worked to ensure the health and safety of our people. While this issue was resolved in late 2023, this had an impact on fluoride dosing this year.

At the Gear Island Treatment Plant we've had issues with the new equipment which have come to the end of their operational lives earlier than expected. At the time of building the facilities we had to use the equipment that was easy to source due to the urgency in needing to get fluoride back on.

New, more suitable fluoride equipment has been installed at the Gear Island and Te Mārua Water Treatment Plants towards the end of the financial year, which has had a positive impact on performance. All plants except Gear Island met the MoH target during the last quarter of the Financial Year, with only Gear Island not meeting this target at 93.9%.

We continue with our programme of ongoing planned maintenance to ensure that the equipment at the fluoride facilities are running as they should. This means that we will have to turn off the fluoride facilities from time to time. If a facility is off for more than a few days in a month, this quickly impacts our ability to meet the MoH target for fluoride.

A long-term solution to upgrade the entire fluoridation system at all the metropolitan Water Treatment Plants would be needed to reliably meet the MoH target levels for fluoride.

We are currently doing some planning on what the best long-term solution would look like. This will include considering back-up capacity and options at the plants so we can continue to fluoridate drinking water if a facility fails or needs to be turned off for maintenance work, which we commonly have to do.

Enabling the efficient connection of new property developments

One of the core services we undertake on behalf of our councils is managing the process for new connections to the three waters network. We have a dedicated Growth and Land Development Team that is responsible for several activities across our council areas.

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These activities include involvement in building consents, connections, public drainage permits, engineering approvals, encroachment, resource consents, section 223/224, pre-application, on-site inspections, and other general enquiries.

This year the team processed over 4,770 applications for the three waters network in our region, including approximately 1,240 building consents, 980 water and drainage connections, and 350 resource consents.

We made a number of improvements this year, such as streamlining the peer review process and back-end system changes. This allowed us to complete more applications within 10 working days, and should further improve processing times further in the year ahead.

Delivering three water services to communities					
#	**Measure**	**Target**	**2022/23**	**2023/24**	**Commentary**
1	Customers rate their experience of our performance as 'Satisfied' or better.	70%	65%	70% June – Dec 54% Jan - July	Changing our methodology has had a material impact on the result, with customer satisfaction decreasing from 70% under the phone survey to 54% with the online survey. While this does not meet expectations, we have seen a positive trend of improvement, with a high of 60% in June.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	Achieved at all plants	*New measure for 2023/24*	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	All plants except Gear Island were dosing within the MoH guidelines >95% of the time during the final quarter of the year, with Gear Island sitting at 93.9%. A combination of planned and reactive maintenance, as well as Health and Safety concerns with the fluoride loading process earlier in the year have contributed to not meeting this target at all Water Treatment Plants.
3	The percentage of the time resource consents are processed within timeframes (10 working days).*	Greater or equal to baseline (33%)	33%*	38%	Processing times have improved over the course of the year from 33% within 10 working days to 38% by the end of the year.

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A focus on core services

Delivering safe drinking water

Our most important job is to deliver safe and sufficient drinking water to all our customers and communities, on behalf of our councils.

We delivered over 65 billion litres of safe drinking water to the people in the Wellington region during the 2023/24 financial year.

While the safety of the drinking water in the region has not been compromised, we have had some instances of non-compliances.

Compliance with Drinking Water Quality Assurance Rules

Below is a table detailing our compliance with Drinking Water Quality Assurance Rules relating to protozoa and bacteria.

Metropolitan Wellington

Te Mārua	**Result**
Bacteriological	Compliant
Protozoal	Compliant
Wainuiomata	
Bacteriological	Compliant
Protozoal	Non-compliant
Waterloo	
Bacteriological	Non-compliant
Protozoal	Compliant
Gear Island	
Bacteriological	Compliant
Protozoal	Compliant

The Waterloo Water Treatment Plant is non-compliant with the new Drinking Water Quality Assurance rules due to insufficient contact time with chlorine for approximately 800 households. Funding has been provided by Hutt City Council in their Long-Term Plan to address this issue, and the water remains safe to drink.

There was a spike in turbidity at the Wainuiomata Water Treatment Plant on 11 March which exceeded the maximum allowable time by one minute, meaning that the plant was non-compliant on that day, and therefore, we did not meet our target for full compliance for the year.

South Wairarapa

Featherston	**Result**
Bacteriological	Non-compliant
Protozoal	Non-compliant
Greytown	
Bacteriological	Non-compliant
Protozoal	Non-compliant
Martinborough	
Bacteriological	Compliant
Protozoal	Non-compliant

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Pirinoa	
Bacteriological	Compliant
Protozoal	Compliant

Drinking water plants in South Wairarapa (excepting Pirinoa which serves approximately 10 properties) were not designed to meet the new Drinking Water Standards and have required additional investment to become compliant. We have made technical adaptations to comply with the rules and believe we can be compliant at all three of the major water treatment plants moving forward. However compliance will not be reliable until further investment is made.

For more information see our website here.

Managing of the region's wastewater

This year we treated 65.4 billion litres of wastewater at eight wastewater treatment plants across Wellington and South Wairarapa. This water, once treated, gets safely discharged into the environment. Issues at the wastewater treatment plants over the past few years mean that, on occasion, we haven't been able to meet the levels of service that our communities expect, with occasional exceedance of resource consent limits.

Metropolitan Wastewater Treatment Plant Performance

We have had compliance issues at all metropolitan Wastewater Treatment plants during the calendar year. The majority of these issues relate to asset condition and a lack of redundancy at the treatment plants. By not having redundancy, and not being funded to purchase and store critical spare parts, it is not possible to maintain plants while remaining compliant nor to quickly remediate issues when faults arise.

A list of enforcement actions taken by the regulator is below, for each treatment plant. Full details for each of these enforcement actions can be found on our website here.

Metropolitan Wellington

Moa Point	Number	Issue
Abatement notices	1	To-do abatement notice requiring works to be completed on the pumpstation.
Infringement notices	2	Non-compliant wastewater quality.
Western		
Abatement notices	1	To-do abatement notice requiring us to cease discharging into to Karori stream. This was due to a slip damaging the pipe.
Infringement notices	1	Non-compliant wastewater quality.
Porirua		
Infringement notices	1	Unauthorised discharge of wastewater, due to a sludge carryover event.
Seaview		
Infringement notices	26	24 related to odour issues at the plant while improvements were being made to reduce odour generally. Two related to non-compliant wastewater quality from the plant.

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South Wairarapa

Martinborough	Number	Issue
Abatement notices	1	A to do abatement notice requiring desludging of the plant.

Follow-up Joint Review into Wastewater Treatment Plant Performance

This review has been undertaken jointly by Wellington Water and Veolia as a follow-up of a formal review that was undertaken in late 2021. The purpose of the review was to clarify the causes of poor performance at the region's metropolitan Wastewater Treatment Plants (WWTPs) and to identify opportunities for further improvements that would bring the WWTPs back to full compliance.

Reviewing our contract with Veolia

While long-term investment from councils to renew aging assets at the metropolitan wastewater treatment plants is needed to ensure we can reliably maintain compliance, we must also ensure that we are operating these assets to the best of our ability.

Wellington Water contracts Veolia to operate the wastewater treatment plants in the metropolitan Wellington region.

Over the past few years, we have seen ongoing compliance issues across the treatment plants and we have been on a joint journey with Veolia to improve the management and operations of the plants.

In 2021, we reviewed our operating model with Veolia which highlighted some key areas of improvement for both parties. We have made some improvements in recent times, but we know more work is needed. This year, as part of our approach to better contract management, we decided have a another look at the contract performance to test if we are on the right path and to identify what other areas of improvement we could focus on that would contribute to bring the wastewater treatment plants back into compliance.

Delivering sufficient drinking water

Our, and our councils', ability to provide a sustainable supply of drinking water remains at risk. The network is old with increasing leaks (around 41% water loss on average for the metropolitan networks[2]), people are using a lot of water and population growth is adding to the issue.

Water Loss Reduction Plan

When the risk of an acute water shortage became apparent in mid-2023, Wellington Water quickly developed a Water Loss Reduction Plan to attempt to curb this risk by reducing the primary driver of the risk.

The Water Loss Reduction Plan is a long-term document, setting a target of reducing network leakage by 20 million litres per day by 2033.

This plan included interventions with differing levels of impacts:

- Reactive and proactive renewals of service connections
- Targeted and broad pressure management programmes

[2] Figure includes estimated public losses (32%) as well as private losses(9%) of total water produced.

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- Private leak identification, communication and repair
- Renewals of drinking water pipes
- Assessment and renewal of pressure control valves
- Increasing the speed and quality of repairs
- Fixing reservoir leaks

Given our budget constraints, it quickly became apparent that it was most cost effective to focus on the three interventions that reduced water loss the most: reactive renewals in the network; pressure management; and private leak identification, communication and repair.

Out of this work we are seeing an estimated savings 6 million litres of water per day, with councils' funding over the coming year set to see further significant gains.

A focus on leak detection and repairs

Last year we stood up a regional water loss management team (RWL) within the organisation, and contracted dedicated crews to sweep the cities for leaks and repair those they found with the biggest impact. We have continued to optimise the way in which this team operates, including improving our back-office triage process, and "bundling" leaks by location, allowing our teams to be more efficient by fixing leaks in one area all at once, and reducing the disruptions to residents in the longer term.

While these improvements have had an impact on our ability to find and fix leaks, the biggest impact this year was due to our councils stepping up and providing increased funding for these activities. This additional funding allowed us to fix 9,988 leaks this year, up from 8,192 in 2022/23.

This has meant that we have reduced our backlog from a peak of 2,561 in February 2024, to 1,489 by the end of the year.

Overall demand for water (per capita) increased this year, driven by increased leakage before councils' additional investment was confirmed. This additional investment, and the consequent reduction in our backlog, has seen demand for water fall across the Metropolitan Wellington region decline for the first time in nearly four years from April 2024.

However, it is important to note that fixing leaks is a reactive response and acts as a band-aid to a longer-term problem. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained. Increased and ongoing investment in renewals is needed to prevent leaks occurring in the first instance. This is vital to reduce and maintain water loss at a sustainable level.

Water use reduction achieved during the 2023/24 summer

At the beginning of summer, our modelling showed the region faced a significant risk of having to put in place tighter water restrictions to avoid the risk of a water shortage (e.g. asking people to significantly reduce their indoor water use).

We were clear with our councils and the public from the outset that due to the level of funding and resources available to us at the time paired with the constraints of the aging network, we were unable to materially reduce the risk purely from operational activities. This meant our only tool to avoid a water shortage was to ask the public to change their behaviours and use less water. We worked closely with our councils, our regulators and the Wellington Regional Emergency Management Office to raise public awareness of the risk and asking everyone to help us by doing their bit to get ready and being careful with their water use.

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The public responded well and thanks to the combined efforts of Wellingtonians prevented a shift to tighter restriction levels and saved 400 million litres of water over summer.

The change in public behaviour resulted in the rate of increase in demand between winter and summer being the lowest on record. With longer, drier summers anticipated in the future, conserving water, along with increased and sustained investment in replacing aging infrastructure and reducing water loss, will continue to be an integral part of water management.

Measuring the impact of our work

To measure water loss, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters. This provides a lag indicator of water loss reduction activities over this period. We also track average daily demand (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Increased funding for many councils wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated. Additionally, a potential increase in leaks on private property may have offset some of these gains.

Despite this, the estimated annual average water loss on the metropolitan public network for FY23/24 is 32%[3] down 2% from FY22/23 (34%). The methodology used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

In conjunction we have begun to see a tangible reduction in water demand. Wellington Water and our client councils report a demand figure per year, measured per capita. Although the annual demand per capita rose 2.7% year-on-year, demand in the metropolitan area began to fall in April 2024, the first time it fell since October 2020. This continued to fall through till the end of the year and through to the publishing of this report. We anticipate that we will see continued improvement this year as we work towards the 7.4 ML/D target from Taumata Arowai, with increased investment from our councils this year.

Securing the future water supply

Monitoring water use and making short-term improvements to mitigate the risk in the short term is only one part of our planning. We must also invest in long-term solutions that both reduce demand and increase supply as we prepare for additional growth in the region. A coordinated, region-wide approach including residential metering, increased investment in leak detection and repair and building additional storage lakes will help ensure Wellington achieves a sustainable water supply for the future.

September 2023 Water Summit

In September 2023 the Wellington Water Committee held its first ever "Water Summit," calling together leaders across Wellington councils and mana whenua. Wellington Water developed three

[3] There is a 95% confidence interval for this measure of 17% to 48%.

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scenarios for the summit, focusing on three key actions to tackle long-term water supply and demand challenges:

1. Keep: Continue to increase investment in finding and fixing leaks, managing water loss and replacing old infrastructure.
2. Reduce: Invest in residential meters across the metropolitan Wellington region.
3. Add: Build additional storage lakes at Pākuratahi.

Our key message to the attendees of the summit was that all three of these actions need to be progressed immediately to mitigate the threat of water shortages over the long-term.

Attendees voted in favor of our preferred option, which would see immediate progress on all three actions. As such, we included all three of these recommendations into our LTP advice to councils.

As discussed in our "Delivering long-term planning advice" section above, final council Long-Term Plans included around half of the funding that Wellington Water recommended. This means that there is limited investment into finding and fixing leaks over the long-term, insufficient funding to replace ageing infrastructure and mixed uptake of residential metering across the region,.

Metering programme establishment

With confirmed funding from Hutt, Porirua and Wellington City Councils, and with Upper Hutt City including funding for a business case, this year we established a metering programme in-house, which is in its establishment phase. We are currently recruiting a core team and have had a strong response from the market to this.

We have agreed and are establishing a joint working model with council officers to enable an integrated regional approach to implementation, which will allow us to roll out the programme more efficiently and effectively. The current focus is on getting the foundations in place so we can enter the implementation phase when we have resources in place.

Te Mārua Water Treatment Plant Capacity Upgrade

A key project underway to increase the amount of water we can supply into the networks is the Te Mārua Water Treatment Plant Capacity Optimisation Project. This will increase the plant's capacity and ability to use water stored in the Pakuratahi/Macaskill Lakes.

There has been steady progress this year with ongoing work on the Dissolved Air Flotation (DAF) wall structure and other areas across the Water Treatment Plant. Progress has continued with detailed commissioning planning workshops and the pump and plant room fit out as well as filter refurbishment, and centrifuges and mixing tanks coming on stream. The upgrade will ensure reliable and healthy drinking water for the residents of the Wellington Metropolitan Region.

We expect the DAF to be operational in early 2025, and when operational, will allow the plant to treat an additional 20 million litres of water per day. This will give us headroom to produce more water, which has been a constraint over the past few years.

Looking after existing infrastructure

This year we delivered a record value of $329 million of capital projects which focused on upgrades, improvements, and building new water infrastructure across the region. This is $67m (25%) higher than in 2022/23.

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Renewing our region's assets

Repairing aging infrastructure is not a sustainable long-term solution. Aging infrastructure is more expensive to maintain and operate, than building new assets that work efficiently. Without more funding for renewals, we are struggling to deliver our stated priorities to achieve sustainable water supply and demand and improve environmental water quality.

Our shareholding councils collectively own three waters infrastructure with a replacement value upwards of $12.3 billion. Maintaining or replacing this infrastructure is the largest contributor to our capital programme, with 52% of the capital programme ($172m) being spent on renewing infrastructure.

This is substantially below the level of renewals that are required to effectively maintain the network and results in assets becoming older and in worse condition each year.

A key constraint that we have been addressing is our ability to deliver on our councils' renewals programme, as deliverability was a key concern for our councils during the 2021-24 Long-Term Plans. As such, we set ourselves a target of delivering 90% of the councils' renewals programme between 2021 and 2024. In total, we delivered 159% of the three-year programme by value, and adjusted for inflation, met our target.

A large part of our success has been due to our unique supply chain model that uses panels made up of teams of consultants and contractors. Our capital suppliers are treated as part of our whānau, which means that they strive for outcomes for the region alongside us.

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Case Study: Taranaki St Rising Main Project

Delivering a positive outcome for our communities and the environment

Wellington Water is building a major new wastewater "rising main" (a pipe that carries wastewater under pressure) along Taranaki St from Market Lane to Wigan St.

This project is part of a major programme of work for CBD Wastewater Renewals and Upgrades. The programme will cater for growth, improve network resilience, environmental and health outcomes and provide extra flexibility in how the system can be managed.

The new Taranaki St rising main will allow wastewater to be diverted to the main interceptor, which carries wastewater to the Moa Point Wastewater Treatment Plant. This will connect to the lower rising main system to provide continued service while the other rising mains are replaced in the future.

The project will provide additional "redundancy" in the system ensuring that if a problem arises such as a pipe burst or an upgrade is needed, there is capacity to pick up the load and store it or pump it via an alternative route to the interceptor.

Work started in August 2023 and is expected to be completed four months ahead of schedule in early 2025.

The underground pipe has been laid utilising open trenching and trenchless Guided Auger Bore technology where possible (a way to install pipes under the ground without having to dig up the road). To July 2024 approximately 861m out of a total of about required 900m new pipe has been laid (381m open trench, 480.7m trenchless).

This is a significant win for Wellington ratepayers and road users, as this technology has enabled the team to deliver the project quicker than planned and to drill right under sections of Taranaki Street (including beneath SH1 at the Vivian Street, Ghuznee Street and Courtenay place intersections), reducing disruption to the traffic and pedestrian flow above.

It's also a win for the environment, with the Guided Auger Bore reducing the amount of contaminated waste to landfill.

Over this past year, we reached a major milestone with the installation of the pipe from Market Lane to Wigan St, under Vivian St and Ghuznee St and reinstatement of all of Taranaki St from Ghuznee St southwards.

During the last quarter of 2024, the team will be working on a range of other activities to connect the new rising main to the existing network ready for commissioning in early 2025. This includes connecting the new rising main to pump station 5 in Market Lane and to the new pump station in Inglewood Place as well as completing a new gravity network that will enable wastewater to be diverted into the new pump station.

When completed, the Taranaki St Rising Main project will deliver a great outcome for our communities and our environment.

Renewing Pipes

In total, our councils' networks contain over 7,000 kilometres of pipe. We estimate that councils need to be replacing an average of 100km of the network every year in order to keep it operating smoothly.

This year we completed 24.5 kilometres of pipe renewals across the region. This represents a significant step forward from the previous year, when we delivered 18.5km of renewals, and meets our target of 20km for 2023/24. Pipe renewals in the next three-year period of the Long-Term Plan are dropping as the focus shifts to renewing ageing infrastructure in our water and wastewater treatment plants.

Council	Water	Wastewater	Stormwater	Year End Total Pipe Renewed
HCC	9.0	6.0	0.3	**15.3**
WCC	2.1	1.3	0.3	**3.7**
UHCC	-	1.1	0.0	**1.1**
PCC	3.6	-	-	**3.6**
GWRC	0.7	-	-	**0.7**
SWDC	-	0.2	-	**0.2**
Total	**15.3**	**8.6**	**0.6**	**24.5**

Renewing other assets

Wellington Water operates four water treatment plants in the metropolitan Wellington area, as well as three water treatment plants and four wastewater treatment plants in South Wairarapa. Metropolitan wastewater treatment plants are operated by Veolia.

These plants comprise thousands of individual assets that work together to deliver safe drinking water and treat the region's wastewater. Renewing these assets is critical to ensuring the plants can design as operated, and underinvestment in renewals has contributed to increasing performance issues at these plants over time.

We delivered a total of $5.1m of renewals at plants operated by Wellington Water this year, up from less than $1m two years ago, with an additional $8m of renewals at metropolitan wastewater treatment plants operated by Veolia.

To facilitate this uplift, this year we established a treatment plant capital programme team to enable us to better manage the increased funding from our councils in improving the performance of our plants. This will help us to manage the significant spend at these plants in the coming years, where we are seeing investment (in both renewals and new equipment) increase from $61m in 2023/24 to $113m in 2024/25.

Moreover, this team will allow us to be more efficient and effective with our planning of this work, as operating on plants that are live and treating drinking and wastewater is complex, challenging, and full of risks.

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Delivering Major Projects

A water network is made up of a mix of various assets, such as bridges, reservoirs and treatment plants. Many of these assets are complex, expensive and bespoke, requiring novel engineering solutions. This means that constructing this infrastructure is complex and time-consuming, with projects that can take up to a decade from design to completion.

We have a number of significant Major Projects in construction at the moment, which made up $160m of our capital programme this year.

We closed out the Omarōrō Reservoir and commissioned the Taranaki Street Pumping Station in Wellington City. The Taranaki Street Rising Main is four months ahead of schedule, with 750m of 900m complete. We also completed the Barber Grove to Seaview WWTP wastewater pipe duplication, which was commissioned in 2023, and this project won an award at the Civil Contractors New Zealand awards.

Case study: Managing flood risks at Pinehaven

On behalf of Upper Hutt City Council, we are upgrading Pinehaven Stream at Willow Park to reduce flood risk in the area. This is all part of the wider programme of work to increase the capacity of Pinehaven Stream to accommodate a 1-in-25 year flood event. The upgrades will make significant improvements in flood protection to over 50 vulnerable properties, and improvements for 179 properties affected by secondary stormwater flow paths.

This work started in August 2023 and has made good progress.

- We have built two new retaining walls immediately downstream of the Sunbrae culvert
- An old pedestrian-only bridge has been replaced with a new pedestrian and cycle bridge over Pinehaven Stream at Willow Park, linking to Sunbrae Drive.
- Surveys of the stream have commenced involving ecological, photographic and topographic surveys, and general field visits.

In Upper Hutt, we installed phase two of the Pinehaven Stream flood improvements, while in Porirua construction of a new wastewater storage facility in central Porirua is underway. In South Wairarapa, the Featherston WWTP consent is almost ready to notify, with a successful trial of a DAF plant.

The Kaitoke Flume Bridge Pipeline was brought into service and some significant stages of the Whakawhirinaki Silverstream Water Bridge and Shared Path were completed, marking significant steps to increasing the resilience of our regional water supply.

Information on these and other projects can be found on our website, which is regularly updated with project progress.

Maintaining existing assets

One of our core operational activities is conducting maintenance on our network to ensure it keeps functioning. We break out maintenance activities into two main categories: planned maintenance and reactive maintenance. Planned maintenance is critical as it is a cost-effective way of protecting and extending the life of assets in the region, while reactive maintenance is fixing (and not replacing) assets that have failed.

We have set a long-term goal of increasing the proportion of our funding that we dedicate to planned maintenance, as this is more financially sustainable for our council owners and ratepayers.

This year, we spent $11.3m on planned maintenance, up from $10.9m in 2022/23, while we spent $39.9m on reactive maintenance (up from $31.7m).

This represents a step backwards in the ratio of planned to reactive maintenance – spending 28 cents on planned maintenance for every dollar of unplanned maintenance (down from 38 cents in 2022/23). This was driven by our councils' investment into fixing leaks and reducing the backlog, which has helped to bring down the immediate risk of water shortages. Increasing spend in planned maintenance is still critical to the efficient operation of the networks, saving costs in future years.

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Enhancing our compliance and assurance frameworks to meet new regulatory requirements

Working with our regulators through summer

Over the last year Wellington Water has worked with councils, our environmental regulator (Greater Wellington Regional Council) and the national water regulator, Taumata Arowai to manage a potential acute water shortage to the metropolitan Wellington area.

