

Statement of Intent 2015 – 18

30 June 2015



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Foreword

2014-2015 was a year of many changes. In September 2014, the bulk water group from Greater Wellington Regional Council (GWRC) merged with Capacity Infrastructure Services Limited (Capacity) to create a new organisation called Wellington Water Limited (Wellington Water). The company is now a one-stop shop providing three waters services (drinking water, stormwater and wastewater), from source to sea, to the Wellington metropolitan region.

Wellington Water is governed by a board of directors and is subject to oversight by the Wellington Water Committee, which is made up of representatives from our five council shareholders; the city councils of Lower Hutt, Porirua, Upper Hutt and Wellington, and GWRC.

A key priority for 2015-16 is to embed organisational change arising from the merger, and move from the transition process to uniting all parts of the business into a high performing organisation. This work is reflected in our strategy and new organisational structure, and is being consolidated by the way we work. We'll focus on living our values: putting people first, sharing our knowledge and working collaboratively with others. This includes ensuring our staff, suppliers, and contractors who work with us are safe and hold similar values.

Relationship management is at the heart of Wellington Water. For our shareholders and wider stakeholder groups, this means we are easy to work with and have transparent working relationships. Building our reputation as a trusted adviser with councils will come through keeping stakeholders informed, providing a strong



Wellington Water is an outcome-focused business

evidence base for decision-making and by doing what we say we'll do.

Our overall aim remains to provide consistent, high quality regional advice to our clients. It was pleasing to have the Wellington Water Committee approve our intention to develop a three waters regional asset management plan (RAMP); we'll provide this regional plan in addition to individual council asset management plans (AMP). The RAMP will outline how we'll build seismic resilience in water supply, how we'll approach regional community education for the three waters in the region, and improve water quality in catchments by aligning with the new Regional Natural Resources Plan and working with Whaitua Committees.

For any infrastructure provider, having high quality information is critical to good decision making. Our new Information Directorate team will make sure the company both keeps pace with exponential growth in data and information, and that we can create and report on value for our shareholders.

Finding a sustainable funding model for Wellington Water has been a challenge for many years. It was great to reach agreement with our shareholders on a funding formula for the company. We agreed that the company's primary aim for shareholders is to provide value from the operational and capital funding they invest in their three waters assets. We'll develop a value for money system during 2015-16 which records the value we've created through the supply chain. Under the system, for every \$10 we save we can invest \$1 back into the company. Over the next year we think this will allow us to take a big step towards a sustainable funding model.

Ultimately we are here to work for the end user, and provide our communities with reliable and safe three waters services. Currently our client councils measure overall satisfaction levels within their communities. We'll develop and implement a customer strategy where we anticipate being able to report in-depth customer satisfaction levels, allowing us to make meaningful changes across the business.

Water is the foundation of any community, and we look forward to contributing to the wellbeing of the Wellington region by creating excellence in regional three waters services for healthy communities during 2015-16 and beyond.



John Strahl
CHAIRMAN OF THE BOARD



Colin Crampton
CHIEF EXECUTIVE



Who we are