Partnering closely with councils and the regulator throughout the summer provides us with a good example of how working together can help to navigate a tricky and complex situation which contributed to the region not having to move to tighter water restrictions. Frequent and transparent sharing of information between Wellington Water, the councils and our regulator meant all parties were clear on the risk profile as we moved through the summer months, strong collaboration to navigate issues, increased investment from councils in the most needed areas (e.g. finding and fixing more leaks), and a co-ordinated communications and engagement campaign that resulted in a significant change in consumer behaviour which has seen demand reduce across the metropolitan region for the first time since 2020.

In May, to respond to next summer's acute water shortage risk, Taumata Arowai set a target of 7.4 million litres per day (MLD) water demand reduction by February 2025. This target and a plan of actions to meet this has been developed and agreed to by Wellington Water and our councils. Achieving a 7.4 MLD reduction in Water Loss would reduce the chance of a drinking water emergency to less than three percent, and the chance of level 4 water restrictions to approximately twelve percent for the coming summer. It is important to note, however, that there may still be a risk of level 3 water restrictions (a ban on all outdoor water use) this year, which will be dependant on weather patterns or any large spikes in water use.

We have set up monthly reporting to track our progress against this and have established good working relationships with Taumata Arowai. We are currently on track to achieve this reduction, and our open communication and good relationship with the regulator sets us up to manage the risk for the coming summer, as well as in future years.

Increasing our reporting to regulators

Taumata Arowai has been slowly increasing expectations over the quantity and quality of the data it receives since its inception in 2021.

For the first time Wellington Water reported our annual compliance with the Drinking Water Quality Assurance Rules. This required 3748 applications of the rules to the WWL drinking water networks. Many of the rules were new in the assurance space and required processes to be created to ensure that there was an auditable basis for the measures result.

We also must report to Taumata Arowai on their Network Environmental Performance Measures, which cover all three waters and their impact on the environment. Wellington Water reported results for 46 mandatory performance measures for the first annual period ending 30 June 2023, all for drinking water, as well as an additional 444 voluntary measures covering waste and stormwater.

Reporting on wastewater and stormwater is being phased in over time, with a total of 33 mandatory wastewater measures in 2023/24, rising to 71 in 2024/25. At the same time, Taumata Arowai is

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refining existing measures and we work with them to ensure that we are collecting and reporting meaningful data that allows them to operate as an effective regulator. We continue to report on all voluntary measures, both because we anticipate these will become mandatory, and because this provides the greatest assurance for our regulators, our owners, and our communities, that we are monitoring our impact on the environment.

Internal compliance and assurance improvements

We are committed to ensuring the provision of safe and high-quality drinking water to all our consumers in compliance with the Water Services Act (2021) and Drinking Water Quality Assurance Rules (DWQAR). To support this work, we set up a dedicated regulatory and compliance directorate to ensure that we focus on continual improvement of compliance within the company.

Due to the importance of drinking water for social, economic, environmental and cultural wellbeing, this year we sought to make improvements with how our internal audit function dealt specifically with drinking water. In June 2024 our Safe Drinking Water Committee agreed a bespoke internal audit philosophy for Drinking Water, which serves as a guiding principle to promote best practices, continual improvement, and regulatory compliance within our operations.

Our approach to internal auditing for Drinking Water embodies the following core principles:

1. Commitment to Quality and Safety
2. Regulatory Compliance
3. Risk-Based Approach
4. Continuous Improvement
5. Transparency and Accountability
6. Empowerment and Training
7. Customer-Centric Approach

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Health, Safety and Wellbeing

Health, Safety, and Wellbeing is a priority for Wellington Water as we continue to improve our health and safety culture, systems, processes, and practices in order to protect our people from harm. We believe in *People First, Every Time.*

Keeping our people safe

This year, our key Health and Safety metrics (Lost time injury and total recordable injury frequency rates) remained steady throughout the year, with our critical risks not significantly contributing to these, indicating that they were well controlled.

A focus on wellbeing

This year we have increased our focus on worker wellbeing by rolling out a series of Better Work by Design workshops. This work, based on resources developed by the New Zealand Business Leaders Health and Safety Forum, identifies factors that protect and harm wellbeing at work. This work goes beyond surface level interventions and looks at the actual work people do. These workshops have been carried out across the organisation and at all levels and have identified many common themes.

Workers identified that working for Wellington Water gives them a strong sense of purpose as they're connected to the work that we do, there is a good work environment, with a good work/life balance, as well as Wellington Water generally provides a flexible workplace. The workshops pointed out that wellbeing is being impacted by excessive workloads, inadequate systems and process, and not enough people to do the work.

Fluoride exposure concerns

Following some concern from workers around their exposure to fluoride powder, we undertook extensive occupational exposure monitoring and investigations into our practices. This work showed that there was no indication that any of our people were being exposed to hazardous levels, though we did bolster the controls we used, and introduced updated procedures including proved respiratory protection. This was well received by our people and showed our strong commitment to continuously improving health and safety practices.

Reviewing our critical risks

We recently undertook a review of our critical risks to ensure we were adequately addressing those we face in the water industry. Building off work done by the Department of Internal Affairs for the Water Reform programme Wellington Water introduce several new critical risks including Working Above and Around Water, Psychological Hazards, and Driving. These have been introduced to our workers alongside updated Life Saving Actions and form the backbone of our updated critical risk management programme. There is further work underway in the new financial year to bed these improvements.

We carried out two significant critical risk reviews during the year, looking at Traffic Management and Working Around Mobile Plant and Equipment, and how we can protect our people from the harms associated with these.

The Traffic Management review highlighted the different ways traffic management is managed across our client councils, and highlighted the issues these inconsistencies can cause. This work will feed into a wider piece of work to help drive a consistent and risk-based approach to traffic management in the Wellington Region, while the Mobile Plant review found areas where our people

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are put at risk, and identified future work we will pursue to address these across our entire supply chain.

A focus on core services					
#	**Measure**	**Target**	**2022/23**	**2023/24**	**Commentary**
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.
5	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.
6	The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	<5.2 (+/- 2.5)	*New measure for 2023/24*	4.9 (+/- 2.5)	The ILI is a ratio of avoidable water losses to unavoidable water losses. The lower the result, the better the network is performing.
7	We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Achieved	*New measure for 2023/24*	3 out of 10 actions complete	This year we focused on delivery of the 3 actions that produce tangible water saving results: • Reactive renewals • Pressure management • Private leak identification, communication and repair Actions have met the target required: no net increase in water loss across the metropolitan region, with an estimated 6 ML/D of savings.
8	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	2 abatement notices and 9 infringement notices	2 abatement notices 29 infringement notices	See details in the "managing the region's wastewater" section above.

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A focus on core services					
#	Measure	Target	2022/23	2023/24	Commentary
9	SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year	Achieved	Achieved	Achieved	Enforcement risks were highlighted to SWDC through monthly reporting dashboards that we provide our councils.
10	Percentage of three-year programme (2021-24) complete	90%	95% of three-year programme complete (cumulative)	159% of three-year programme complete (cumulative)	Achieved. Our target was to be able to ramp up and deliver more each year, with a target of at least 90% completion of renewals across the three-year Long-Term Plan period.
11	Ratio of planned to reactive maintenance increases	Ratio increases from baseline ($0.38:$1)	Baseline established ($0.38:$1)	$0.28:$1	We have seen a reduction in the amount of planned maintenance activities that we have undertaken this year.
12	Total capital delivery is within the capital range	Delivery between $233m and $328m	Achieved ($263m)	$329m	At the end of June 2024, the full year actual spend came in at $329m. At a programme level, the year marginally above the top end of the capital range ($233m and $238m). Note that the range was set against an initial budget of $301m from councils. An additional $49m was approved during the year to undertake additional works. These works meant that our full year result was less than 1% above the top end of the range.
13	Health and Safety critical risks will be reviewed, and improvements are implemented	Two or more	Two critical risk reviews completed	Two critical risk reviews completed	This year Wellington Water held two reviews of critical health and safety risks, namely Working Around Mobile Plant and Equipment, and Traffic Management.

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Other priorities

Improving environmental water quality

Our communities want to enjoy the region's beaches, rivers and coastlines. We run the three waters network in accordance with regulations and environmental consent requirements, and we work to reduce the environmental impact of our operations as much as possible.

We undertake regular surveillance of public drains and pipes to locate and fix any problems, and regular sampling and testing of local waterways to monitor our environmental impact. When there is an incident that impacts on public health, we advise the community of the risks and what they need to do to keep safe.

Progressing our stormwater consent

In early 2023 we lodged three wastewater overflow consents for the Wellington, Porirua and Hutt networks, as well as a global (four-city-wide) stormwater consent.

This year we continued to work towards renewing the stormwater consent for the metropolitan Wellington area and the consent covering all wastewater network overflows. In October, we sought feedback on the proposed community engagement framework that has been developed with a focus group of community representatives.

Our proposed approach has a Collaborative Committee, with representation from mana whenua and asset owners (councils) which would have oversight of the implementation of the consent.

This would be supported by community input at a 'global' level and a 'local' or sub-catchment level.

Our 'Towards Te Mana o te Wai' infographic can be accessed on our website for a summary of our overall approach.

Managing the impacts of our works

Our crews fix leaks on the front line every day, and when they are fixing a leak, there is a risk that sediment enters stormwater drains as the water escapes from the work site. If this occurs, these contaminants may end up in rivers, streams or beaches. Our crews use a variety of methods to ensure that nothing enters the stormwater network and makes its way out into beaches and harbours.

On rare occasions, an issue can occur, and this year we received three infringement notices from GWRC, in their role as the environmental regulator, for letting some of this sediment laden water into the environment. This year, we received six infringement notices for four incidents where sediment laden water entered a stormwater system, and then the environment. The receiving waterways were the Hutt River (twice), the Waiwhetu Stream in Lower Hutt, and the Kenepuru Stream in Porirua. This is an increase from last year, where we had two incidents.

Events such as these are learning opportunities and help us and our crews to better manage the impacts on the environment moving forward.

Net-zero carbon 2050

The Climate Change Response (Zero Carbon) Amendment Act sets New Zealand's goal of net zero carbon emissions by 2050. The majority of our owner councils have declared climate change

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emergencies and are setting or considering emission reduction targets and climate change response strategies.

The country's response to climate change will need to include mitigation (reducing our emissions) and adaptation (managing the impacts of climate change), and water services providers have a part to play in both mitigation and adaptation of these elements.

Planning for our communities

On 02 July 2024, the Ministry for the Environment (MfE) released its updated guidance for coastal hazards and climate change. This guidance is critical for Wellington Water and our councils as it helps us to assess the risks for our communities of climate change and helps determine what actions we can take.

Although this guidance was released after the end of the Financial Year, MfE held a webinar on the guidance and how to apply it during March 2024, and our teams have been using this guidance ever since. Critically, it defines the scenarios that should be used for planning in the absence of more localised assumptions. This provides Wellington Water and our councils with clarity on how we should be planning for climate change.

This guidance can be found on the MfE website here.

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Ensuring our people are ready for water reform transition

In our Statement of Intent, we detailed how we were working towards the establishment of a new Water Services Entity to take over delivery of water services from October 2024. This was a key priority, as the previous Government's Affordable Water Reforms proposed that future water services would be delivered by ten regional water entities. The Wellington water entity was to include our shareholding councils (excluding Greater Wellington Regional Council) as well as Kapiti Coast, Carterton and Masterton.

The new Government repealed these reforms soon after taking office and replaced them with their "Local Water Done Well" policy, which returns responsibility for water services to local councils.

Our councils are working together to look at what a new model for delivering water services could be, and along with Carterton, Masterton, Kapiti and Horowhenua district have signed a Memorandum of Understanding or MoU. The MoU is a a non-binding partnership to work together on a new regional council controlled organisation (CCO) to deliver water services.

Our input into this has been limited, as the new CCO (if established) will succeed Wellington Water. Our role has been, and will continue to be, providing input and support for our councils to help them make good decisions and set up the region for success moving forward.

Ensuring our people are ready for water reform transition					
#	**Measure**	**Target**	**2022/23**	**2023/24**	**Commentary**
14	Staff feel supported by the organisation through water reform (staff survey)	Greater than previous year (62%)	62%	65%[4]	Staff continued to feel supported by the organisation, particularly through previous Government's Affordable Water Reform process.
15	Staff feel as if they understand water reform (staff survey)	Greater than previous year (61%)	61%	42%[3]	Staff understanding fell significantly as a new Government was elected and the future of water reform became unclear.

[4] Management made the decision to discontinue these measures following the repeal of reforms in February 2024. As such, the result is taken from staff surveys undertaken up to February 2024.

Summary of Non-Financial Performance Statement of Intent 2023-26 Results

A total of 6 measures are achieved (green), while 9 measures are not achieved for the year (red).

#	Measure	Target	2022/23	2023/24	Commentary
1	Customers rate their experience of our performance as 'Satisfied' or better.	70%	65%	70% June – Dec 54% Jan - July	Changing our methodology has had a material impact on the result, with customer satisfaction decreasing from 70% under the phone survey to 54% with the online survey. While this does not meet expectations, we have seen a positive trend of improvement, with a high of 60% in June.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	Achieved at all plants	*New measure for 2023/24*	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	All plants except Gear Island were dosing within the MoH guidelines >95% of the time during the final quarter of the year, with Gear Island sitting at 93.9%. A combination of planned and reactive maintenance, as well as Health and Safety concerns with the fluoride loading process earlier in the year have contributed to not meeting this target at all Water Treatment Plants.
3	The percentage of the time resource consents are processed within timeframes (10 working days).*	Greater or equal to baseline (33%)	33%*	38%	Processing times have improved over the course of the year from 33% within 10 working days to 38% by the end of the year.
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.
5	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Not Compliant	See details in the "delivery of safe drinking water section above.

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#	Measure	Target	2022/23	2023/24	Commentary
6	The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve**	<5.2 (+/- 2.5)	*New measure for 2023/24*	4.9 (+/- 2.5)	The ILI is a ratio of avoidable water losses to unavoidable water losses. The lower the result, the better the network is performing.
7	We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Achieved	*New measure for 2023/24*	3 out of 10 actions complete	This year we focused on delivery of the 3 actions that produce tangible water saving results: • Reactive renewals • Pressure management • Private leak identification, communication and repair Actions have met the target required: no net increase in water loss across the metropolitan region, with an estimated 6 ML/D of savings.
8	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	2 abatement notices and 9 infringement notices	2 abatement notices 29 infringement notices	See details in the "managing the region's wastewater" section above.
9	SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year	Achieved	Achieved	Achieved	Enforcement risks were highlighted to SWDC through monthly reporting dashboards that we provide our councils.
10	Percentage of three-year programme (2021-24) complete	90%	95% of three-year programme complete (cumulative)	159% of three-year programme complete (cumulative)	Achieved. Our target was to be able to ramp up and deliver more each year, with a target of at least 90% completion of renewals

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#	Measure	Target	2022/23	2023/24	Commentary
					across the three-year Long-Term Plan period.
11	Ratio of planned to reactive maintenance increases	Ratio increases from baseline ($0.38:$1)	Baseline established ($0.38:$1)	$0.28:$1	We have seen a reduction in the amount of planned maintenance activities that we have undertaken this year.
12	Total capital delivery is within the capital range	Delivery between $233m and $328m	Achieved ($263m)	$329m	At the end of June 2024, the full year actual spend came in at $329m. At a programme level, the year marginally above the top end of the capital range ($233m and $238m). Note that the range was set against an initial budget of $301m from councils. An additional $49m was approved during the year to undertake additional works. These works meant that our full year result was less than 1% above the top end of the range.
13	Health and Safety critical risks will be reviewed, and improvements are implemented	Two or more	Two critical risk reviews completed	Two critical risk reviews completed	This year Wellington Water held two reviews of critical health and safety risks, namely Working Around Mobile Plant and Equipment, and Traffic Management.
14	Staff feel supported by the organisation through water reform (staff survey)	Greater than previous year (62%)	62%	65%[5]	Staff continued to feel supported by the organisation, particularly through previous Government's Affordable Water Reform process.
15	Staff feel as if they understand water reform (staff survey)	Greater than previous year (61%)	61%	42%[3]	Staff understanding fell significantly as a new Government was elected and the future of water reform became unclear.

[5] Management made the decision to discontinue these measures following the repeal of reforms in February 2024. As such, the result is taken from staff surveys undertaken up to February 2024.

Governance report

Wellington Water is a council-controlled organisation, and we are jointly owned and funded by:

- Greater Wellington Regional Council,
- Hutt City Council,
- Porirua City Council,
- South Wairarapa District Council,
- Upper Hutt City Council, and
- Wellington City Council.

Each council has equal voting rights and nominates a single elected representative to sit on the Wellington Water Committee, which oversees and appoints the organisation's Board and provides us with regional leadership and direction.

As a council-controlled organisation, we operate under the Companies Act 1993 and the Local Government Act 2002. Under these Acts, there are a number of foundational agreements between us and our council owners. These include:

- Company Constitution – Contains rules that govern the company,
- Shareholders Agreement – Sets out how council shareholders will manage shareholdings and respective relationships, and
- Management Service Agreements – Contracts for provision of management services relating to water service.

Wellington Water Committee

The Wellington Water Committee has a single elected representative from each of Wellington Water's shareholding councils and three representatives from mana whenua. For the reporting year, the Wellington Water Committee comprised of:

- Hutt City Council – Mayor Campbell Barry (Chair),
- Greater Wellington Regional Council – Councillor Ros Connelly (Deputy Chair),
- Porirua City Council – Mayor Anita Baker,
- South Wairarapa District Council – Councillor Melissa Sadler-Futter and Martin Connelly (formerly),
- Upper Hutt City Council – Mayor Wayne Guppy, and
- Wellington City Council – Mayor Tory Whanau and Tim Brown (formerly).

The Wellington Water Committee has seats for three appointments of iwi partners.

- Te Rūnanga o Toa Rangatira – Helmut Modlik,
- Taranaki Whānui ki te Upoko o te Ika a Maui – Lee Rauhina-August, and
- Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua – Andrea Rutene.

The Wellington Water Committee provides oversight and regional direction for Wellington Water. It does this by monitoring our performance, and appointing directors to our Board of Directors. We report quarterly and annually to the Wellington Water Committee on our performance.

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The Wellington Water Committee writes an annual Letter of Expectations to the Board, which outlines their key priorities and areas of focus. This is used to guide the development of our Statement of Intent.

Our Board of Directors

We're governed by a Board of Directors. The Chair of the Board reports to the Wellington Water Committee.

At the end of the financial year the Board of Directors consisted of six members. Each director can serve a maximum of two terms, or six years, unless agreed otherwise by the Wellington Water Committee. As at 30 June 2024, the Directors in office are as follows:

Director	Appointed	Term Expires
Nick Leggett (Chair)	18/3/2022	1/9/2025
Leanne Southey	1/7/2021	1/9/2025
Alexandra Hare	1/7/2022	30/6/2024
Patrick Dougherty	1/9/2023	1/09/2025
Mahina Puketapu	1/9/2023	1/9/2025
Bill Bayfield	1/9/2023	1/9/2025

The Board leads the development of our strategy, ensures sounds organisational culture and compliance, and monitors our performance, risks and viability. The Board's approach to governance is to establish with management (and in consultation with shareholders) clear strategic outcomes that drive our performance.

The following changes to the Board have occurred in the 2023/24 financial year:

Director	Appointed	Term Expires
Kim Skelton (Term expired)	2/9/2020	1/9/2023
Bill Bayfield (Appointed)	1/9/2023	1/9/2025
Mahina Puketapu (Appointed)	1/9/2023	1/9/2025
Patrick Dougherty (Appointed)	1/9/2023	1/9/2025

At the date of writing this report, the following additional changes have occurred:

Director	Appointed	Term Expires
Alexandra Hare	1/7/2022	30/6/2024 (Term expired)

Board meetings and attendance 2023/24

The Board meets regularly throughout the year and has a committee to focus on audit and risk.

The table below shows attendance at Board and Audit Committee meetings during the year ended 30 June 2024:

Name	Board Meeting Attendance (13 meetings)	Audit Committee Attendance (5 meetings)
Nick Leggett (Chair)	13	4
Leanne Southey (Chair Audit)	13	5
Patrick Dougherty	11	5
Mahina Puketapu	12	5
Bill Bayfield	11	4
Alexandra Hare	12	5

Audit Committee

The Audit Committee comprises all members of the Board and is chaired by Leanne Southey. The purpose of the Audit Committee is to:

- approve, review and assess the quality and integrity of the financial reporting of Wellington Water Ltd
- consider whether the company has established appropriate policies and put in place management processes to ensure that risks are properly identified and managed
- oversee and assess the internal and external audit processes.

Directors' remuneration 2023/24

The table below shows remuneration paid to directors during the year ended 30 June 2024.

Name	Fees Paid ($ 000's)
Nick Leggett	60
Leanne Southey	30
Alexandra Hare	30
Mahina Puketapu	25
Patrick Dougherty	25
Bill Bayfield	25
Kim Skelton	5

Interest Register as at 30 June 2024

Name	Nature of Interest	Date Disclosed
Nick Leggett	Trustee and Chair, Hutt Mana Charitable Trust	March 2022
	Director, WRC Holdings Ltd, Greater Wellington Rail Ltd	March 2022
	Council member - Hanga Aro Rau - Workforce Development Council	March 2022

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Name	Nature of Interest	Date Disclosed
	Father is a City Councillor on Porirua City Council, which is a shareholder of Wellington Water Ltd	March 2022
	Aspiring Futures Foundation Trustee and Chair	July 2022
	CE – Infrastructure New Zealand	May 2022
Leanne Southey	Director and Shareholder, Southey Sayer Limited	July 2021
	Member, Wellington Free Ambulance Boar	July 2021
	Trustee, Masterton Tradeai	July 2021
	Shareholder, Mangan Graphics Limite	July 2021
	Masterton Community trust, Trustee	Nov 2022
	Director, Trust House Masterton	Feb 2023
	Trustee, Trust House Foundation	Feb 2023
	Chair – Kauri Healthcare Lt	July 2023
Alexandra Hare	Deputy Chair/Trustee Engineering New Zealand Foundation	July 2022
	Trustee Eureka! Trust	July 2022
	Director Generational Limited	July 2022
	Independent Director Wellington Water	Sept 2023
	Limited Independent Director Wellington Holdings Limited	Sept 2023
	Independent member Audit and Risk Committee Ministry for the Environment	Sept 2023
	Advisor Electricity Engineers Association	Sept 2023
William Bayfield	Trustee, Family Trust, Costrong	Aug 2023
	Director, Citycare	Feb 2024
	Director of Apex Water Ltd.	Feb 2024
Patrick Dougherty	Tregaskis Brown, Consulting Partner – No Shareholding	Aug 2023
	Tonkin and Taylor / TB Joint bid for work with Hauraki District Council	Aug 2023
	Wellington City Council / TB Analysis of a significant development proposal for WCC	Aug 2023
	Providing consultancy advice to Tonkin + Taylor on the development of a Local Government Strategy	April 2024
Mahina Puketapu	Port Nicholson Block Settlement Trust – Trustee Shareholder of Subsidiaries of Port Nicholson Block Settlement Trust: TWL Holdings Limited, LBS General Partner	Aug 2023
	Taranaki Whānui Limited – Director	Aug 2023
	Director of Subsidiaries of Taranaki Whānui Limited: Lowry Bay Section One Limited, Tramways Limited, Shelly Bay Limited, The Lodge at Shelly Bay Limited, TWL Holdings Limited	Aug 2023
	Te Ngakinga o Whanganui Investment Trust – Board Member/Trustee	Aug 2023
	Whanganui Iwi Fisheries Limited – Directo	Aug 2023
	Institute of Finance Professionals NZ Inc – Board Member	Aug 2023
	Taumairangi Limited – Director and Shareholder	Aug 2023
	Te Kotahitanga o Te Atiawa – Registered Iwi Member	Aug 2023
	Taranaki Iwi – Registered Iwi Member	Aug 2023

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Name	Nature of Interest	Date Disclosed
	Taranaki Whānui – Registered Iwi Member	Aug 2023
	Tauhara North No.2 Trust – Chief Investment Officer	Aug 2023

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the company's constitution, Wellington Water Limited has indemnified all current and former directors and executive officers of the company in respect of all liabilities to persons (other than the company or a related body corporate) to the extent permitted by law that arise out of the performance of their normal duties as directors or executive officers unless the liability relates to conduct involving a lack of good faith.

In authorising the insurances to be affected, each director has signed a certificate stating that in their opinion the cost of the insurance is fair to the company.

Use of company information

No notices have been received by the Board of Wellington Water under section 145 of the Companies Act with regard to the use of company information received by directors in their capacity as directors of the company.

Board evaluation

The directors carry out a review and evaluation of the Board processes, efficiency and effectiveness every two years. The results of this survey are presented to the Wellington Water Committee.

Auditor

The auditor is appointed under Part 5, section 70 of the Local Government Act. Audit New Zealand has been appointed by the Auditor-General to provide these services on his behalf.

Employee remuneration

2023/24	Salary Bracket
$460,000.00 - $470,000.00	1
$290,000.00 - $300,000.00	1
$280,000.00 - $290,000.00	1
$260,000.00 - $270,000.00	1
$250,000.00 - $260,000.00	2
$240,000.00 - $250,000.00	2
$230,000.00 - $240,000.00	0
$220,000.00 - $230,000.00	2
$210,000.00 - $220,000.00	2
$200,000.00 - $210,000.00	1
$190,000.00 - $200,000.00	11
$180,000.00 - $190,000.00	4
$170,000.00 - $180,000.00	12
$160,000.00 - $170,000.00	10
$150,000.00 - $160,000.00	11
$140,000.00 - $150,000.00	16
$130,000.00 - $140,000.00	17

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$120,000.00 - $130,000.00	19
$110,000.00 - $120,000.00	24
$100,000.00 - $110,000.00	34
Total Staff	**171**

Matters that shareholders wish to restrict

The shareholders have agreed that the approval of the Statement of Intent is subject to the following restrictions on our Board who may not:

- make a loan or borrow money, except for any borrowings in the ordinary course of business of no more than $1m in total,
- grant security over the assets of the company, or grant an indemnity or guarantee other than in the ordinary course of business,
- make a material change to the nature of the company's business or engage in business activities outside the ordinary course of business,
- enter a new customer service-level agreement, except in the form already agreed by shareholders,
- enter into a partnership or joint venture, except in the ordinary course of business,
- acquire a new business or shares in another company,
- starting or settling any legal or arbitration proceedings, except in the ordinary course of business, and
- transferring or disposing of real or intellectual property with a value of over $0.2m.

Information to be provided to shareholders

In each year Wellington Water shall comply with the reporting requirements of the Local Government Act and the Companies Act and regulations.

In particular, Wellington Water will provide:

- a Statement of Intent detailing all matters required under the Local Government Act (LGA), including forecast financial information for the next three years
- within two months after the end of the first half of each financial year, a report on the operations of Wellington Water to enable an informed assessment of its performance, including financial statements (in accordance with section 66 of the LGA), and
- within three months after the end of each financial year, an annual report that provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances; audited consolidated financial statements for that financial year; and an auditor's report (in accordance with sections 67, 68 and 69 of the LGA).

Owing to the reporting undertaken in accordance with the service-level agreements with client councils, the reliance on six-monthly reports fully meets Local Government Act requirements and is considered appropriate.

Ratio of shareholders' funds to total assets

Ownership of infrastructure assets is retained by the shareholders. As Wellington Water is a business that returns all benefits to shareholders, the ratio of shareholders' funds to assets is as follows:

	Actual 2024	Budget 2024	Actual 2023

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Ratio of shareholders' funds to total assets	6%	4%	4%

Company policies and procedures

Delegation to the Chief Executive and Senior Leadership Team

The Chief Executive and Senior Leadership Team are responsible for:

- developing and making recommendations to the Board on company strategies and specific strategy initiatives,
- the management and implementation of the strategy,
- the implementation of Board-approved policies and reporting procedures, and
- the day-to-day management of the company.

These responsibilities are subject to the Board's delegation of authority to the Chief Executive and Senior Leadership Team and other rights and responsibilities which are reserved to the Board.

Code of Conduct

Wellington Water's purpose is to 'create excellence in three water services so our communities can prosper'. Underpinning this is the Code of Conduct, which acknowledges the company's commitment to maintaining the highest standards of honesty, integrity and ethical conduct in its day-to-day behaviour and decision-making.

The Code of Conduct guides all members of the company in the practices necessary to maintain confidence in the company's integrity and takes into account legal obligations and compliance regulations. It also guides the responsibility and accountability of individuals for reporting and investigating any unethical practices. The Code of Conduct is supported by the Conflicts of Interest Policy, Gifts and Entertainment Policy, Protected Disclosure Procedures, Harassment at Work Procedures, Health and Safety Policy and Fraud Policy.

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Financial statements

These financial statements and the performance information are for the year ended 30 June 2024. They comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand ($000), unless otherwise stated. The measurement basis applied is historical cost.

For and on behalf of management:

Pat Dougherty
CHIEF EXECUTIVE

25 September 2024

Mark Ford
CHIEF FINANCIAL OFFICER

25 September 2024

For and on behalf of the Board of Directors:

Nick Leggett
CHAIR OF THE BOARD

25 September 2024

Leanne Southey
CHAIR OF AUDIT COMMITTEE

25 September 2024

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Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2024

	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000
Revenue from exchange transactions	3	464,629	412,053	380,363
Revenue from non-exchange transactions	3	629	-	1,470
Interest revenue		2,007	1,125	1,031
Gain/(loss) on disposal of assets		32	-	16
Total revenue		**467,297**	**413,178**	**382,880**
Salaries and wages		(40,318)	(49,241)	(32,267)
Superannuation		(1,204)	(1,583)	(966)
Directors fees		(197)	(210)	(176)
Audit fees - financial statements		(284)	(281)	(262)
Audit fees - other		-	-	(10)
Council opex programme		(113,285)	(110,072)	(96,640)
Council capex programme		(329,368)	(277,299)	(262,747)
Operating leases		(1,844)	(1,890)	(1,439)
Other personnel expenses		(4,696)	(2,492)	(5,401)
Other operating expenses		(13,727)	(16,326)	(12,646)
Corporate (Direct) costs charged to opex programme		13,061	15,312	12,093
Corporate (Direct) costs charged to capex programme		31,742	32,622	17,306
Total operating expenses		**(460,120)**	**(411,461)**	**(383,155)**
Depreciation and amortisation expense		(1,557)	(1,718)	(1,619)
Total expenses		**(461,677)**	**(413,178)**	**(384,774)**
Net surplus/(deficit) before taxation		**5,620**	**-**	**(1,894)**
Tax (expense)/credit		(1,586)	-	393
Total comprehensive revenue and expenses		**4,034**	**-**	**(1,501)**
Attributable to:	**9**			
Greater Wellington Regional Council	15%	605	-	(225)
Hutt City Council	20%	807	-	(300)
Porirua City Council	12%	484	-	(180)
South Wairarapa District Council	5%	202	-	(75)
Upper Hutt City Council	8%	323	-	(120)
Wellington City Council	40%	1,613	-	(601)
Total comprehensive revenue and expenses	**100%**	**4,034**	**-**	**(1,501)**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2024

	Retained Earnings $000	Issued Capital $000	Total $000
Balance at 1 July 2022	3,525	1,000	4,525
Share capital issued			
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(1,501)	-	(1,501)
Balance at 30 June 2023	**2,024**	**1,000**	**3,024**
Balance at 1 July 2023	2,024	1,000	3,024
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	4,034	-	4,034
Balance at 30 June 2024	**6,058**	**1,000**	**7,058**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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Statement of Financial Position

At 30 June 2024

	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000
Cash and cash equivalents		36,550	32,118	31,871
Receivables and prepayments	6	70,081	32,281	41,672
Tax (receivable)		-	-	407
Total current assets		**106,631**	**64,399**	**73,950**
Intangible assets	4	25	99	77
Property, plant and equipment, vehicles	4	4,576	4,694	4,963
Deferred tax asset/(liability)	5	369	(360)	35
Total non-current assets		**4,970**	**4,433**	**5,075**
Total assets		**111,601**	**68,832**	**79,025**
Payables and provisions	7	100,632	59,025	73,801
Employee entitlements		2,549	1,891	2,175
Tax payable		1,337	19	-
Total current liabilities		**104,518**	**60,935**	**75,976**
Employee entitlements		25	18	25
Total non-current liabilities		**25**	**18**	**25**
Total liabilities		**104,543**	**60,953**	**76,001**
Net assets		**7,058**	**7,879**	**3,024**
Issued capital	9	1,000	1,000	1,000
Retained earnings		6,058	2,024	2,024
Total equity		**7,058**	**3,024**	**3,024**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Authorised on behalf of the Wellington Water Limited Board of Directors on 25 September 2024.

Nick Leggett
CHAIR OF THE BOARD

Leanne Southey
CHAIR OF AUDIT COMMITTEE

25 September 2024

25 September 2024

Statement of Cash Flows

For the year ended 30 June 2024

	Note	Actual 2024 $000	Budget 2024 $000	Actual 2023 $000
Receipts from customers		458,047	412,053	389,371
Interest received		2,007	1,125	1,031
Employees and suppliers		(454,113)	(411,460)	(377,942)
Tax paid		(176)	-	(426)
Net cash flow from operating activities	**8**	**5,765**	**1,718**	**12,034**
Purchase of property, plant and equipment, vehicles		(1,090)	(1,346)	(1,388)
Purchase of intangibles		(28)	(125)	(32)
Proceeds from disposal of assets		32	-	16
Net cash flow from investing activities		**(1,086)**	**(1,471)**	**(1,404)**
Share capital issued		-	-	-
Net cash flow from financing activities		**-**	**-**	**-**
Net cash flow		**4,679**	**247**	**10,631**
Add: cash at the beginning of the year		31,871	31,871	21,241
Cash at the end of the year		**36,550**	**32,118**	**31,871**
Comprised of:				
Cash at bank and on hand		36,550	32,118	31,871

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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Notes to the financial statements

For the year ended 30 June 2024

1. About these financial statements

Reporting entity

Wellington Water Limited (Wellington Water) is a council-controlled organisation (CCO) owned by Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. Wellington Water provides asset management services specialising in drinking water, storm water, and wastewater services.

Basis of preparation

Wellington Water Limited is a company registered in New Zealand under the Companies Act 1993 and is a Tier 1 Public Benefit Entity (PBE) for reporting purposes.

Accounting policies have been applied consistently throughout the period. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for billed receivables and payables, which include GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The Water Services Entities Act 2022, along with the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed by the Water Services Acts Repeal Act 2024 on July 15, 2024. This repeal marks the end of the 10-entity model and returns the responsibility for water services delivery to local authorities. Under the new "Local Water Done Well" policy, legislated in August 2024, the government aims to enhance the efficiency, sustainability, and quality of water services through stronger central government oversight and economic regulation. These financial statements have been prepared on a going concern basis, reflecting the transition to the new framework.

Statement of compliance

These financial statements are for the year ended 30 June 2024. They comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand ($000), unless otherwise stated. The measurement basis applied is historical cost.

The financial statements were authorised for issue by the Board of Directors on 25 September 2024.

Budget

The budget figures included in the financial statements are as published in the Statement of Intent (SOI) 2023-25. At this time, not all councils had confirmed the final budget numbers.

The budget figures were prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Wellington Water in preparing these financial statements.

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Areas of significant estimation and judgement

Wellington Water is required to make estimates and judgements when applying accounting policies. The significant areas are useful lives of property, plant and equipment, vehicles and intangibles (note 4) and provisions (note 7).

Accounting standards and interpretations

PBE IFRS 41 Financial Instruments became effective during the financial year 2023. Wellington Water has determined that PBE IFRS 41 does not materially impact the financial statements.

PBE FRS 48 Service Performance Reporting standard became effective during the financial year 2023. Wellington Water has fully adopted the standard for the preparation of the 30 June 2024 annual report.

2. Variances to budget

Commentary is provided for variances to budget greater than 20% or $1 million.

Statement of comprehensive revenue and expenses

	2024 Actual $000	2024 Budget $000	Variance $000	Variance %
Revenue	467,297	413,178	54,119	13%
Operating expenses	(460,120)	(411,461)	(48,659)	12%
Depreciation and amortisation	(1,557)	(1,718)	161	(9%)

Revenue and operating costs exceeded the budget primarily due to increases in council capital expenditure (capex) programmes relative to the budget. The additional funding allocated by councils was mainly for drinking water and wastewater upgrades.

Statement of financial position

	2024 Actual $000	2024 Budget $000	Variance $000	Variance %
Current assets	106,631	64,399	42,232	66%
Non-current assets	4,970	4,433	537	12%
Current liabilities	104,518	60,935	43,583	72%
Non-current liabilities	25	18	7	38%
Equity	7,058	3,024	4,034	133%

Current assets were higher than budgeted, mainly due to increased bank balances and receivables. Most council receipts were projected to be paid against payables towards the end of the year. Receivables were higher than budgeted due to advance invoicing to councils to support commitments arising from council capex and opex programmes. The budget, prepared at the business-as-usual (BAU) level, does not account for this possibility.

Current liabilities were higher than budgeted due to increased trade payables and provisions. This was primarily due to an increase in council capex and opex programme spending towards the end of the year. Additionally, some council revenue received in advance was treated as a current liability.

Equity at the end of the year increased due to a surplus from the current year, mainly attributed to unfilled vacancies that were budgeted but remained unfilled due to early holds on recruitment. These holds were applied in anticipation of the repeal of Water Reform and expected budget cuts in the following years. The surplus will help address any unexpected expenses and sustain the organisation's demands.

Statement of cash flows

	2024 Actual $000	2024 Budget $000	Variance $000	Variance %
Net cash flow from operating activities	5,765	1,718	4,047	236%
Net cash flow from investing activities	(1,086)	(1,471)	385	(26%)

Net cash flow from operating activities was significantly higher than budgeted, as most budgeted council receipts were expected to be paid against payables towards the end of the year. Actual cash flow, however, includes advance invoicing to councils to fund timely delivery of capex and opex programmes. As noted previously, the budget, prepared at the BAU level, does not account for this possibility.

3. Revenue

a. Revenue from exchange transactions

Revenue is derived from the six council shareholders, and from occasionally charging third parties for work performed. Revenue is billed and recognised monthly and primarily consists of revenue derived from management and advisory services, council operational expenditure (opex) programme and council capital expenditure (capex) programme.

	2024 Actual $000	2023 Actual $000
Management and advisory services	21,792	20,359
Council opex programme	113,285	96,640
Council capex programme	329,368	262,747
Other revenue	184	617
Total revenue from exchange transactions	**464,629**	**380,363**

Management and advisory services

Revenue from management and advisory services is recognised using the percentage of completion method.

The annual fee is agreed with councils and performed on a financial year basis. This revenue has been fully recognised as services have been fully provided at the balance date.

Council opex programme

The opex programme revenue is recognised using the percentage of completion method.

Wellington Water develops an annual work programme from the long-term plans of councils, delivered on a financial year basis. Wellington Water enters into contracts with contractors to perform the work and manages the programme, acting as a principal in these transactions. Wellington Water employees also perform some of the work.

Opex programme revenue has been fully recognised as services have been fully provided at the balance date.

Council capex programme

The capex programme revenue is recognised using the percentage of completion method, based on the costs incurred as a percentage of total costs under the contracts.

Wellington Water develops an annual work programme that is jointly agreed with councils. Wellington Water is responsible for the procurement process, including the selection of contractors and contract pricing, and manages the programme, acting as a principal in these transactions. Capex programme revenue and expenses have been recognised equivalent to the invoices paid or payable to third parties for the financial year. Wellington Water employees also perform some of the work.

b. Revenue from non- exchange transactions

	2024 Actual $000	2023 Actual $000
National transition programme	629	1,470
Total revenue from non-exchange transactions	**629**	**1,470**

National Transition programme

The National Transition funding programme revenue is recognised using the percentage of completion method across the six councils.

The programme concluded at balance date with the repeal of the Water reform legislation, enacted through the Water Services Act Repeal Bill in February 2024. This legislation ended the previous Government's Affordable Water Reform, returning water services delivery to local authorities.

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4. Property, plant and equipment, vehicles, and intangibles

Property, Plant and Equipment (PPE) consists of fit-out and equipment. Vehicles consist of commercial vehicles used for operational purposes. Intangible assets consist of computer software and systems. These assets are carried at cost less accumulated depreciation or amortisation and accumulated impairments. Assets are reviewed annually for indicators of impairment.

Cost

These assets are initially measured at cost. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Assets under construction are recorded as capital work in progress and include both operational and intangible assets under construction. Costs that do not meet the criteria for capitalisation are expensed as incurred.

The cost of assets includes the purchase cost and those costs directly attributable to bringing the asset to the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and can be measured reliably is capitalised.

Depreciation and amortisation

Depreciation is calculated on a straight-line basis to allocate the cost or value of the asset over its useful life. The useful lives and depreciation rates are reviewed annually and adjusted if appropriate at each balance date. This ensures that the depreciation expense reflects the pattern in which the asset's future economic benefits are expected to be consumed.

The range of depreciation and amortisation rates for each class of asset is as follows:

Fit-out and equipment	6% – 67%
Vehicles	8.5% - 21%
Intangibles	40%

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	Fit-out and Equipment $000	Vehicles $000	Intangibles $000	Total $000
Cost				
Balance 1 July 2022	7,068	3,325	2,290	12,683
Additions	1,192	196	32	1,420
Disposals	-	(43)	-	(43)
Balance at 30 June 2023	**8,260**	**3,478**	**2,322**	**14,060**
Balance 1 July 2023	8,260	3,478	2,322	14,060
Additions	895	196	28	1,119
Disposals	-	(56)	-	(56)
Balance at 30 June 2024	**9,155**	**3,618**	**2,350**	**15,123**
Depreciation and amortisation				
Balance 1 July 2022	(4,156)	(1,228)	(2,061)	(7,445)
Charge for the year	(1,058)	(377)	(184)	(1,619)
Disposals	-	44	-	44
Balance at 30 June 2023	**(5,214)**	**(1,561)**	**(2,245)**	**(9,020)**
Balance 1 July 2023	(5,214)	(1,561)	(2,245)	(9,020)
Charge for the year	(1,077)	(400)	(80)	(1,557)
Disposals	-	55	-	55
Balance at 30 June 2024	**(6,291)**	**(1,906)**	**(2,325)**	**(10,522)**
Carrying amount				
Balance at 30 June 2023	**3,046**	**1,917**	**77**	**5,040**
Balance at 30 June 2024	**2,864**	**1,712**	**25**	**4,601**

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5. Taxation

Income Tax Expense: The income tax expense comprises both current and deferred tax components.

Current Tax: Current tax represents the income tax payable on the taxable surplus for the current year, including any adjustments to income tax payable for prior years. It is calculated using tax rates and laws that have been enacted or substantively enacted by the balance date.

Deferred Tax: Deferred tax accounts for income tax payable or recoverable in future periods due to temporary differences and unused tax losses. Temporary differences arise between the carrying amounts of assets and liabilities in the statement of financial position and their respective tax bases used in computing taxable surplus.

Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted by the balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred Tax Liabilities and Assets: Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

	2024 Actual $000	2023 Actual $000
Components of tax expense		
Current tax expense	1,920	-
Deferred tax expense	(334)	(393)
Tax expense	**1,586**	**(393)**
Reconciliation of effective tax rate		
Net surplus/(deficit) before tax	5,620	(1,894)
Tax at 28%	1,573	(530)
Plus (less) tax effect of:		
Non-deductible expenditure	13	140
Non-taxable income	-	(26)
Deferred tax adjustment	-	23
Total income tax expense/(credit)	**1,586**	**(393)**
Imputation credits		
Imputation credits available for use in subsequent reporting periods	**1,870**	**1,377**

Movement in deferred tax asset/(liability)	PPE $000	Employee entitlements $000	Tax Losses $000	Provision for doubtful debt $000	Sundry Creditors $000	Total $000
Balance at 30 June 2022	(938)	540	-	40	-	(358)
Charged to surplus or deficit	185	154	85	(31)	-	393
Balance at 30 June 2023	**(753)**	**694**	**85**	**9**	**-**	**35**
Charged to surplus or deficit	208	258	(85)	9	(56)	334
Balance at 30 June 2024	**(545)**	**951**	**-**	**18**	**(56)**	**369**

6. Receivables

		2024 Actual $000	2023 Actual $000
Receivables with related parties	Note 10	53,253	37,346
Provision for doubtful debts		(64)	(32)
Other receivables		6,075	778
Prepayments		10,817	3,580
Total receivables		**70,081**	**41,672**

All receivables greater than 30 days in age are considered past due. The provision for doubtful debts is based on 100% of two past due receivables. All other receivables are not considered past due.

7. Payables and provisions

		2024 Actual $000	2023 Actual $000
Trade payables		50,539	47,071
GST payable		2,825	601
Revenue in advance		27,591	13,631
Payables with related parties	Note 10	17,827	11,278
Employee related payables and provisions		1,589	1,162
Other provisions		261	58
Total payables and provisions		**100,632**	**73,801**

All payables greater than 30 days in age are considered past due. There are no material trade payable balances past due.

8. Reconciliation of net surplus to operating cash flows

	2024 Actual $000	2023 Actual $000
Net surplus/(deficit) after taxation	**4,034**	**(1,501)**
Non-cash and non-operating items:		
Depreciation and amortisation	1,557	1,619
Gain on sale of vehicles	(32)	(16)
Capital grant proceeds	-	(93)
Movements in working capital		
Increase in payables	21,887	17,555
Increase in receivables	(21,505)	(5,104)
Tax payable	(176)	(426)
Net cash flow from operating activities	**5,765**	**12,034**

Net cash flow for 2024 is driven by net surplus and depreciation. Payables increased substantially in both years, while receivables grew in 2024 in comparison to 2023, due to timing of advance invoicing for council programmes. Movements in working capital mostly offset each other in 2024.

9. Share capital

The total number of authorised, issued and fully paid ordinary shares at 30 June 2024 was 500 (2023:500). These are represented by Class B shares and entitle the holder to a share in the distribution of the surplus assets of the company. Class A shares entitle the holder to vote at a meeting of the shareholders on any resolution.

Shareholder	Voting Rights Class A	Ordinary shares Class B	Class B $000	Class B %
Greater Wellington Regional Council	150	75	150	15%
Hutt City Council	150	100	200	20%
Porirua City Council	150	60	120	12%
South Wairarapa District Council	150	25	50	5%
Upper Hutt City Council	150	40	80	8%
Wellington City Council	150	200	400	40%
Total shares	**900**	**500**	**1,000**	**100%**

10. Related parties

During the year, Wellington Water had the following material transactions with related parties recognised in revenue:

Revenue from exchange transactions:	2024 Actual $000	2023 Actual $000
Management & advisory services		
Greater Wellington Regional Council	8,774	8,236
Hutt City Council	3,677	3,354
Porirua City Council	1,385	1,300
South Wairarapa District Council	332	312
Upper Hutt City Council	1,353	1,270
Wellington City Council	6,310	5,887
Other Corporate	145	-
Total management and advisory services	**21,976**	**20,359**
Council opex programme		
Greater Wellington Regional Council	17,254	14,614
Hutt City Council	25,538	20,571
Porirua City Council	11,721	9,671
South Wairarapa District Council	4,304	4,006
Upper Hutt City Council	7,649	6,978
Wellington City Council	46,820	40,800
Total council opex programme	**113,286**	**96,640**
Council capex programme		
Greater Wellington Regional Council	101,102	63,904
Hutt City Council	70,527	68,304
Porirua City Council	69,854	39,667
South Wairarapa District Council	5,569	4,910
Upper Hutt City Council	15,692	13,781
Wellington City Council	66,624	72,181
Total council capex programme	**329,368**	**262,747**

Revenue from non-exchange transactions:	2024 Actual $000	2023 Actual $000
National Transition Programme:		
Greater Wellington Regional Council	88	224
Hutt City Council	116	302
Porirua City Council	89	230
South Wairarapa District Council	17	45
Upper Hutt City Council	66	169
Wellington City Council	191	500
Other - DIA	62	-
Total other council revenue	**629**	**1,470**

During the fiscal year, Wellington Water engaged in several significant transactions with related parties, which have been duly recognised in our expenses.

Wellington Water has been in an alliance partnership with Fulton Hogan since 1 July 2019, aimed at maintaining and operating the three waters networks across the Wellington region. Given that Fulton Hogan employees hold management positions within the Alliance, which could potentially exert significant influence, Fulton Hogan is classified as a related party. The total cost of services procured from Fulton Hogan during the year amounted to $120.8m (2023: $62.7m).

Additionally, Wellington Water received various services from Wellington City Council on an arm's length basis, including payroll and IT.

As of the end of the fiscal year, Wellington Water had the following outstanding balances with related parties:

Amounts owing to Wellington Water by related parties at 30 June	2024 Actual $000	2023 Actual $000
Greater Wellington Regional Council	11,141	9,894
Hutt City Council	9,334	10,847
Porirua City Council	9,572	5,187
South Wairarapa District Council	341	1,331
Upper Hutt City Council	-	(86)
Wellington City Council	22,865	10,145
Fulton Hogan	-	28
Total related party receivables	**53,253**	**37,346**

	2024 Actual $000	2023 Actual $000
Amounts owed to related parties by Wellington Water at 30 June		
Greater Wellington Regional Council	329	841
Hutt City Council	2,232	-
Porirua City Council	303	-
South Wairarapa District Council	85	-
Upper Hutt City Council	997	-
Wellington City Council	901	-
Fulton Hogan	12,980	10,437
Total related party payables	**17,827**	**11,278**

11. Key management personnel

The key management personnel are the Directors, Chief Executive and Senior Leadership Team. The full time equivalent (FTE) number of individuals receiving remuneration as key management (excluding directors) during the year was 6 (2023: 7).

	2024 Actual $000	2023 Actual $000
Salaries and wages	1,735	1,843
Directors' fees	200	176
Superannuation	52	55
Total key management personnel remuneration	**1,987**	**2,074**

The FTE number of Directors at 30 June 2023 was 7 (2023: 6). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

	2024 Actual $000	2023 Actual $000
Nick Leggett	60	31
Leanne Southey	30	28
Alexandra Hare	30	27
Mahina Puketapu	25	-
Patrick Dougherty	25	-
Bill Bayfield	25	-
Kim Skelton	5	26
Lynda Carroll	-	44
Mike Underhill	-	20
Total Directors' remuneration	**200**	**176**

12. Financial instruments and risk management

Financial instruments include cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2024 Actual $000	2023 Actual $000
Financial Assets		
Loans and receivables		
Cash and cash equivalents	36,550	31,871
Receivables and prepayments	70,081	41,672
Total loans and receivables	**106,631**	**73,543**
Financial Liabilities		
Financial liabilities at amortised cost		
Trade payables and payables with related parties	68,367	58,349
Total financial liabilities at amortised cost	**68,367**	**58,349**

Fair values

Payables, receivables, and loans are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Given their relatively short-term nature, their carrying amounts are considered a reasonable approximation of fair value.

Market risk

Market risk refers to the exposure to fluctuating interest rates and foreign currency rates. Wellington Water does not have any long-term borrowings or significant foreign currency exposure, thereby minimising market risk.

Credit risk

Credit risk is the risk that counterparties will default on their contractual obligations, resulting in financial loss to the company. Wellington Water's credit risk is concentrated due to its reliance on revenue from the Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. However, these councils are considered high credit quality entities by the Directors. Receivables balances are monitored continuously to manage exposure to bad debts. Additionally, cash and cash equivalents are held with ANZ Bank, which has a Standard and Poor's credit rating of AA-.

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as they fall due. This risk is managed by maintaining short payment terms with the six councils. There are no trade payables with a due date of more than one year, ensuring that the company can meet its short-term liabilities.

13. Commitments and contingencies

Wellington Water has operating lease commitments relating to the rental of the Petone office, vehicles and copiers on normal commercial terms and conditions. The minimum payments to be paid under non-cancellable operating leases are as follows:

	2024 Actual $000	2023 Actual $000
Less than 1 year	2,040	1,464
Between 1 and 5 years	3,845	327
Later than 5 years	777	-
Total operating lease commitments	**6,662**	**1,791**

Wellington Water has no material capital commitments (2023: nil). Capital commitments relating to the council work programme are disclosed in the individual council financial statements.

14. Water Services Entity: Local Water Done Well

Wellington Water Limited continues to operate as a council-controlled organisation (CCO) owned by six councils. The Water Services Entities Act 2022, along with the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023, was repealed by the Water Services Acts Repeal Act 2024 on July 15, 2024. This repeal marks the end of the 10-entity model and returns the responsibility for water services delivery to local authorities.

Under the new "Local Water Done Well" policy, legislated in August 2024, the government aims to enhance the efficiency, sustainability, and quality of water services through stronger central government oversight and economic regulation.

15. Subsequent events

Following the repeal of the Water Services Entities Act 2022, the Water Services Legislation Act 2023, and the Water Services Economic Efficiency and Consumer Protection Act 2023 on July 15, 2024, Wellington Water Limited has transitioned to operate under the new "Local Water Done Well" policy, legislated in August 2024. On August 15, 2024, Wellington Water received confirmation from the Department of Internal Affairs that the establishment board for Entity G had been disestablished. This significant legislative change means that Wellington Water will continue to manage water services directly under the new framework.

The transition process involves significant coordination and resource allocation to ensure a smooth continuation of services. Wellington Water is actively engaging with all stakeholders to facilitate this transition and ensure continuity of services. The "Local Water Done Well" policy is being implemented in three stages, with the initial repeal of previous water services legislation, the establishment of a new framework and preliminary arrangements, and the setting of enduring settings for the new water services system.

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Understanding our performance information

Statement of Compliance

Performance information in this document is for the year ended 30 June 2024. Information and disclosures comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

Identification of performance information

Wellington Water is required to clearly identify all performance information in this document. Information needed to understand our organisational performance is:

- All Statement of Intent measures on pages 11-33, beginning at the "enhancing relationships with mana whenua" section.
- All narrative information on pages 6-30, excluding case studies
- Department of Internal Affairs measures on pages 63-73

Disclosure of Judgements

Wellington Water is required to identify the judgements that have the most significant impact on how we select, measure, aggregate and present our performance information.

We endeavour to use and present the best data that we have available at all times. This data generally comes from our Asset Management System (Maximo) and when appropriate the methodology for the collection or treatment of data is updated. Any material changes are then noted in the Annual Report. All performance information reported in the Annual Report is consistent with data used for internal decision-making and information to inform decisions made by our shareholding councils.

Performance information is chosen to be as relevant, easy to understand and accurate as possible, and compared to relevant information about our historical performance where possible. This information is also chosen to faithfully represent our performance, even when it is less than desired. The availability of good-quality data is generally not a concern, however, occasionally measures are chosen on their ability to be met easily without any additional investment in systems and processes; for example by measuring spend rather than the outcomes of that spend.

We set our own performance measures and use these to represent the priorities that our shareholders express in their Letter of Expectations each year, expressed in our Statement of Intent. These priorities are then compared to the budgets that are provided by our owners and checked for overall deliverability.

We have not set aspirational measures or measures that we do not believe we can deliver, the exception to this being for compliance with drinking water and enforcement actions taken against the company by the environmental regulator regarding wastewater treatment plant compliance and performance.

We are unable to fully comply with Drinking Water Quality Assurance Rules at the Waterloo Water Treatment Plant without additional investment (which has been committed in the current Hutt City Council Long-term Plan), and past performance of our wastewater treatment plants makes

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compliance unlikely in the short-term without significant additional investment. However, we deem that setting targets that are less than fully compliant is inappropriate in these circumstances.

We consult with our councils on draft measures through the Statement of Intent process.

When developing the Annual Report, we report against the priorities of our shareholders as expressed in the Statement of Intent, even where no formal measures have been set or budgets are limited, for example, by including information on our shareholders priority for Environmental Water Quality.

The changes to our performance framework for this year are detailed in the sections below.

These measures are supported by the mandatory measures that our councils are required to report under the Local Government Act 2002. These measures were set by the Department of Internal Affairs in 2013 and are enshrined in legislation. These results can be found on page 63.

Changes to performance measures

Measures that were added for 2023/24.

Measure	Reason for change
The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve	Providing sufficient water to our customers is a core objective and is a key focus. The ILI is a more meaningful measure than other measures we have had in the past, because not all cities are the same due to "unavoidable" losses in transmission. The ILI is an industry-standard measure that allows for benchmarking between water utilities as it is a ratio of avoidable to unavoidable losses, which makes it easier to compare our performance both across the cities that we operate within, as well as with other cities. Note that this measure has been removed in the 2024-27 Statement of Intent and replaced with a measure focused on whether we have to implement stringent water restrictions, as avoiding those water restrictions is the key short-term objective of the company.
We will complete all actions for the defined period set out in our Water Loss Reduction Plan	Due to the imminent risk of an acute water shortage in the Metropolitan Wellington area for the 2023/24 summer, the company urgently developed a Metropolitan Water Loss Reduction Plan, the success of which was critical to our owners and our customers. The plan was not fully developed at the time of publishing the Statement of Intent, and council budgets did not allow us to pursue all of the interventions in the final plan. Despite this, we met water loss savings targets for the year.

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Measures that were removed for 2023/24.

Measure	Reason for change
100% of actions on Wellington Water [from the inquiry into fluoride] complete by date recommended in inquiry report	The actions in the report were completed in the prior financial year.
Funded growth studies complete and investment advice provided	There was significant investment in the 2021-31 Long-Term Plans into growth studies and subsequent investment plans from our councils. The bulk of this work was completed in the prior financial year, with significantly less investment and work on these meaning no new target was required.

Measures that were modified for 2023/24.

Measure (2022/23)	Measure (2023/24)	Explanation of changes
The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	This better reflects the level of service that we try to provide. Additionally, it more accurately reflects service, as days where the plant is fluoridating either at ineffective (<0.7ppm) or unsafe (>1.0ppm) we are not meeting the level of service. The previous measure could be met, in theory, with every day being either under or over.
Compliance with Drinking Water Standards (DWS) Parts 4 and 5 for Metropolitan Wellington	Compliance with Drinking Water Quality Assurance Rules (Treatment)	Drinking Water Standards were replaced with the Drinking Water Quality Assurance Rules.
Compliance with Drinking Water Standards (DWS) Parts 4 and 5 for South Wairarapa	Compliance with Drinking Water Quality Assurance Rules (Treatment)	Drinking Water Standards were replaced with the Drinking Water Quality Assurance Rules.
The percentage of the time resource consents are processed within timeframes (5 working days)	The percentage of the time resource consents are processed within timeframes (10 working days)	Timeframes adjusted from 5 to 10 working days as this better aligns with the level of service we provide councils. This is half of the statutory timeframe for councils to complete these requests (20 working days) under the RMA.

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DIA tables

The following tables provide results of Department of Internal Affairs mandatory measures for all councils. More detailed information is available from each council's website, reported in their annual reports.

Last financial year saw significant changes to the rules that govern how we measure and report on the safety of drinking water, as Taumata Arowai (the national regulator for water services) replaced the previous standards with new more rigorous standards. These standards came into effect on 15 November 2022.

The Department of Internal Affairs had not yet updated the drinking water measures 1A and 1B to accommodate the new regulations as of the end of the 23/24 Financial Year. We have therefore measured our performance against the new standards which relate to bacteria and protozoa for these measures, as we did for the latter half of 2022/23. New measures have been developed and came into effect in August 2024, which can be found on the DIA website here.

Greater Wellington Regional Council

Bulk water Supply

	Performance Measure	Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Non-compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Non-compliant
2	The percentage of real water loss from the local authority's networked reticulation system	+/- 0.25%	0.03%	0.04%
3A	Median response time to attend urgent call-outs	<90 mins	N/A – No events	N/A – No events
3B	Median response time to resolve urgent call-outs	<8 hours	N/A – No events	N/A – No events
3C	Median response time to attend non-urgent call-outs	<72 hours	N/A – No events	N/A – No events
3D	Median response time to resolve non-urgent call-outs	<20 days	N/A – No events	N/A – No events
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<0.2	0	0
5	Average consumption of drinking water per day per resident	<375L	398L	409L

Hutt City Council

Water Supply

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Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Non-compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Non-compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<=20%	37%	35%
3A	Median response time to attend urgent call-outs	<=90 mins	98 mins	101 mins
3B	Median response time to resolve urgent call-outs	<= 8 hours	6.7 hours	4.6 hours
3C	Median response time to attend non-urgent call-outs	<= 72 hours	548 hours	191 hours
3D	Median response time to resolve non-urgent call-outs	<= 20 working days	23 working days	16 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	26.1	31.7
5	Average consumption of drinking water per day per resident	<385L	410	422

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 20– 50%.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	5.3	1.7
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	5	13
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0

Performance Measure		Target	2022/23 Result	2023/24 Result
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 90 mins	593 mins	159 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	35 hours	12.4 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	22.1	24.1

†Result has been restated due to prior period reporting error. For more information see page 54.

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.24	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=8 hours	N/A – No flooding events	N/A – No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	18.2	8.5

Porirua City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant

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Performance Measure		Target	2022/23 Result	2023/24 Result
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	31%	30**
3A	Median response time to attend urgent call-outs	<90 mins	145 mins	86 mins
3B	Median response time to resolve urgent call-outs	<8 hours	4.2 hours	2.9 hours
3C	Median response time to attend non-urgent call-outs	<20 days†	21 days	7 days
3D	Median response time to resolve non-urgent call-outs	<20 days†	30 days	14 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	17.9	22.2
5	Average consumption of drinking water per day per resident	<320L	339L	329L

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters

**There is a 95% confidence interval for this measure of 16-44%.

†Target was incorrectly stated as 20 working days in the company's Statement of Intent.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	9.3	4.9
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<90 mins	101 mins	79 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<8 hours	3.6 hrs	2.7 hours

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Performance Measure		Target	2022/23 Result	2023/24 Result
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	28.2	23.8

†Result has been restated due to prior period reporting error. For more information see page 54.

Stormwater

	Performance Measure	Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.57	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0*
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<8 hrs	N/A – No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	25.5	10.4

Upper Hutt City Council

Water Supply

	Performance Measure	Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	44%	41**

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	Performance Measure	Target	2022/23 Result	2023/24 Result
3A	Median response time to attend urgent call-outs	<60 mins	77 mins	76 mins
3B	Median response time to resolve urgent call-outs	<4 hours	4.3 hours	2.2
3C	Median response time to attend non-urgent call-outs	<36 hours	316 hours	238 hours
3D	Median response time to resolve non-urgent call-outs	<15 days	21 days	27 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<= 20	9.2	12.3
5	Average consumption of drinking water per day per resident	<415L	443L	450L

*These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters
**There is a 95% confidence interval for this measure of 28– 55%.

Wastewater

	Performance Measure	Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	2	0.4
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	0
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	4	13
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	263 min	80 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<=6 hours	5 hours	3.4 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	8.2	10

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Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.64	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<60 mins	N/A – No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	5.6	2.1

*Response times are not logged in our systems until the issue has been resolved

Wellington City Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	100%	Non-compliant	Compliant
2	The percentage of real water loss from the local authority's networked reticulation system*	<17%	31%	28%**
3A	Median response time to attend urgent call-outs	<60 mins	132 mins	151 mins
3B	Median response time to resolve urgent call-outs	<4 hours	13.4 hours	13.6 hours
3C	Median response time to attend non-urgent call-outs	<36 hours	654 hours	555 hours

Performance Measure		Target	2022/23 Result	2023/24 Result
3D	Median response time to resolve non-urgent call-outs	< 5 days	40 days	45.1 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	18.7	23.2
5	Average consumption of drinking water per day per resident	<365L	402L	416L

* These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters
**There is a 95% confidence interval for this measure of 11-44%.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	0	5.5	3.9
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	2	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	85 mins	80 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 6 hours	7.9 hours	4.7 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	22.9	19.8

Stormwater

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	<=2	0	0

FINAL DRAFT

Performance Measure		Target	2022/23 Result	2023/24 Result
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.13	N/A - No flooding events	No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=60 mins	N/A – No flooding events	No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	14.5	8.4

South Wairarapa District Council

Water Supply

Performance Measure		Target	2022/23 Result	2023/24 Result
1A	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)*			
	Featherston Scheme	100%	Non-compliant	Compliant
	Greytown Scheme	100%	Non-compliant	Non-compliant
	Martinborough Scheme	100%	Non-compliant	Compliant
	Pirinoa Scheme	100%	Non-compliant	Compliant
1B	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)*			
	Featherston Scheme	100%	Non-compliant	Non-compliant
	Greytown Scheme	100%	Non-compliant	Non-compliant
	Martinborough Scheme	100%	Non-compliant	Non-compliant
	Pirinoa Scheme	100%	Non-compliant	Compliant

Performance Measure		Target	2022/23 Result	2023/24 Result
2	The percentage of real water loss from the local authority's networked reticulation system	<30%	46%	42%*
3A	Median response time to attend urgent call-outs	<60 mins	91 mins	58 mins
3B	Median response time to resolve urgent call-outs	<8 hours	4.7 hours	3.4 hours
3C	Median response time to attend non-urgent call-outs	<2 working days	2 working days	3 working days
3D	Median response time to resolve non-urgent call-outs	<5 working days	3 working days	4 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<70	22.1	18.4
5	Average consumption of drinking water per day per resident	<400L	597L	583

*There is a 95% confidence interval for this measure of 34-51%.

Wastewater

Performance Measure		Target	2022/23 Result	2023/24 Result
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<10	4.5	1.1
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	1
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<60 mins	58 mins	65 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<4 hours	13.6 hours	3.6 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to	<60	32.6	21

Performance Measure		Target	2022/23 Result	2023/24 Result
	any of these issues; expressed per 1000 connections			

Stormwater

	Performance Measure	Target	2022/23 Result	2023/24 Result
1A	The number of flooding events that occurred throughout the year	0	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	0	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
3D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3B	Median response time to attend a flooding event	<180 mins	N/A*	N/A*
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	0	N/A*	N/A*

*SWDC does not have any stormwater connections as defined in the DIA rules

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Independent Auditor's Report

To come

FINAL DRAFT

Komiti Ngā Wai Hangarua
Wellington Water Committee

13 September 2024

Report no: WWC2024/4/98

Acute Water Shortage Risk

Recommendation

That the Committee receives and notes this report.

Appendices

No.	Title	Page
1⇩	Acute Water Shortage Update September 2024	161
2⇩	Acute Water Shortage appendix 1-4 - combined leak dashboards	168
3⇩	Acute Water Shortage appendix 5-8 - combined Water Loss and Demand Overviews	172
4⇩	Acute Water Shortage appendix 9 Regional Water Loss and Demand Overview	180

Author: External Author (Wellington Water Ltd)

Wellington Water Committee | Komiti Ngā Wai Hangarua

27 September 2024

File: ( )

Report no:

Metropolitan Acute Water Shortage Risk

Purpose of Report

1. This report provides the Wellington Water Committee with an update on:
   - the acute water shortage risk in the Wellington metropolitan region over the summer of 2024/25, and
   - the associated reporting to Taumata Arowai, and
   - The programme of work for 2024/25.

Recommendations

2. That the Committee receives and notes this report.

Background

3. At the July 2024 meeting Wellington Water outlined the monthly reporting to Taumata Arowai against the demand reduction target of 7.4 Megalitres per day (MLD) that supports a wider suite of reporting on the Acute Water Shortage Risk.

4. The organisation is now focused on the risk for the summer of 24/25 with a programme of work focussed on improving supply availability where possible; reducing water use; improving data management; and enhancing our ability to respond if the risk manifests. This programme is proving effective at reducing the risk for summer 24/25 but if there is not a significant increase the amount of renewals being done, even higher levels of investment in leak and burst repair will be needed into the future.

5. To support councils as we approach summer Wellington Water has provided a specific overview of their Loss and Demand and an updated the format of the Leak Dashboards, which are attached.

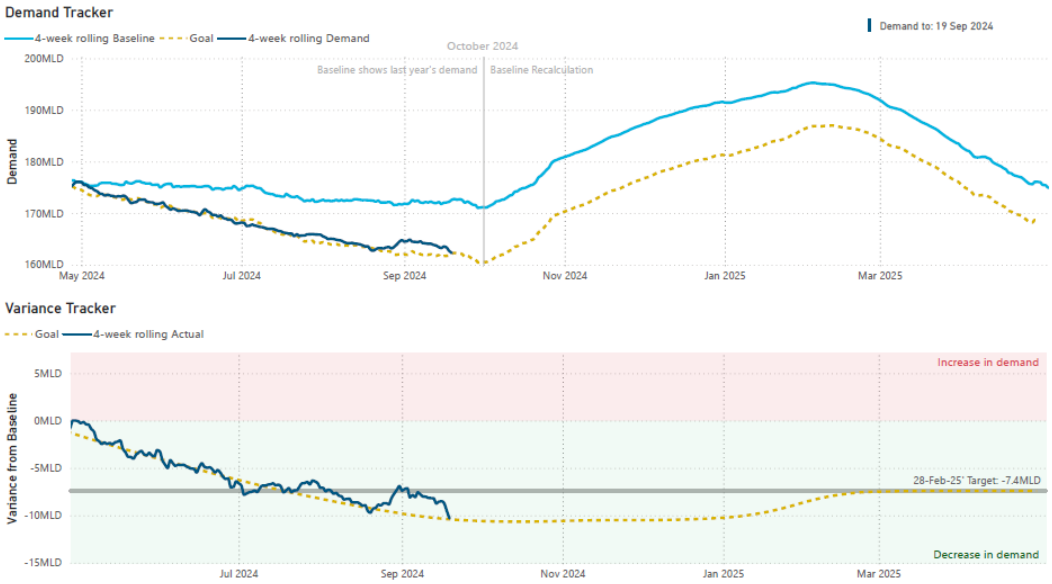
Achieving the 2023/24 reduction target

6. We continue to work hard on water loss reduction activities across the region, with the reduction of overall demand (demand includes water use and water loss) currently on track to meet the 2023/24 reduction target set for the metropolitan region (7.4MLD). The yellow dotted line on the graph below indicates the pathway for us to reach the region's

2 **September 2024**

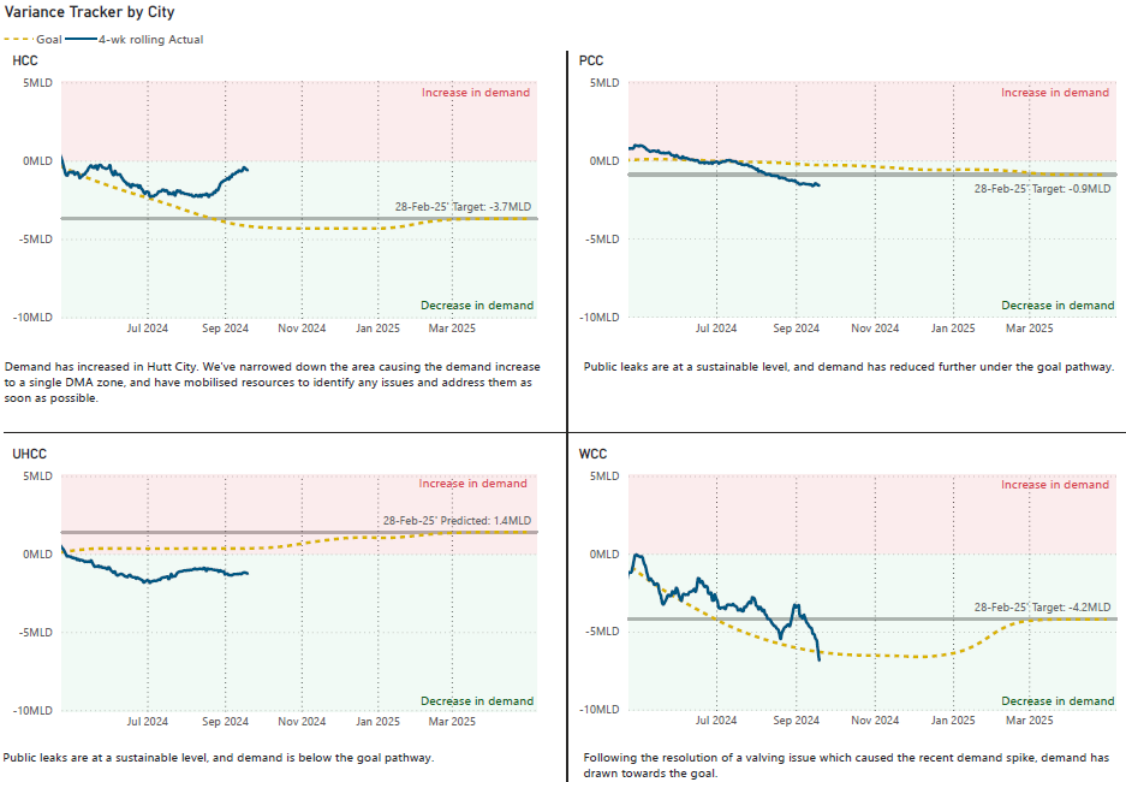
2023/24 demand reduction target of 7.4 MLD, while the dark blue line shows the actual demand.

7. As water demand traditionally increases during summer, to achieve the required reduction in summer demand we expect we will need to exceed the reduction of 7.4 MLD during winter. The aim is to provide room for spikes in water use during the warmer months and workforce downtime over the holiday period. This is built into the variance tracking graphs below, where our pathway towards the goal dips beneath the target and then rises as we enter summer.



8. Achieving the reduction of 7.4 MLD will significantly reduce (but not eliminate) the likelihood of an acute water shortage and/or Level 4 restrictions being required. The graphs below show the council-by-council progress towards the target as at 19 September 2024 (Attached reports are at 03 September 2024).

3 **September 2024**



Update of modelling

9. In October 2024, we will rerun our modelling to determine the likelihood of water restrictions heading into summer 24/25. This work is completed in October as it requires specific NIWA forecast data and the previous year's demand data to be verified. Information from our modelling will be made available towards the end of October.

Sustaining the water loss reduction

10. The metropolitan regional public and private water loss figures for FY2023/24 were recently published by Wellington Water. While a reduction of 3% overall was achieved, an estimated 41% of water continues to be lost on the private and public network.

11. While progress is being made on leaks, it is important to note that leak repairs are a short term 'band-aid' rather than a long-term sustainable solution and are only one piece of the puzzle.

12. Increased and sustained investment from councils into renewing and replacing aging infrastructure and investment in ensuring assets are well maintained is also critical to keeping water loss down. If there is not a significant increase the amount of renewals being done, even higher than current levels of investment in leak and burst repair will be needed which becomes an increasingly inefficient way to manage the network and control water loss.

13. The commitment made to Taumata Arowai was to reduce the risk of an acute water shortage by taking all reasonable steps to reduce demand by February 2025. Our short-term forecasting shows that at the current rate of activity, some councils' investment into finding and fixing leaks will be expended in early 2025. This means councils should expect to see the region's leaks backlog again begin to climb in the second half of this financial year.

Council	Budget depleted by *(estimated based on average cost per leak)*
WCC	Currently fully funded
UHCC	End of Jan 2025
HCC	Currently fully funded
PCC	End of April 2025

Our approach to public and customer engagement to reduce water use this year.

14. Public behaviour remains central to reducing the risk of Water Restriction Level 3 and smoothing potential spikes in demand over summer 2024/25. We believe we have built up our social license through consistent and transparent communications, but this needs constant maintenance. The success of last year's communications was due to the strategic decision to lead with highlighting the risk of tighter water restrictions and urgency. This enabled a short-term burst of action.

15. Considering the progress made in achieving the demand reduction goal of 7.4 MLD this summer, the risk of an acute water shortage and/or Level 4 restrictions being required is likely to be significantly reduced, which removes the sense of urgency needed in our communications and engagement with the public.

16. We anticipate that this will have an impact on the reach of our messages and the level of behaviour change we can achieve. Therefore, our communications approach this year is focused on maintenance, not improvement or growth. We aim to maintain the level of understanding and awareness gained last summer. Our "ask" of the public will be to keep an eye on their wai, for residents to take small, simple steps towards better water habits, and follow water restrictions where applicable.

17. It's worth noting that for most councils currently, the number of private leaks now exceeds the number of leaks on the public network. With the progress made on public leaks and a marked increase in private leaks, it is also prudent to strengthen communications about residents finding and fixing leaks on their properties. This will be key as we estimate that leaks on private properties currently account for over half of leaks in the system.

Council	Public Leaks	Private Leaks
HCC	76	138
PCC	32	60
UHCC	23	133

	5	September 2024
WCC	378	274
Total	509	605

As of 06 September 2024

18. We acknowledge that Wellington Water and councils can't ask the public to help out without also demonstrating that we are upholding our end of the bargain. This means ongoing transparency of the work that we and our councils are doing to fix leaks and effectively manage the water network to reduce water loss will remain a key component of our communications.

19. Our Communications and Engagement Team have engaged with councils' communications teams on this approach. All council communications teams are supportive of our approach and have agreed to continue to work closely with us to lead the communications during the summer months. This collaboration will be crucial to ensuring we get the best reach of messages out to the public.

20. The move to daylight savings on 29 September triggers Level 1 water restrictions across the metropolitan cities, with Upper Hutt in Level 1 all year round, and sees the start of the summer risk period which will continue throughout the warmer months until the lifting of restrictions. This has historically been at the end of daylight savings.

Commercial users can help

21. We are engaging with the majority of the top 20 largest non-residential water users to look at ways we can support them to increase their water efficiency in their day-to-day operations. We are making good progress in this space with an estimated 1.2 MLD of savings achieved from this work so far. We will continue to monitor this and provide updates to councils throughout the summer. Our engagement work with the largest non-residential water users does not extend to all businesses or commercial users in the region.

22. The relationship with commercial customers remains with our council owners and engagement with this group on what restrictions mean for them should therefore be led by councils. Our role is to recommend to councils the water restriction settings for residential use and manage the implementation of these. Last summer, we provided some support by developing guidelines on non-residential water restrictions for councils to use in their engagement with businesses.

Work to increase supply capacity is progressing.

23. The Te Mārua DAF Project will have a significant impact on the risk for 24/25, with the project on track to deliver 20 MLD of additional supply into the network, before the peak demand period in February/March.

Acute water shortage risk reporting to commence next month.

24. Specific Acute Water Shortage Risk Reporting will commence at the end of October, in line with the artefacts provided in the 23/24 summer. This will include key information on water supplied, water demand (loss and use), our supply buffer, and updated modelling on the risk of tighter water restrictions as the summer progresses.

25. If the risk of an acute water shortage was to manifest, the most effective and immediate mitigation available to us and our councils remains the taking of additional water from

the existing sources. The age and condition of the water supply network means a more sophisticated response is not feasible, for example initial trials in the 23/24 summer found that the critical network valves cannot be relied upon to function as required in an emergency meaning we aren't able to reliably manipulate or reconfigure the network in any way to respond.

26. Wellington Water continues to engage with our partners, regulators, and stakeholders in the metropolitan area to ensure a shared understanding of the mitigations being applied to the Acute Water Shortage Risk.

Lack of preventative and proactive maintenance hampers water loss activities.

27. Recent drinking water pipe bursts and complexities have highlighted the need for increased investment in proactive network maintenance, including renewals of network components (valves). An example of this is the inability to isolate sections of the network due to faulty valves that have not had an ongoing valve exercising regime undertaken for many years. This creates significant risk that large areas become impacted by loss of service from network failures and the inability to effectively and confidently isolate and purge any network contamination should it occur.

28. A preventative and proactive valve exercising program would significantly reduce the risk of inoperable and buried isolation valves, however this work has been deferred for many years due to constrained budgets and the need to prioritise the available funding from councils to more critical operational activities such as leak repairs and emergency response work.

29. This is a clear example of the importance of investing sufficiently to allow a change in maintenance approach and implement proactive maintenance across all asset types, for all three waters, for both operational maintenance and capital renewals. Each of these carry significant risks with a reactive run-to-failure approach, and insufficient maintenance can result in increased reactive spending.

7 September 2024

Appendices

No.	Title	Page
1.	Hutt City Council's leak dashboard 06/09/2024	
2.	Porirua City Council's leak dashboard 06/09/2024	
3.	Upper Hutt City Council's leak dashboard 06/09/2024	
4.	Wellington City Council's leak dashboard 06/09/2024	
5.	Hutt City Council's Loss and Demand Overview 03/09/2024	
6.	Porirua City Council's Loss and Demand Overview 03/09/2024	
7.	Upper Hutt City Council's Loss and Demand Overview 03/09/2024	
8.	Wellington City Council's Loss and Demand Overview 03/09/2024	
9.	Regional Water Loss and Demand Overview 03/09/2024	

Author: External Author (Wellington Water Ltd)

Hutt City Council's investment into leaks - project update 6/09/2024*

**The data provided is based on the best information available at the end of the August reporting period*

Public leaks backlog

110
Sustainable backlog

76
Current backlog

403
Backlog as of 1 Jan 2024

Backlog as of last month	Leaks reported since last month	Fixed since last month
127	219	195

75 jobs were closed as duplicates, with no work done.

The sustainable backlog is the average number of leaks received over 10 working days. This provides headroom, is manageable and provides some flexibility to package work.

Private leaks backlog

Backlog as of last month	Current backlog
147	138

Wellington Water tracks private leaks to monitor water loss, and the level of council investment that goes to finding private leaks.

Overall leaks fixed

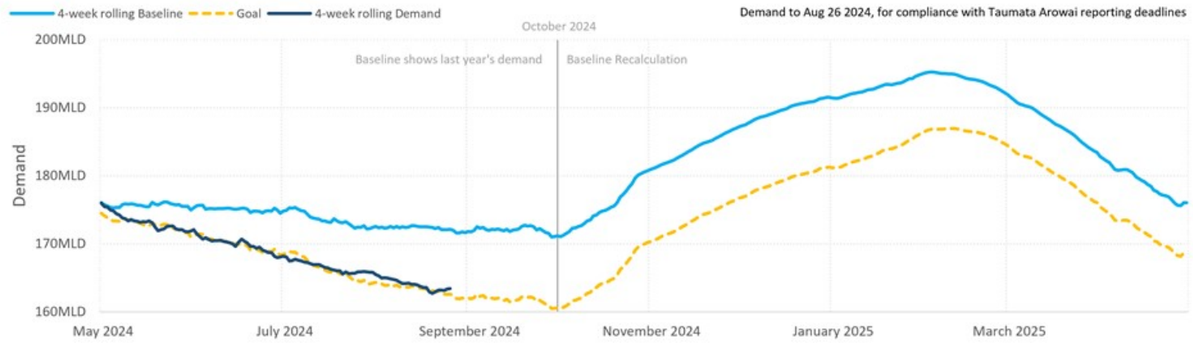
	Public	Private	Total
Fixed since Jan 1 2024	2049	213	2262
Fixed since July 1 2024	531	54	585

Water Demand (MLD)

Regional Metro Demand (MLD)

Regional Reduction target -7.4MLD

The graph below measures demand as an indication of our progress towards achieving the 7.4 million litres per day (MLD) demand reduction needed to reduce the risk of an acute water shortage/water restriction level 4 for the Wellington Metropolitan Region. The dark blue line demand refers to water that is used by customers and water loss (i.e. leaks).*

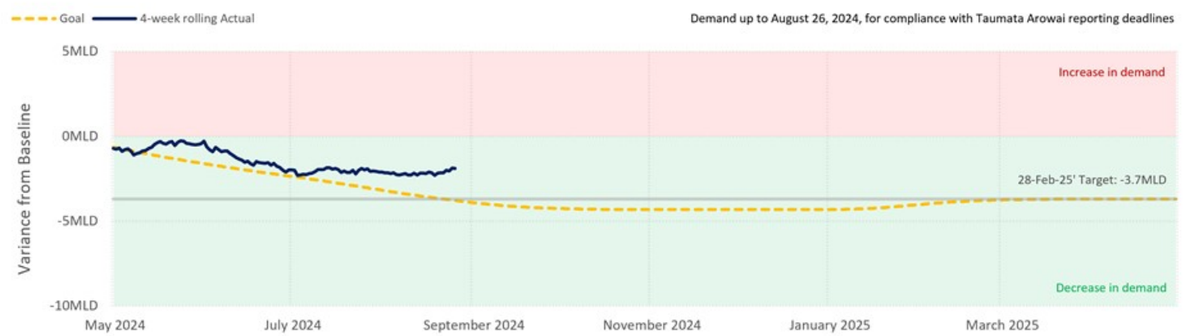


August commentary - A range of water loss reduction activities continue across the region, enabling overall demand to remain in line with the goal set for the metropolitan region. As water demand traditionally increases during summer, to achieve the goal of a 7.4MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where demand dips beneath the target and then rises as we enter summer.

HCC Variance Tracker (MLD)

HCC Reduction target -3.7MLD

The graph below tracks the variation between actual demand, and the pathway to council's demand reduction target. This is influenced by each council's investment in water loss reduction, activities like pressure management and network calming, and customer use. The yellow dotted line indicates the goal pathway for demand reduction, while the dark blue line shows the actual demand.*

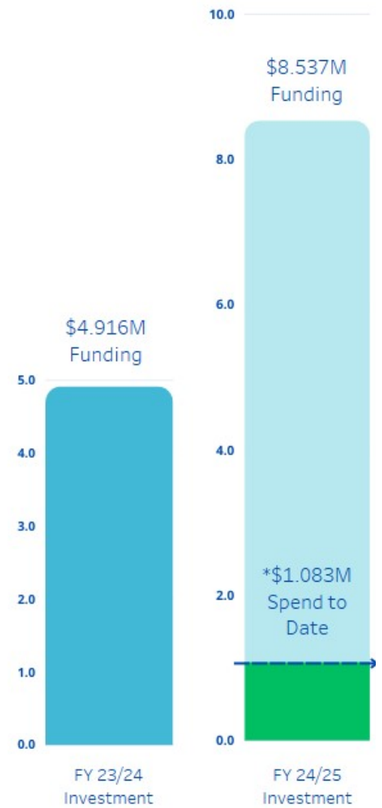


August commentary -There has been a slowdown in demand reduction which has been caused by a combination of an increased number of leaks and leak repairs being below target. We've also identified a potential issue within some DMAs and are investigating.

Investment

HCC has invested $8.537M on reactive maintenance (primarily for leaks) for FY 24/25.

$1.083M has been spent so far.



** This information is updated monthly*

Porirua City Council's investment into leaks - project update 6/09/2024*

**The data provided is based on the best information available at the end of the August reporting period*

Public leaks backlog

38 Sustainable backlog

32 Current backlog

106
Backlog as of 1 Jan 2024

Backlog as of last month	Leaks reported since last month	Fixed since last month
36	78	52

30 jobs were closed as duplicates, with no work done.

The sustainable backlog is the average number of leaks received over 10 working days. This provides headroom, is manageable and provides some flexibility to package work.

Private leaks backlog

Backlog as of last month	Current backlog
57	60

Wellington Water tracks private leaks to monitor water loss, and the level of council investment that goes to finding private leaks.

Overall leaks fixed

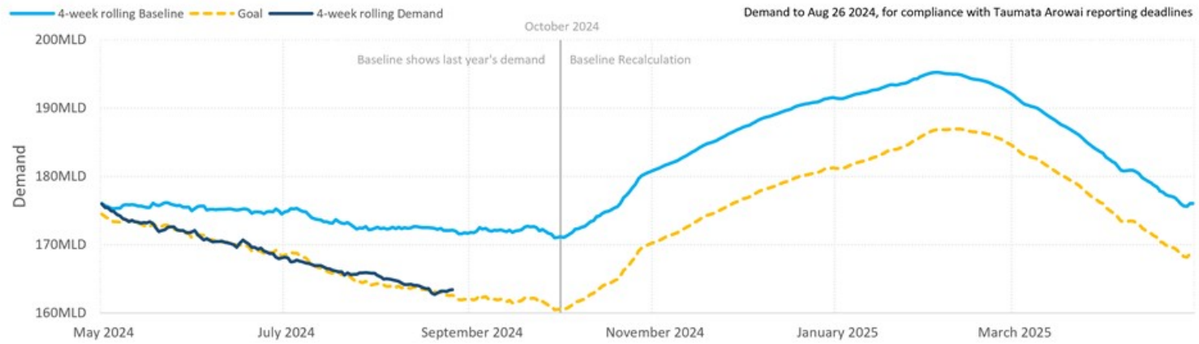
	Public	Private	Total
Fixed since Jan 1 2024	595	142	737
Fixed since July 1 2024	145	18	163

Water Demand (MLD)

Regional Metro Demand (MLD)

Regional Reduction target -7.4MLD

The graph below measures demand as an indication of our progress towards achieving the 7.4 million litres per day (MLD) demand reduction needed to reduce the risk of an acute water shortage/water restriction level 4 for the Wellington Metropolitan Region. The dark blue line demand refers to water that is used by customers and water loss (i.e. leaks).*

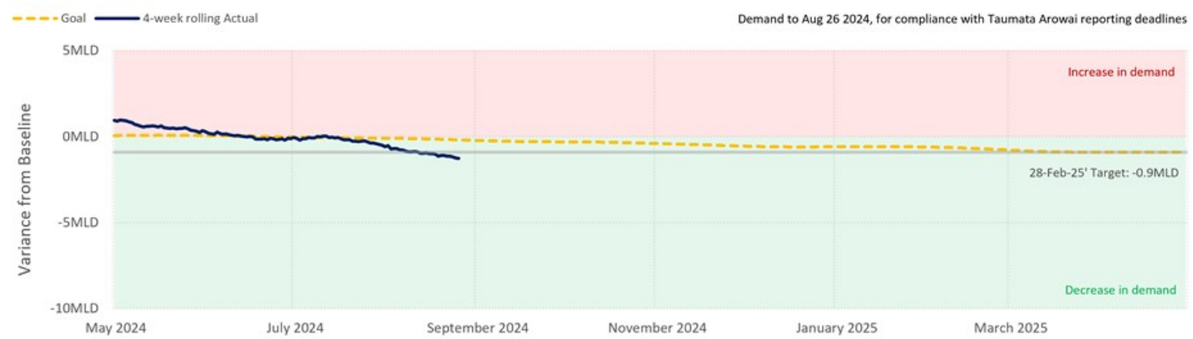


August commentary - A range of water loss reduction activities continue across the region, enabling overall demand to remain in line with the goal set for the metropolitan region. As water demand traditionally increases during summer, to achieve the goal of a 7.4MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where demand dips beneath the target and then rises as we enter summer.

PCC Variance Tracker (MLD)

PCC Reduction target -0.9MLD

The graph below tracks the variation between actual demand, and the pathway to council's demand reduction target. This is influenced by each council's investment in water loss reduction, activities like pressure management and network calming, and customer use. The yellow dotted line indicates the goal pathway for demand reduction, while the dark blue line shows the actual demand.*

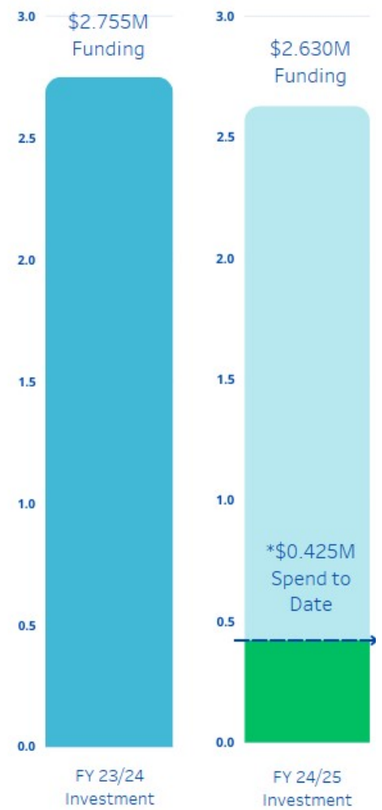


August commentary - With the public leak backlog at a sustainable level, and less leaks reported this year than last year, demand reduction has stayed above the target

Investment

PCC has invested $2.630M on reactive maintenance (primarily for leaks) for FY 24/25.

$0.425M has been spent so far.



** This information is updated monthly*

Upper Hutt City Council's investment into leaks - project update 6/09/2024*

**The data provided is based on the best information available at the end of the August reporting period*

Public leaks backlog

44
ustainable backlog

23
Current backlog

275
Backlog as of 1 Jan 2024

Backlog as of last month	Leaks reported since last month	Fixed since last month
57	87	89

32 jobs were closed as duplicates, with no work done.

The sustainable backlog is the average number of leaks received over 10 working days. This provides headroom, is manageable and provides some flexibility to package work.

Private leaks backlog

Backlog as of last month	Current backlog
108	133

Wellington Water tracks private leaks to monitor water loss, and the level of council investment that goes to finding private leaks.

Overall leaks fixed

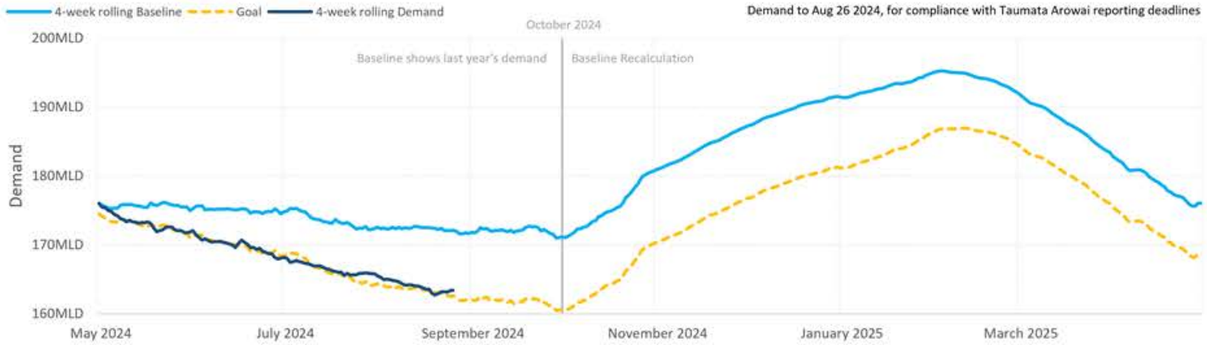
	Public	Private	Total
Fixed since Jan 1 2024	798	90	888
Fixed since July 1 2024	208	35	243

Water Demand (MLD)

Regional Metro Demand (MLD)

Regional Reduction target -7.4MLD

The graph below measures demand as an indication of our progress towards achieving the 7.4 million litres per day (MLD) demand reduction needed to reduce the risk of an acute water shortage/water restriction level 4 for the Wellington Metropolitan Region. The dark blue line demand refers to water that is used by customers and water loss (i.e. leaks).*

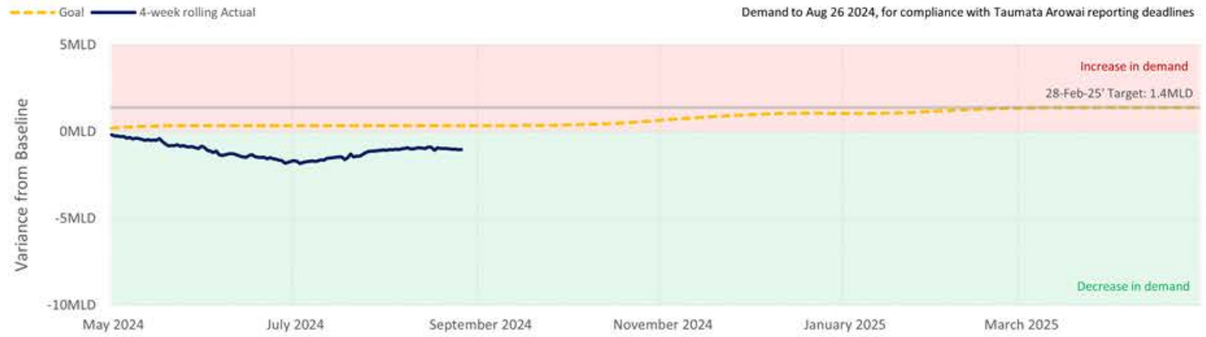


August commentary - A range of water loss reduction activities continue across the region, enabling overall demand to remain in line with the goal set for the metropolitan region. As water demand traditionally increases during summer, to achieve the goal of a 7.4MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where demand dips beneath the target and then rises as we enter summer.

UHCC Variance Tracker (MLD)

UHCC Reduction target 1.4MLD

Forecasts predict that current funding levels will not keep the leaks backlog at a sustainable level. This means that the forecast for Upper Hutt is of a demand increase, rather than demand reduction. The below graph shows how Upper Hutt is tracking towards the forecast demand increase of 1.4 million litres per day. The blue line shows a 4 week rolling average of demand, and the yellow dotted line shows the projected pathway.*

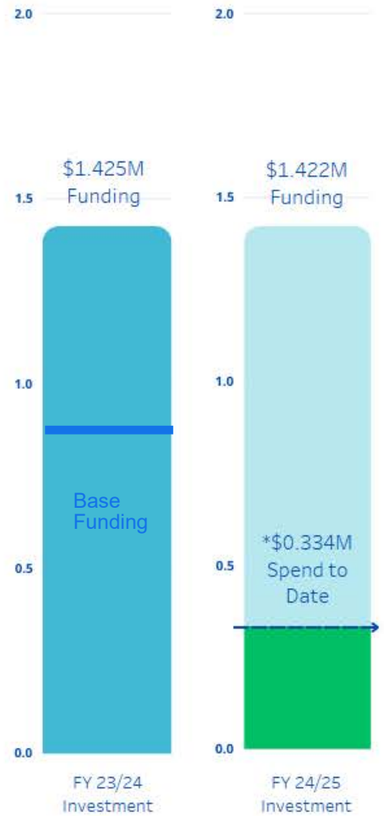


August commentary - While the number of leaks reported has increased over the past month, leak repairs are ahead of target. This has helped the region stay below the demand reduction goal.

Investment

UHCC has invested $1.422M on reactive maintenance (primarily for leaks) for FY 24/25.

$0.334M has been spent so far.



** This information is updated monthly*

Wellington City Council's investment into leaks - project update 6/09/2024*

**The data provided is based on the best information available at the end of the August reporting period*

Public leaks backlog

378 Current backlog

133 stainable backlog

936 Backlog as of 1 Jan 2024

Backlog as of last month	Leaks reported since last month	Fixed since last month
508	907	422

615 jobs were closed as duplicates, with no work done.

The sustainable backlog is the average number of leaks received over 10 working days. This provides headroom, is manageable and provides some flexibility to package work.

Private leaks backlog

Backlog as of last month	Current backlog
237	274

Wellington Water tracks private leaks to monitor water loss, and the level of council investment that goes to finding private leaks.

Overall leaks fixed

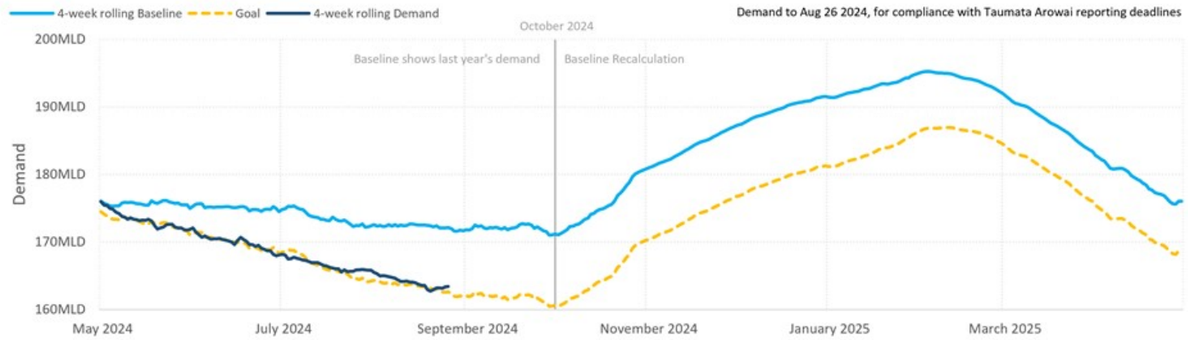
	Public	Private	Total
Fixed since Jan 1 2024	2823	296	3119
Fixed since July 1 2024	759	58	817

Water Demand (MLD)

Regional Metro Demand (MLD)

Regional Reduction target -7.4MLD

The graph below measures demand as an indication of our progress towards achieving the 7.4 million litres per day (MLD) demand reduction needed to reduce the risk of an acute water shortage/water restriction level 4 for the Wellington Metropolitan Region. The dark blue line demand refers to water that is used by customers and water loss (i.e. leaks).*

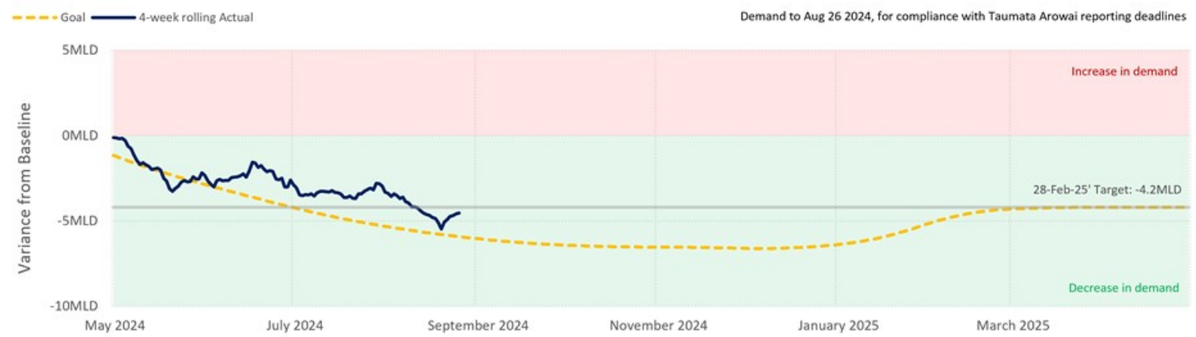


August commentary - A range of water loss reduction activities continue across the region, enabling overall demand to remain in line with the goal set for the metropolitan region. As water demand traditionally increases during summer, to achieve the goal of a 7.4MLD reduction in summer demand we need to exceed that demand reduction during winter. This is built into the graphs below, where demand dips beneath the target and then rises as we enter summer.

WCC Variance Tracker (MLD)

WCC Reduction target -4.2MLD

The graph below tracks the variation between actual demand, and the pathway to council's demand reduction target. This is influenced by each council's investment in water loss reduction, activities like pressure management and network calming, and customer use. The yellow dotted line indicates the goal pathway for demand reduction, while the dark blue line shows the actual demand.*

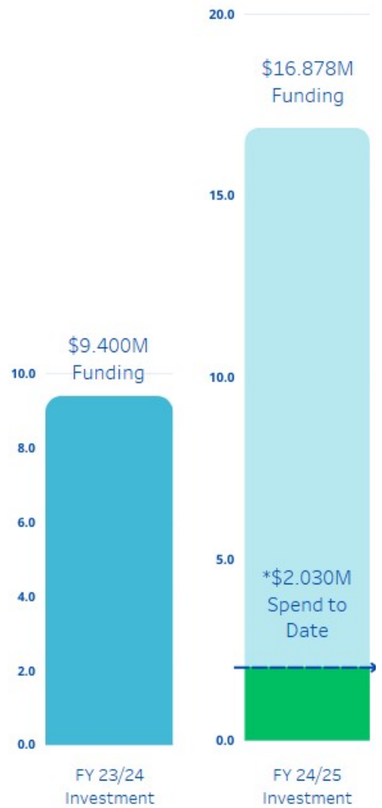


August commentary - As leak repairs continue, demand has returned to be inline with the goal excluding a recent spike which has occurred following a major leak repair. We are investigating the cause, and believe it to be related to a valving issue.

Investment

WCC has invested $16.878M on reactive maintenance (primarily for leaks) for FY 24/25.

$2.030M has been spent so far.



** This information is updated monthly*

Hutt City Council Water Loss and Demand Overview

This document provides a high-level summary of Hutt City Council's estimated annual water loss and total demand (water lost through leaks and customer use). It also includes information on the key factors that have impacted water loss and demand, and what we can expect moving forward.

How do we measure water loss and demand?

To measure **water loss**, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters.

We also track average daily **demand** (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Unfortunately, we cannot accurately track current, or 'live' water loss or water use without universal metering.

These two measures work together to help Wellington Water and our council owners better understand:

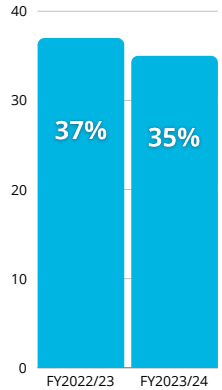
- *past financial years' water use and loss*
- *identify any high-level trends*
- *gauge if councils' investment and Wellington Water's efforts are having the desired impact, and*
- *guide future investment decisions.*

Lower Hutt water loss figures

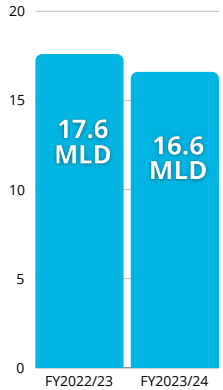
The estimated annual average water loss on the Lower Hutt public network for FY23/24 is **35%***, down 2% from FY22/23 (37%).

In real terms, this equals a saving of about **1 million litres per day**.

Estimated annual average water loss in % showing a 2% reduction



Estimated annual average water loss in million litres per day showing a 1MLD reduction



In the first half of FY2023/24, we experienced the **highest level of leaks** seen across the network in many years. To tackle this, council increased their investment in finding and fixing leaks. This enabled more leak repairs, and a corresponding reduction in the annual average water loss estimate.

The **methodology** used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

Increased funding wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated.

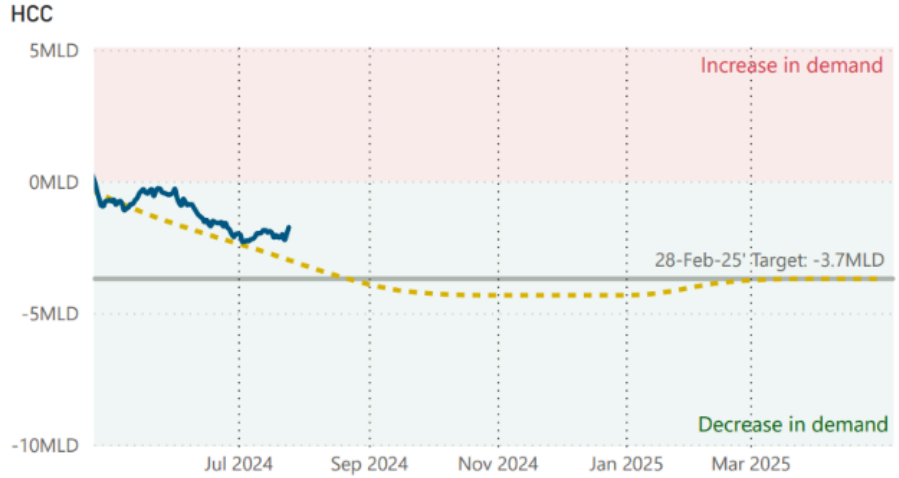
As these water loss figures are a retrospective average of the entire past financial year (1 July 2023 to 30 June 2024) and leak repairs and water loss reduction work continues, we expect water loss to continue to reduce into this financial year. This estimate is a **good initial indicator** of the impact that council's increased investment into finding and fixing leaks has had.

Hutt City Council Water Loss and Demand Overview

water

Lower Hutt water demand figures

- Overall, demand is increasing, but at a significantly slower rate than previous years.
- Demand (use and loss) stayed relatively steady until February 2024, and has fallen by close to 1% from March to June 2024, in an encouraging trend in line with increased investment in leak repairs.
- The average year-on-year increase in per capita demand has slowed down from 7% (between FY2021/22 to FY2022/23), to 2.9%.
- Council's focus on reducing water loss and managing the acute summer risk has contributed to the improved results, as well as the effort from residents and businesses to manage and reduce water use through the peak summer period.



While leak repairs continue at a steady pace, demand reduction has slowed. We are looking into why this is the case, but anticipate its return to being in line with the goal.

The above graph shows how Lower Hutt is tracking towards its demand reduction goal of 3.7 million litres per day. The blue line shows a 4 week rolling average of demand, and the gold dotted line shows the goal pathway. This is reported on monthly to Taumata Arowai.

Moving forward

- While progress is being made on leaks as we work towards driving down the backlog to a sustainable level, it's important to note that leak repairs are a 'band-aid' rather than a long-term solution. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained.
- The increasing age and deteriorating condition of the network means that we expect the cost of ongoing leak repairs to continue to increase, and significantly increased investment in proactive pipe renewals is needed to prevent leaks occurring in the first instance. Currently, pipe renewals are funded well below the recommended level across the region.
- The current short-term investment boost is working well to drive down the backlog, however forecasting shows the current level of investment won't maintain water loss reduction activities in the longer-term. The bulk of the investment in leaks ends in the first year of the current Long-Term Plan.

Porirua City Council Water Loss and Demand Overview

This document provides a high-level summary of Porirua City Council's estimated annual water loss and total demand (water lost through leaks and customer use). It also includes information on the key factors that have impacted water loss and demand, and what we can expect moving forward.

How do we measure water loss and demand?

To measure **water loss**, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters.

We also track average daily **demand** (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Unfortunately, we cannot accurately track current, or 'live' water loss or water use without universal metering.

These two measures work together to help Wellington Water and our council owners better understand:

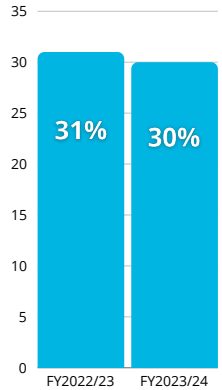
- *past financial years' water use and loss*
- *identify any high-level trends*
- *gauge if councils' investment and Wellington Water's efforts are having the desired impact, and*
- *guide future investment decisions.*

Porirua water loss figures

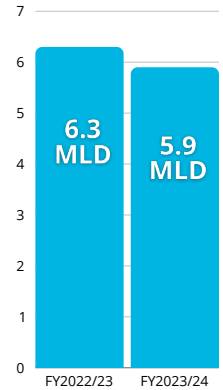
The estimated annual average water loss on the Porirua public network for FY23/24 is **30%***, down 1% from FY22/23 (31%).

In real terms, this equals a saving of about **400,000 litres per day.**

Estimated annual average water loss in % showing a 1% reduction



Estimated annual average water loss in million litres per day showing a 0.4MLD reduction



In the first half of FY2023/24, we experienced the **highest level of leaks** seen across the network in many years. To tackle this, council increased their investment in finding and fixing leaks. This enabled more leak repairs, and a corresponding reduction in the annual average water loss estimate.

The **methodology** used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

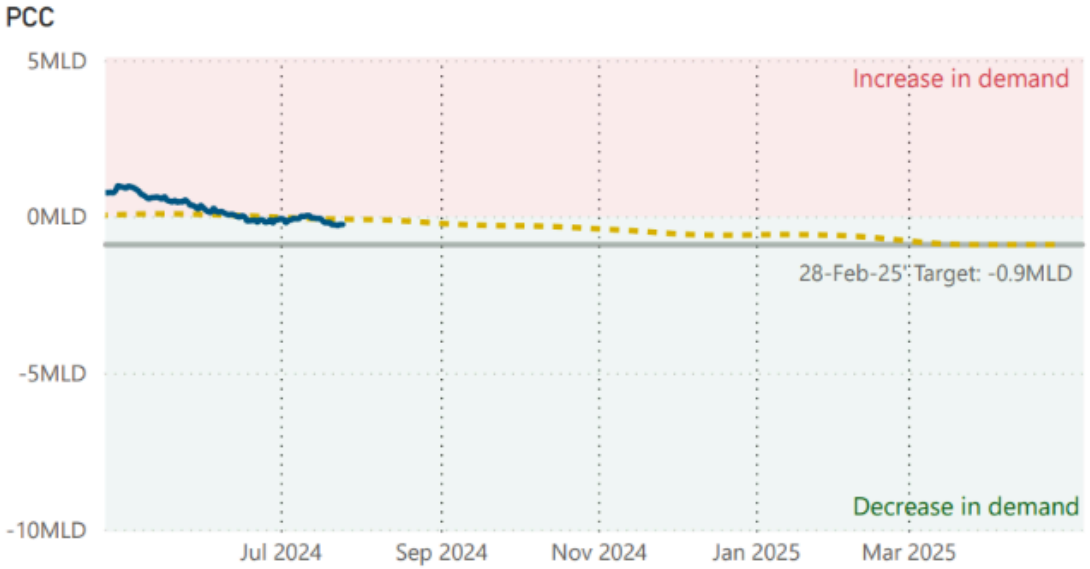
Increased funding wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated.

As these water loss figures are a retrospective average of the entire past financial year (1 July 2023 to 30 June 2024) and leak repairs and water loss reduction work continues, we expect water loss to continue to reduce into this financial year. This estimate is a **good initial indicator** of the impact that council's increased investment into finding and fixing leaks has had

Porirua City Council Water Loss and Demand Overview

Porirua water demand figures

- Per capita drinking water demand (total use and loss) in Porirua has decreased 3% year-on-year, and is now back down to the same level it was in April 2021.
- A potential increase in leaks on private property may have offset some of these gains, but due to the lack of residential metering it is hard for us to gauge to what extent.
- Council's focus on reducing water loss and managing the acute summer risk has contributed to the improved results, as well as the effort from residents and businesses to manage and reduce water use through the peak summer period.



Demand is tracking in line with the goal, as leak repair work in the region continues.

The above graph shows how Porirua is tracking towards its demand reduction goal of 0.9 million litres per day. The blue line shows a 4 week rolling average of demand, and the gold dotted line shows the goal pathway. This is reported on monthly to Taumata Arowai.

Moving forward

- While progress is being made on leaks as we work towards driving down the backlog to a sustainable level, it's important to note that leak repairs are a 'band-aid' rather than a long-term solution. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained.
- The increasing age and deteriorating condition of the network means that we expect the cost of ongoing leak repairs to continue to increase, and significantly increased investment in proactive pipe renewals is needed to prevent leaks occurring in the first instance. Currently, pipe renewals are funded well below the recommended level across the region.
- The current short-term investment boost is working well to drive down the leaks backlog, however forecasts show that funding is only sufficient to maintain a sustainable backlog until the end of April 2025. Without action by council, we anticipate the backlog will begin to climb again in mid-2025.

Upper Hutt City Council Water Loss and Demand Overview

water

This document provides a high-level summary of Upper Hutt City Council's estimated annual water loss and total demand (water lost through leaks and customer use). It also includes information on the key factors that have impacted water loss and demand, and what we can expect moving forward.

How do we measure water loss and demand?

To measure **water loss**, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters.

We also track average daily **demand** (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Unfortunately, we cannot accurately track current, or 'live' water loss or water use without universal metering.

These two measures work together to help Wellington Water and our council owners better understand:

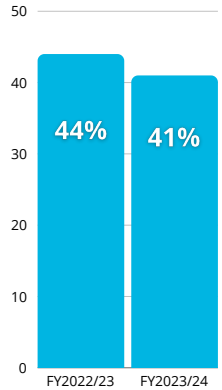
- *past financial years' water use and loss*
- *identify any high-level trends*
- *gauge if councils' investment and Wellington Water's efforts are having the desired impact, and*
- *guide future investment decisions.*

Upper Hutt water loss figures

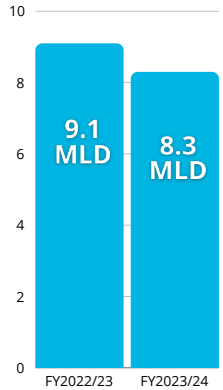
The estimated annual average water loss on the Upper Hutt public network for FY23/24 is **41%***, down 3% from FY22/23 (44%).

In real terms, this equals a saving of about **800,000 litres per day**.

Estimated annual average water loss in % showing a 3% reduction



Estimated annual average water loss in million litres per day showing a 0.8MLD reduction



In the first half of FY2023/24, we experienced the **highest level of leaks** seen across the network in many years. To tackle this, council increased their investment in finding and fixing leaks. This enabled more leak repairs, and a corresponding reduction in the annual average water loss estimate.

The **methodology** used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

Increased funding wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated.

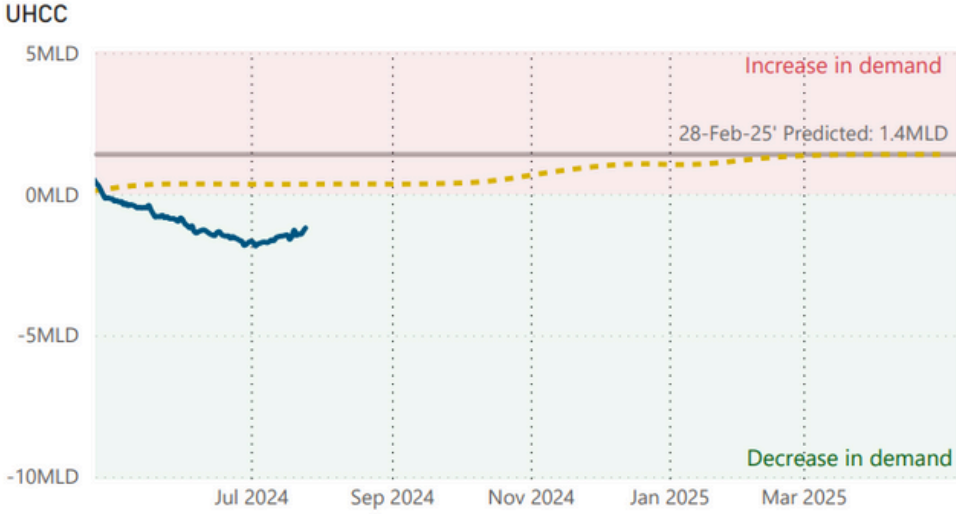
As these water loss figures are a retrospective average of the entire past financial year (1 July 2023 to 30 June 2024) and leak repairs and water loss reduction work continues, we expect water loss to continue to reduce into this financial year. This estimate is a **good initial indicator** of the impact that council's increased investment into finding and fixing leaks has had.

Upper Hutt City Council Water Loss and Demand Overview

Water

Upper Hutt water demand figures

- A large increase in leaks at the end of FY2022/23 carried over to the beginning of FY2023/24. This has resulted in the overall per capita demand increasing 1.5% year-on-year, even though the 12-month rolling average has fallen consistently every month in FY2023/24 (down 2.9% from a peak in July 2023).
- A potential increase in leaks on private property may have offset some of the gains made, but due to the lack of residential metering it is hard for us to gauge to what extent.
- Council's focus on reducing water loss and managing the acute summer risk has contributed to the improved results, as well as the effort from residents and businesses to manage and reduce water use through the peak summer period.



Overall demand continues to track below the target, which is positive. The number of leaks reported has increased, which has contributed to a slowdown in demand reduction.

*Forecasts predict that current funding levels will not keep the leaks backlog at a sustainable level. This means that the forecast for Upper Hutt is of a demand **increase**, rather than demand reduction. The above graph shows how Upper Hutt is tracking towards the forecast demand increase of 1.4 million litres per day. The blue line shows a 4 week rolling average of demand, and the gold dotted line shows the projected pathway. This is reported on monthly to Taumata Arowai.*

Moving forward

- While progress is being made on leaks as we work towards driving down the backlog to a sustainable level, it's important to note that leak repairs are a 'band-aid' rather than a long-term solution. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained.
- The increasing age and deteriorating condition of the network means that we expect the cost of ongoing leak repairs to continue to increase, and significantly increased investment in proactive pipe renewals is needed to prevent leaks occurring in the first instance. Currently, pipe renewals are funded well below the recommended level across the region.
- While the current leaks backlog is at a sustainable level, forecasts show that funding will not keep it at this level past the end of January 2025, and the backlog will begin to grow during the key summer risk period.

Wellington City Council Water Loss and Demand Overview

This document provides a high-level summary of the Wellington Metropolitan Region's estimated annual water loss and total demand (water lost through leaks and customer use). It also includes information on the key factors that have impacted water loss and demand, and what we can expect moving forward.

How do we measure water loss and demand?

To measure **water loss**, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters.

We also track average daily **demand** (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Unfortunately, we cannot accurately track current, or 'live' water loss or water use without universal metering.

These two measures work together to help Wellington Water and our council owners better understand:

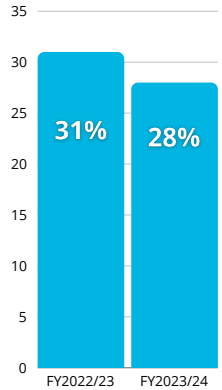
- *past financial years' water use and loss*
- *identify any high-level trends*
- *gauge if councils' investment and Wellington Water's efforts are having the desired impact, and*
- *guide future investment decisions.*

Wellington City water loss figures

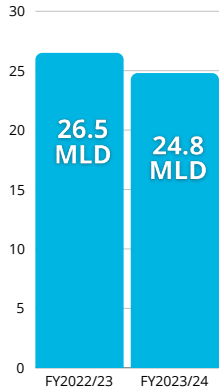
The estimated annual average water loss on the Wellington City public network for FY23/24 is **28%***, down 3% from FY22/23 (31%).

In real terms, this equals a saving of about **1.8 million litres per day**.

Estimated annual average water loss in % showing a 3% reduction



Estimated annual average water loss in million litres per day showing a 1.8MLD reduction



In the first half of FY2023/24, we experienced the **highest level of leaks** seen across the network in many years. To tackle this, council increased their investment in finding and fixing leaks. This enabled more leak repairs, and a corresponding reduction in the annual average water loss estimate.

The **methodology** used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

Increased funding wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated.

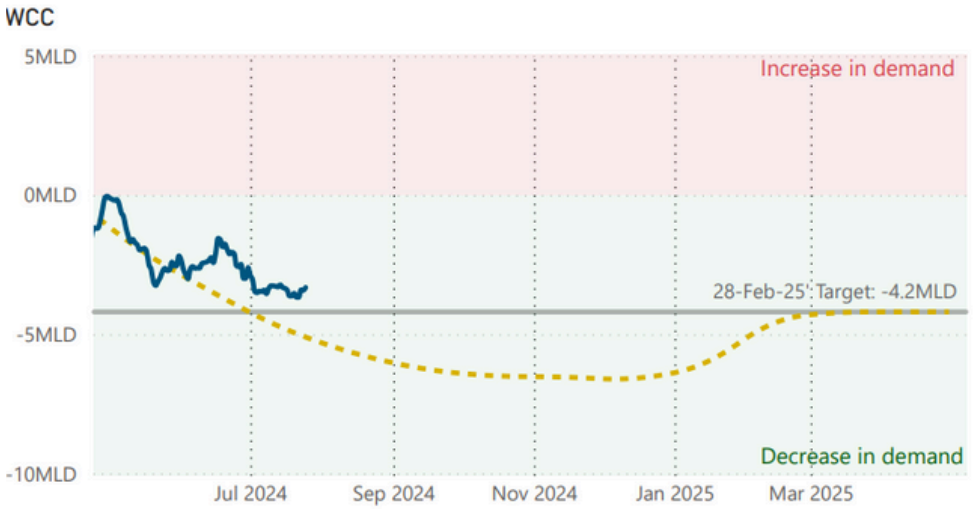
As these water loss figures are a retrospective average of the entire past financial year (1 July 2023 to 30 June 2024) and leak repairs and water loss reduction work continues, we expect water loss to continue to reduce into this financial year. This estimate is a **good initial indicator** of the impact that council's increased investment into finding and fixing leaks has had.

Wellington City Council Water Loss and Demand Overview

water

Wellington City water demand figures

- Council's increased funding to address leaks and efforts from residents and businesses to manage and reduce water use through the peak summer period saw the first monthly improvement in demand per capita (use and loss) in over three years in March 2024. This has been followed by continuous improvement in each following month.
- Overall, we have seen a 1.5% reduction in demand over the final four months of FY2023/24, which shows the importance of continued investment in water loss reduction. Year-on-year, per capita demand has increased 4%.
- Council's focus on reducing water loss and managing the acute summer risk has contributed to the improved results, as well as the effort from residents and businesses to manage and reduce water use through the peak summer period.



Demand draws close to the goal, and we expect this trend to continue in the new financial year as water loss reduction activities are accelerated.

The above graph shows how Wellington City is tracking towards its demand reduction goal of 4.2 million litres per day. The blue line shows a 4 week rolling average of demand, and the gold dotted line shows the goal pathway. This is reported on monthly to Taumata Arowai.

Moving forward

- While progress is being made on leaks as we work towards driving down the backlog to a sustainable level, it's important to note that leak repairs are a 'band-aid' rather than a long-term solution. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained.
- The increasing age and deteriorating condition of the network means that we expect the cost of ongoing leak repairs to continue to increase, and significantly increased investment in proactive pipe renewals is needed to prevent leaks occurring in the first instance. Currently, pipe renewals are funded well below the recommended level across the region.
- The current short-term investment level is working well to drive down the backlog, however forecasting shows it won't maintain water loss reduction activities in the longer-term, with the bulk of the investment in leaks ending in the first year of the current Long-Term Plan.

Metropolitan Region Water Loss and Demand Overview

This document provides a high-level summary of the Wellington Metropolitan Region's estimated annual water loss and total demand (water lost through leaks and customer use). It also includes information on the key factors that have impacted water loss and demand, and what we can expect moving forward.

How do we measure water loss and demand?

To measure **water loss**, we use the Minimum Night Flow methodology that aligns with the Water NZ Water Loss Guidelines for areas with low water meters. This provides a lag indicator of water loss reduction activities over this period.

We also track average daily **demand** (use and water loss) on a weekly basis, to gain an overall picture of water demand per capita and how it compares to previous years. Demand is measured by meters which show the total volume of water supplied by Water Treatment Plants.

Unfortunately, we cannot accurately track current, or 'live' water loss or water use without universal metering.

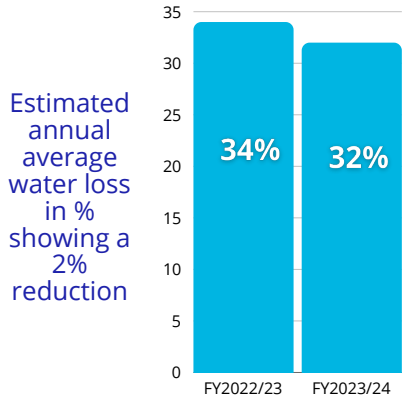
These two measures work together to help Wellington Water and our council owners better understand:

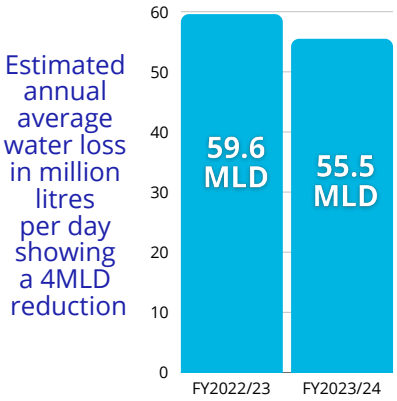
- *past financial years' water use and loss*
- *identify any high-level trends*
- *gauge if councils' investment and Wellington Water's efforts are having the desired impact, and*
- *guide future investment decisions.*

Regional water loss figures

The estimated annual average water loss on the metropolitan public network for FY23/24 is **32%*** down 2% from FY22/23 (34%).

In real terms, this equals a saving of about **4 million litres per day.**





In the first half of FY2023/24, we experienced the **highest level of leaks** seen across the network in many years. To tackle this, councils increased their investment in finding and fixing leaks. This enabled more leak repairs, and a corresponding reduction in the annual average water loss estimate.

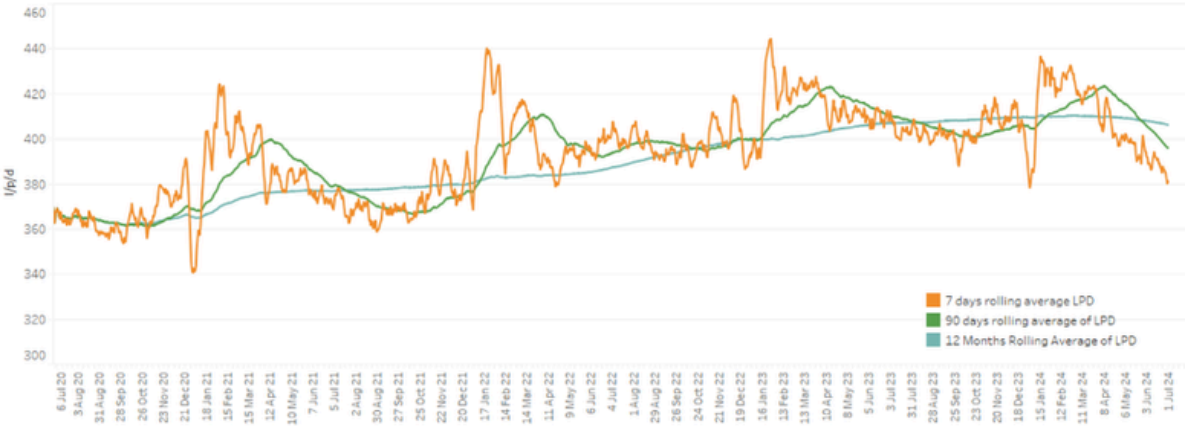
The **methodology** used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.

Increased funding for many councils wasn't made available until the second half of the year, and as a result increased leak repair work did not start until quarter 3 or later. This means the average annual water loss estimate may not have reduced as much as some may have anticipated. Additionally, a potential increase in leaks on private property may have offset some of these gains, but due to the lack of residential metering it is hard for us to gauge the extent with certainty.

As these water loss figures are a retrospective average of the entire past financial year (1 July 2023 to 30 June 2024) and leak repairs and water loss reduction work continues, we expect water loss to continue to reduce. This estimate is a **good initial indicator** of the impact that councils' increased investment into finding and fixing leaks has had.

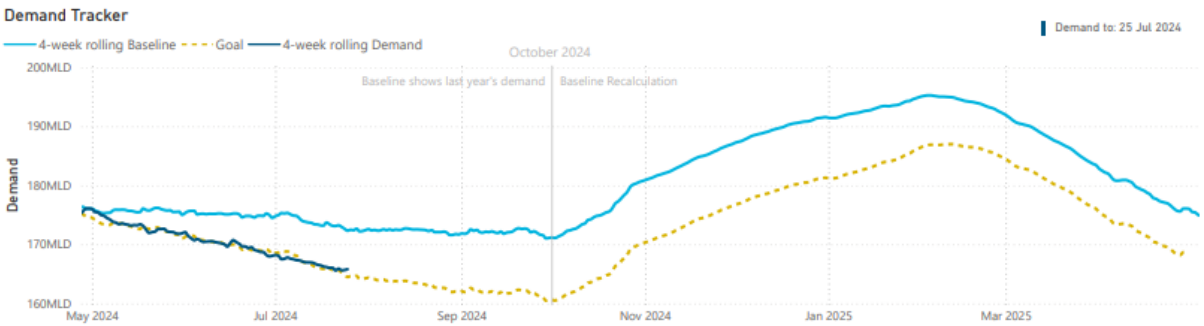
The Rolling Average

Since July 2024, the twelve-month rolling demand average has shown an encouraging drop, and is continuing to decline. Council's increased investment and Wellington Water's strong focus on reducing water loss and managing the summer risk has contributed to these results, as well as the effort from residents and businesses to manage and reduce water use through the peak summer period.



Working towards the region's water savings target for next summer

As we move towards the 2024/25 summer risk period, it is encouraging to see our monthly reporting showing the region tracking well towards the required demand reduction of 7.4 million litres per day. This will reduce the risk of councils needing to put in place Water Restriction Level 4, as seen in the graph below:



This graph tracks current 4-week rolling demand and compares it with the previous 12-month period's 4-week rolling demand as a baseline. The gold dotted line marks the pathway to meet the target. As demand in winter is low and the steady decline aligns with that expected from the recent increased level of leak repairs, we can be confident that the decline shown is directly related to water loss reduction activities across the network.

Moving forward

- While progress is being made on leaks, it's important to note that leak repairs are a 'band-aid' rather than a long-term sustainable solution and are only one piece of the puzzle. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained.
- The increasing age and deteriorating condition of the network means that we expect the cost of ongoing leak repairs to continue to increase, and significantly increased investment in proactive pipe renewals is needed to prevent leaks occurring in the first instance. This is vital to reduce and maintain water loss at a sustainable level. Currently, pipe renewals are funded well below the recommended level across the region.
- While current investment levels are working well to drive down the regional backlog, forecasting shows the current level of investment won't maintain the backlog at a sustainable level in the longer-term, with the bulk of the investment in leaks ending in the first year of current Long-Term Plans. Without action by councils, we anticipate the regional backlog will begin to climb again by mid-2025 (the end of the current financial year).
- Investment in universal metering will be key to finding leaks faster and help to promote community water conservation. Increasing the drinking water supply through additional storage lakes at Te Mārua will help better balance supply and demand as population growth, climate change and a reduction in water allocation increases strain on the system.

Komiti Ngā Wai Hangarua
Wellington Water Committee

23 September 2024

Report no: WWC2024/4/100

Implementation of findings of the cost estimation review

Recommendation

That the Committee:

(1) endorses the Wellington Water Purpose and Outcomes to guide priorities and decision-making for the next two years;

(2) receives the Draft Organisational Capability Plan responding to the external review undertaken on the Capital Programme Estimating and Budgets Systems:

   (a) notes the immediate activities underway to close gaps in our processes within current resources;

   (b) notes the broader unconstrained and unfunded workstreams and their activities presented in the Draft Organisational Capability Plan recommended to be undertaken over the next two years to improve company performance;

   (c) endorses system investment as a critical enabler, discussed under separate cover at this meeting; and

   (d) endorses the Draft Organisational Capability Plan for prioritisation and inclusion in individual council annual plan processes;

(3) notes the need for a revision of the current Statement of Intent to reorientate the company to deliver on high priority activities; and

(4) notes the Board have committed to regular and ongoing quarterly reporting and assurance to the Committee on the implementation of the prioritised activities determined through the Review into the cost estimation error.

Appendices

No.	Title	Page
1⇩	WWC WWL Organisational Capability Plan	184
2⇩	WWL Purpose Statement and Outcomes - Final Draft	190
3⇩	WWL Organisational Capability PLAN ON A PAGE visual FINAL 200924	193
4⇩	WWL Org Capability Summary Gantt OVERVIEW OF PLAN Final Draft 190924	194

Author: External Author (Wellington Water Ltd)

Wellington Water Committee | Komiti Ngā Wai Hangarua

27 September 2024

File: ( )

Report no:

Wellington Water Organisational Capability Plan 2024-26

Purpose of Report

1. To present Wellington Water's revised Purpose and Outcomes and the Draft Organisational Capability Plan associated with the External Review of Wellington Water's Capital Programme Estimating and Budgets Systems.

Recommendations

2. It is recommended that the Wellington Water Committee:
   a. Endorse the Wellington Water Purpose and Outcomes to guide priorities and decision-making for the next two years.
   b. Receive the Draft Organisational Capability Plan responding to the external review undertaken on the Capital Programme Estimating and Budgets Systems, and;
      i. Note the immediate activities underway to close gaps in our processes within current resources.
      ii. Note the broader unconstrained and unfunded workstreams and their activities presented in the Draft Organisational Capability Plan recommended to be undertaken over the next two years to improve company performance.
      iii. Endorse system investment as a critical enabler, discussed under separate cover at this meeting.
      iv. Endorse the Draft Organisational Capability Plan for prioritisation and inclusion

in individual council annual plan processes.

c. Note the need for a revision of the current Statement of Intent to reorientate the company to deliver on high priority activities.

d. Note the Board have committed to regular and ongoing quarterly reporting and assurance to the Committee on the implementation of the prioritised activities determined through the Review into the cost estimation error.

Introduction

3. The Board recognises the deserved lack of confidence the Committee expressed in the Company in recent months. The recent External Review of Wellington Water's (the Company) Capital Programme Estimating and Budgets Systems (the Review) made it clear that the current state of the organisation's maturity falls short of what is expected for the Company's ongoing role in delivering water services on behalf of councils and their communities.

4. The Company's funding, and investment decisions, in recent years have been heavily coloured by the anticipation of reform. Until their repeal in late 2023, the previous iteration of water services reforms would have seen the Company absorbed into a newly established Water Services entity from mid-2024, complete with the right-sizing of a new organisation to deliver the expected functions under its care, and a rollout of a full suite of digital capabilities fit for the new entity's purpose.

5. During this time, the organisation and its workload has grown significantly – almost doubling in size since 2021. This growth has largely been in response to the increasingly urgent set of challenges facing the region's water networks, and a corresponding significant lift in public investment in water services.

6. Challenges have included ongoing repairs to leaks due to aging water infrastructure, the potentially significant water shortage through this year's summer, and efforts to manage ongoing non-compliance and poor performance at wastewater treatment plants across the region. The challenges associated with deteriorating assets continue to feature high on the Company's organisational risk register, without fuller funding over time – particularly for asset renewals, the risks to service provisions will continue to be enduring.

7. Organisational growth, coupled with the ongoing suspension of investment in modernisation and technology, has meant that solutions that were previously fit for purpose, or were pragmatic work arounds to offset lack of investment, are now struggling to cope. There are significant gaps in core systems due to issues with scaling.

8. Two critical platforms are nearing end of life; project and information management systems will not be supported from 2025. Committee members will recognise that these are vital for the Company now – and the work of its successor entity from day 1.

9. In response to the Review, on 26 July, the Wellington Water Committee (the Committee) directed the Wellington Water Board to develop an Implementation Plan and Assurance Framework to address these shortfalls.

10. Over the last month we have prepared the Company's Organisational Capability Plan. This plan is the Company's blueprint to build and maintain a strong capable regional water utility that is in the best state it can be to deliver for its customers now and transition effectively into the new regional water entity.

11. At the centre of the plan is the need for the Company to drive the delivery of the strategic initiatives in the Statement of Intent; and the requirement to continue to manage the assets and delivery of three water services efficiently and effectively in the short to medium term as per the Wellington Water Committee's expectations. These expectations are unchanged.
12. The support of the Wellington Water Committee to remedy deficiencies and to enable the Company to lift its organisational capability is an important step on the path to preparing for a new financially sustainable model and for future economic regulation.

Organisational Purpose and Outcomes

13. The Board and management had an off-site early August 2024 to revise the company purpose and outcomes based on the above context we are operating in.
14. The aim was to determine significant near-term results that would meet the expectations of shareholders, provide a positive and motivating workplace for staff, and that when the Company is ultimately replaced, whatever entity succeeds, inherits fully functional systems and processes.
15. A succinct statement defining outcomes and results has been drafted (Appendix 1) with a focus on what is within our control.
16. The Company is seeking endorsement from the Committee of the purpose and outcomes to provide focus for the Company over the next two years. This is the assumed timeframe for the folding of the Company into a new entity.

Drafting an Organisational Capability Plan

Approach to the Implementation Plan

17. On 6 August work began on the Implementation and Assurance Plan to respond to the recent External Review of Wellington Water's Capital Programme Estimating and Budgets Systems (the Review).
18. The 34 recommendations made by the Reviewers were mapped and assessed to the COSO framework[1]. Work was undertaken to understand the significance and impact of the work required and to enable prioritisation.
19. The Draft Organisational Capability Plan (Draft Plan):
    a. Is principles based, ensuring the focus is on the best solutions for water services;
    b. Is aligned and respectful of a different future that requires we improve practices, are change ready and can adapt efficiently;
    c. Takes into account 2024/25 commitments to councils through the Statement of Intent and annual planning cycles;
    d. Addresses critical operating risks that are resulting in repeated performance issues and enable significant efficiency and effectiveness improvements in core performance areas;
    e. Prioritises work that has significant impact that will help lift organisational capability;
    f. Recognises that systems investments are expected to be consistent with any future water services council-controlled organisation (WSCCO) systems models and align with good practice around data and systems architecture, management, and governance for water utilities.

Overview of workstreams

[1] The Reviewers used the COSO framework, a framework of inter-related elements that emphasize internal controls that provide assurance that an organisation is operating ethically, transparently and in accordance with established industry standards. It also identifies linkages between an organisation's strategy and risks and business performance.

20. The Draft Plan is an unconstrained but practical view of the work required, covering a ~two-year timeframe, comprised of six workstreams:

Workstream	Description of Key Areas of Focus
1. Accountability	Restructure the organisation so that accountabilities are clear, and capabilities can be substantially enhanced in the lead up to a new entity, ensuring value for money.
2. Assurance	Establish effective risk management, align internal management with strategic goals, improve operational efficiency and compliance, and oversee the implementation of review recommendations.
3. Controls – Finance and Processes	Strengthen the overall control environment by creating and enhancing internal controls that support consistency and quality in financial and other capability, planning, processes and systems.
4. Responsibilities to shareholders	Rebuild the trust and confidence of shareholding councils in Wellington Water.
5. Transition to new entity	Prepare, support and engage in the transition to a new, larger entity.
6. Ways of working	Embed organisational values and behaviours into daily practices, defining clearer leadership expectations, and adapting performance management to ensure accountability and to support a positive workplace culture.

21. Residual issues and learnings from the review on fluoride specifically relating to culture and processes have been included throughout the Plan as they are intrinsic to the Workstreams.

What we have started immediately – quick wins

22. There are some areas identified that are both critical and are able to be achieved with current or minor resourcing changes and have commenced:
    a. Set an organisational purpose and outcomes (completed as above);
    b. Fast-tracked establishment of an integrated company annual planning and budgeting process, ahead of the provision of advice to councils for annual plans (underway);
    c. Independent forensic investigation into the cost estimation error (completed) to then provide assurance on the level of corporate cost recovery in Long Term Plans (underway);
    d. Additional capacity added to the Finance function (completed) and prepared a consultation document to reorganise it (underway);
    e. Document quality control processes for capital expenditure and operational expenditure and council requirements (underway);
    f. Investigation into procurement (costs/solutions) for end-of-life IT systems (project management, information management and asset management) is underway and will be presented to the Committee at this meeting;

g. Review current engagement approach with shareholding councils (underway);

h. Establish internal and external centralised depositories for council reporting to allow us to make this information more accessible and transparent (underway).

23. Some activities are dependent on other tasks being achieved and so we have worked to sequence activities pragmatically.

What we are presenting today – wider programme

24. The Draft Plan has been developed rapidly with staff. Presented for feedback and endorsement at this meeting are:

    a. Draft Organisational Capability Plan on a Page (Appendix 2);

    b. Gantt chart of Six Workstreams (Appendix 3)

25. Detailed planning, workings and cost estimates for each workstream sit behind these summary documents.

26. Some of the deliverables are not only required now but will be required by the new water entity. Wherever practical we want to lay down tracks that ensure our work has value for the future.

27. The Draft Plan is unconstrained and therefore requires prioritisation against total company commitments including what has been asked for by shareholders in the Letter of Expectation 2024.

Feeding into the Annual Plan 2025/26 and signalling 2026/27

28. We expect the plan to be partly funded in the current 2024/25 by redirecting budget for current year activities based on a reprioritisation of activities.

29. For work planned for 2025/26 and 2026/27, while the new water entity is being established, our aim is to begin work that will be essential for de-risking the new entity, staging a pathway of investment in critical activities which can be smoothly transitioned at the appropriate time.

30. The estimated costs to respond to the findings of the Review and continue to deliver core BAU, along with the activities in the Statement of Intent 2024-27, are being worked through by the Board and management.

31. The intention is to provide an unconstrained view of the gaps and risk to individual councils as part of their 2025/26 annual plan processes. The Company is seeking endorsement to take this to councils, so they have all the information required for decision-making.

32. The Company is front-loading and better integrating its planning and budgeting process. An assurance plan for the annual plan process for the Board to share with the Committee and individual councils to provide confidence in advice and costings is in development and will be followed carefully by the Board's Audit Committee throughout the process.

Monitoring and Reporting

33. The Board intend to oversee the implementation of this plan in detail, and expect satisfactory oversight, regular communication and meaningful dialogue on its implementation and resolution of issues with the Committee.

34. The Company will provide no less than quarterly formal reporting, along with engagements between those reports so the Committee can understand the progress that is being made on its behalf.

35. The Board understands the significance of this work and the need to account to the Committee over the next two years, as the Committee must account to its communities on the level it chooses to resource three water assets.

Appendices

No.	Title	Page
1	Wellington Water Purpose and Outcomes – Draft	
2	Draft Organisational Capability Plan on a Page	
3	Gantt chart of Six Workstreams forming the Organisational Capability Plan	

Author: External Author (Wellington Water Ltd)

Wellington Water

Wellington Water Purpose

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant and affordable drinking water, stormwater, and wastewater services.

Outcomes

- Communities receive *reliable* 3W *services.*
- Services delivered by WWL are *compliant*.
- Water services are *affordable* and provide value.
- WWL is a strong and capable organisation ready to fold into a new asset owning entity.

Near-term results against outcomes – after two-years subject to being within WWL's direct control)

- Communities receive *reliable* 3W *services.*

Result Area (i.e. where we will be improving against the outcome)	How we will demonstrate progress	What we will need to do to deliver
Investments in sustainable water supply & demand strategic portfolio are increased. (Enables a more reliable supply of sufficient drinking water).	Installation of residential water meters has commenced. Investment advice for Keep-Reduce-Add presented to shareholding councils	Progress residential metering project and other strategic portfolio activities (including design for new storage lakes).
Demonstrated improvement in asset management practices with reference to recognised good practice. (Supports more effective and efficient delivery of reliable services).	Asset Management Framework and roadmap for its improvement endorsed [by Board?].	We mature in asset management strategy in order to invest resources in asset management improvements, with reference to existing benchmarking and alignment to other improvement areas (such as WWTP compliance, see below).

1. While developing the outcomes we reached a conclusion that *safe* was an important word to have in the purpose and should be retained but is in fact a subset of *compliant.* For example, Taumata Arowai requires water to be safe (Safe Drinking Water Standards), so being compliant is safe.

FINAL DRAFT

Wellington Water

- Services delivered by WW are *compliant*.

Result Area (i.e. where we will be improving against the outcome)	How we will demonstrate progress	What we will need to do to deliver
Demonstrate the treatment plants are operating in a compliant state	All enforcement action is addressed.	Complete programme of work in WWTPs within existing resources and in partnership with councils.
Enduring compliance requirements for each WTP and WWTP are understood by the asset owners. (Describes the investment needed to ensure enduring compliance).	Recommended investment plans presented to councils for all plants.	Understanding of what investment is required to support an increased focus on core sustained and long-term compliance. Completion of relevant strategic and growth studies.

- Water services are *affordable* and and provide value.

Result Area (i.e. where we will be improving against the outcome)	How we will demonstrate progress	What we will need to do to deliver
Service provision arrangements are demonstrating quality performancer and vaulue for money (Veolia, Alliance, Panels).	Reporting against KRAs and KPIs established through audits and performance reviews. Reporting against Regional Performance Framework. Commence benchmarking against peers.	Cost audits completed and necessary contract adjustments and monitoring arrangements in place.

- WWL is a strong and capable organisation ready to fold into a new asset owning entity.

FINAL DRAFT

1. While developing the outcomes we reached a conclusion that *safe* was an important word to have in the purpose and should be retained but is in fact a subset of *compliant.* For example, Taumata Arowai requires water to be safe (Safe Drinking Water Standards), so being compliant is safe.

Result Area (i.e. where we will be improving against the outcome)	How we will demonstrate progress	What we will need to do to deliver
Corporate WWL investment requirements are reflected in council annual plans showing long term investment requirements for effective and efficient service delivery.	Integrated investment advice delivered across asset and corporate requirements including technology needs.	Complete case for systems investment and the understand associated business process changes

FINAL DRAFT

1. While developing the outcomes we reached a conclusion that *safe* was an important word to have in the purpose and should be retained but is in fact a subset of *compliant.* For example, Taumata Arowai requires water to be safe (Safe Drinking Water Standards), so being compliant is safe.

Wellington Water

Organisational Capability Plan

2024-2026

Purpose of this plan

The organisational capability plan for Wellington Water is designed to enhance controls and assurance, improve operational effectiveness, identify value for money opportunities, and strengthen culture and ways of working. Though complex, the plan aims to consolidate all necessary activities over the next two years, ensuring the basics are done right while preparing for the transition to a new entity.

Wellington Water Purpose Statement

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant and affordable drinking water, storm water and waste water services.

Implementation

The Plan has

- immediate tasks to begin
- tasks to be undertaken in the 2024/2025 period
- tasks to be undertaken from 2025/2026 onwards.

DRAFT 20240920

Where we've been → **Changes we're making** → **Where we're going**

Where we've been

Internal and external drivers

- Increasing cost pressures
- Shifting regulatory and policy environment
- Budget error leading to Review
- Rising community expectations
- Infrastructure challenges
- Certainty needed over value for money

External review Wellington Water Limited capital programme estimating and budget systems

Changes we're making

WORKSTREAM 1:
Accountability

Restructure the organisation so that accountabilities are clear, and capabilities can be substantially enhanced in the lead up to a new entity, ensuring value for money.

Value for Money Review: VFM review of contractor delivery model.

WORKSTREAM 2:
Assurance

Establish effective risk management practices, align internal management with strategic goals, improve operational efficiency and compliance, and oversee the implementation of review recommendations.

WORKSTREAM 3:
Controls – Finance and Processes

Apply the COSO controls framework, which provides a comprehensive system for achieving effective internal controls by focusing on risk management, governance, and compliance across five integrated components.

Systems: System investments e.g. project, asset management.

WORKSTREAM 4:
Responsibilities to shareholders

Rebuild the trust and confidence of shareholding councils in Wellington Water.

WORKSTREAM 6:
Ways of working

Embed organisational values into daily practices, defining clearer leadership expectations, and adapting our performance management approach to ensure accountability.

Where we're going

WORKSTREAM 5:
Transition to new entity

A strong and capable organisation to fold into a new asset owning entity.

Fit for purpose organisational design

Designing and putting structure, systems, processes and other enablers into place to support the new operating model.

Strong controls and assurance framework

Well-equipped to manage risks, ensure compliance, and operate effectively, providing confidence in its ability to achieve its objectives and deliver value.

Organisational Capability Plan Summary Gantt

#	TASK	Initiatives Underway	Initiatives Planned FY2024/25	Initiatives Planned FY2025/26
W1	WORKSTREAM 1: ACCOUNTABILITY			
W1.1	Update Wellington Water Organisational Strategy			
W1.2	Cascade strategy to the tactical and operational layers of Wellington Water to embed throughout the organisation			
W1.3	Review operating model and reorganise functions for orthodoxy, ensuring accountabilities and responsibilities for role holders to deliver organisation strategy			
W1.4	Implement the agreed organisational structure and embed with positive ways of working (WOW)			
W1.5	(Interim) Review and update existing delegations, pending reorganisation			
W1.6	Plan and review contractor arrangements for value for money and efficiency and effectiveness			
W2	WORKSTREAM 2: ASSURANCE			
W2.1	Deliver an Assurance Framework designed to achieve good practice			
W2.2	Simplify the internal management framework			
W2.3	Deliver an organisational performance framework			
W2.4	Deliver an organisational regulatory compliance framework			
W2.5	Increase enagagement with Regulation and the requirements of regulatory bodies.			
W2.6	Report on progress of the agreed and funded components of the Organisational Capability Plan			
W3	WORKSTREAM 3: CONTROLS - Finance and Process			
W3.1	Strengthen the planning control environment			
W3.2	Increase maturity and capability for costing and financial planning			
W3.3	Update or develop technology systems and increase capability			
W3.4	Build a control framework that is the foundation for delivery of strategic goals, water services and obligations			
W3.5	Increase transparency and quality of delivery / investment planning information shared with Councils			
W3.6	Improve WWTP compliance and focus on future asset funding while addressing recent external recommendations			
W4	WORKSTREAM 4: RESPONSIBILITIES TO SHAREHOLDERS			
W4.1	Review current approach to the way we engage and build trust with our shareholding councils			
W4.2	Review all council reporting to ensure it is streamlined, accessible, transparent, with the appropriate quality assurance			
W4.3	Work with Council CFOs to identify and agree improvements and common financial reporting			
W4.4	Board works with Shareholders to determine if a standard set of financial reports can be used by all councils (opex and capex)			
W5	WORKSTREAM 5: TRANSITION READINESS			
W5.1	Prepare an Integrated Capability Roadmap (people, process, systems) with water services delivery stakeholders to help de-risk the new entity (interconnected with 3.3)			
W5.2	Support the development of the Water Services Delivery Plan (interconnected with Systems and AMPs)			
W5.3	Engage with Watercare specifically to identify and convert pratcical future synergies			
W6	WORKSTREAM 6: WAYS OF WORKING			
W6.1	Improve the level of accountability and responsibility of senior leadership			
W6.2	Ensure SLT identify and manage issues early			
W6.3	Strengthen internal culture by adapting our performance management develoment process, and leaders are acknowledged for leading by example			
W6.4	Elevate focus on outcomes throughout the organisation			

Komiti Ngā Wai Hangarua
Wellington Water Committee

13 September 2024

Report no: WWC2024/4/99

Systems Investment Options

Recommendations

That the Committee:

(1) endorses in principle that investment in 'end of life systems', integrated asset and financial systems, and customer systems is required to enable the effective and efficient functioning of Wellington Water;

(2) notes that the total required investment for these options is estimated to be $15m to $25m over two financial years, exclusive of contingency, with an ongoing operating cost of $4-$5m per annum and that this will form part of Wellington Water's investment advice for councils to consider as part of their 2025/26 annual planning and long term planning processes; and

(3) notes that this recommended investment does not address all issues with the current state of Wellington Water's technology systems, and further investment would be required in out-years if the organisation continues to operate significantly in an HR system.

Appendices

No.	Title	Page
1⇩	WWC Report - Technology Systems Investment	196

Author: External Author (Wellington Water Ltd)

Wellington Water Committee | Komiti Ngā Wai Hangarua

27 September 2024

File: ( )

Report no:

Technology Systems Investment for Wellington Water

Purpose of Report

1. The purpose of this report is to seek the Committee's endorsement of the recommended investment in technology systems to enable Wellington Water's effective and efficient operations. This report details the 'what and how' of the required investment in systems indicated by the Organisational Capability Plan.

Recommendations

That the Committee:

(i) Endorse in principle that investment in 'end of life systems', integrated asset and financial systems, and customer systems is required to enable the effective and efficient functioning of Wellington Water.

(ii) Note that the total required investment for these options is estimated to be $15m to $25m over two financial years, exclusive of contingency, with an ongoing operating cost of $4-$5m per annum and that this will form part of Wellington Water's investment advice for councils to consider as part of their 2025/26 annual planning and long term planning processes.

(iii) Note that this recommended investment does not address all issues with the current state of Wellington Water's technology systems and further investment would be required in out-years if the organisation continues to operate, significantly in an HR system.

Background

2. Affordable Water reform was delivering new technology systems for the proposed new

water services entities. In this context Wellington Water has made only very limited, 'no regrets' investment in technology systems for three years.

3. At the same time there has been significant growth in the organisation's activities and therefore the technology systems it uses are no longer fit for purpose.
4. The need for this investment was signalled as risk during development of councils' 2024-34 Long Term Plans and when government policy on the future of water reform changed, Wellington Water began work on the investment options to resolve the issues with the current state of its technology systems.
5. These issues have been highlighted by the recent capital programme estimating error, where deficiencies in systems were identified as a contributing factor.
6. The review also noted that Wellington Water should no longer wait for water reform to resolve issues with its current organisational capability but ensure any changes made now are pragmatic and keep the future new entity in mind.
7. The 2024-25 Letter of Expectations directs that where smart investment can product asset management improvements that can benefit a new water services model, these will be costed and reported back to the Wellington Water Committee.

Key issues with the current state of technology systems at Wellington Water

8. Wellington Water's current state technology is fragmented, unable to scale, and in some cases, aging and requiring replacement. The core 'systems of record' required to run an effective and efficient water utility are no longer fit for purpose due to the growth in activity the company performs and the number of people supporting these activities. These are the asset, finance, customer, and HR systems. These systems are also essential tools for a new regional WSCCO.
9. Without investment in these systems there is ongoing risk of serious issues like the corporate cost estimating error. Wellington Water's efficiency and ability to report on performance is significantly hampered, and as systems come to end of life there is risk of losing core data sets and increased cyber risk.

End-of-life systems

10. The construction project management, and knowledge and records management systems are end-of-life in August 2026. They will no longer be under vendor support and their functionality and security will no longer be updated. This introduces significant cyber security and operational risk.
11. The current state of the knowledge and records management system inhibits the ability to find information. This causes inefficiency in day-to-day task execution and the response to information requests. It means decisions can be made based on incomplete or out of date information. A fit for purpose system is an enabler for improvement to Wellington Water's control environment as identified in the Organisational Capability Plan [will need to reference this with the other paper].
12. The project management system was set up to manage a capital programme of $50m per year but this programme has now risen to $300m per year. It is not effective for managing a programme of this scale and does not adequately support quality assurance and risk management across the programme. There is no integration between the project management system and the finance system. This limits ability to provide financial and progress transparency across the Capital Programme.
13. Funding has been allocated from the Wellington Water corporate budget in 2024/25 to begin work on replacing these systems. Further funding will be required in 2024/25 to implement fit for purpose replacements. This funding is not included in Council LTPs.

Asset and Finance systems

14. Wellington Water does not have an end-to-end asset management system which provides

a single register of all the assets managed. Instead, Fulton Hogan's and Veolia's asset management systems are utilised for many (but not all) aspects of asset management and an asset register is held on the Wellington Water(?) data platform. This register does not include the Wastewater Treatment Plant assets.

15. Wellington City Council's Finance system is used for financial management, it does not provide access to budgeting or forecasting modules. This means there is no integration between asset and financial management.
16. This current state limits available system functionality, and control of and access to the data required to operate the business. It means reliance on manual processes and 'swivel chair' activity to pass data from one system to another, creating inefficiency and high risk of manual error. It limits the ability to report on performance and the insights from data required to make evidence-based decisions.
17. The audit opinions for the 2024-34 Long Term Plans for the metropolitan councils noted that using mostly age-based information creates uncertainty over which assets to prioritise for renewal, resulting in a risk of asset failure and reduced levels of service. A single end-to-end asset management system would enable Wellington Water to better collect, analyse, and use data on other attributes such as maintenance, failure, and condition in planning investment.
18. The likelihood of the capital programme estimation error occurring would have been significantly mitigated with system support for budgeting and forecasting and integration between the finance, project, and asset systems.
19. A fit for purpose asset management system would also provide integrated health and safety management functionality. Wellington Water's current health and safety system was set up when it was managing approximately 60 health and safety reports per month and requires significant manual work in relation to each report. The increased scale of the organisation's activities mean it is now handling approximately 400 reports per month.

Customer Relationship Management System

20. The current approach is that customer service requests are passed to Wellington Water from the Councils. Customers also call Wellington Water directly. As there is no Customer Relationship Management system this leads to an average of 40% duplication in service requests and the processes to get a single view of the activity relevant to a customer requires extensive manual intervention.
21. This creates inefficiency in service management processes, leads to significant customer frustration and operational risk. The delivery of further efficiencies could be gained by a change in the current operating model.

Recommended technology system investment options

22. The 'do everything option' to address the current state is not doable for Wellington Water with its current planning horizon of three years. This is due to the level of business change that this option would require. The estimated cost range of this option is $44 to $72m, exclusive of contingency.
23. Therefore, to resolve the key issues with the current technology environment investment in the 'end of life systems', integrated asset and finance systems, and customer relationship management system will be recommended to each council. This investment has a doable level of business change within the planning horizon and provides the greatest benefit and reduction in risk.
24. Business change cost has been calculated as an additional 10% on top of technical implementation costs. The level of business change required will be dependent on the product choice for the systems. Investing in and getting the business change right is the key success factor.

25. The cost range indicates that actual cost is dependent on several variables significantly including product selection and resourcing mix. This funding is not included in Council LTPs.

System	Implementation - over 2 years	Annual operating costs
End-of-life systems (project & knowledge)	$2.8 - $4.6m	$1 - $1.2m
Asset and Finance	$7.9m - $13m	$2m - $2.5m
Customer Relationship Mgmt	$4.5m - $7.4m	$1m - $1.2m
TOTAL	**$15 - $25m***	**$4m - $5m**

*Total cost estimations have been rounded.

Other considerations

26. Implementation of these systems will require, and therefore deliver, clarity of end-to-end processes and the roles and responsibilities to execute them. In addition, the recommended systems provide functionality to support health and safety, investment planning, trade waste management, and developer services.
27. There is residual risk remaining in relation to the Human Resources systems. Continued reliance on Wellington City Council's HR system, along with a set of standalone cloud-based systems, means the final core system of record remains not fit for purpose or integrated with others.
28. These options also de-risk the Residential Metering Programme by providing fit for purpose systems that are dependencies for this programme. This includes the asset management system and the customer relationship management system. The outstanding requirement will be a billing system.
29. These recommended investments align with the needs of the potential new Water Services Council-Controlled Organisation (WSCCO) and therefore support the cost and time-efficient set up of a new WSCCO.

Next steps

30. Wellington Water will seek appropriate resourcing, to complete Requests for Information (RFIs). This will provide greater confidence in the estimated costs.
31. In line with the company's Statement of Intent, Wellington Water will begin to prepare investment and implementation options for each council for consideration in 2025/26 annual plan and long-term plan processes.

Appendices

There are no appendices for this report.

Author: External Author (Wellington Water Ltd)
WW

TO: **Chair and Members**

Wellington Water Committee | Komiti Ngā Wai Hangarua

FROM: **Jack Kilty**

DATE: **13 September 2024**

SUBJECT: **WELLINGTON WATER COMMITTEE FORWARD PROGRAMME 2024**

Purpose of Memorandum

1. To provide the Wellington Water Committee (the Committee) with a Forward Programme of work and workshops planned for the committee for 2024.

Recommendation

That the Committee receives and notes the draft Forward Programme and future workshop topics for the Wellington Water Committee for 2024 attached as Appendix 1 to the memorandum.

Background

2. The Terms of Reference for the committee require the committee to provide governance and leadership across issues relating to the planning, delivery and management of water services to communities serviced by Wellington Water Limited (WWL).

3. The Forward Programme provides a planning tool for members, officers and WWL staff to coordinate programmes of work.

4. The draft Forward Programme for 2024 is attached as Appendix 1 to the memorandum.

Forward Programme

5. The Forward Programme is a working document and is subject to change regularly. Any changes to the Forward Programme made by officers and WWL staff will be made in consultation with the Chair.

Appendices

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1⇩	Wellington Water Committee Forward Programme 2024	201

Author: Jack Kilty
Democracy Advisor

Approved By: Kathryn Stannard
Head of Democratic Services

Draft Wellington Water Committee Forward Programme 2024

27 September	13 December
Hutt City Council **Wellington Water Committee** • Chairperson's Statement • Local water done well – legislation and water service delivery plan update • WWC Forward Programme • Allan Pragnall to speak regarding Taumata Arowai **Wellington Water** • Company and Governance Update • Water Supply Risk • Systems Investment – Proposal • Receive 2023/24 Annual Report	*Hutt City Council* **Wellington Water Committee** • Chairperson's Statement • Local water done well – legislation and water service delivery plan update • WWC Forward Programme • Draft Letter of Expectation 2025 **Wellington Water** • Company and Governance Update • Water Supply Risk
Workshop • Placeholder. Water Committee, Priorities – check-in.	**Workshop** • Placeholder

Pending: Review of WWL Director's Fees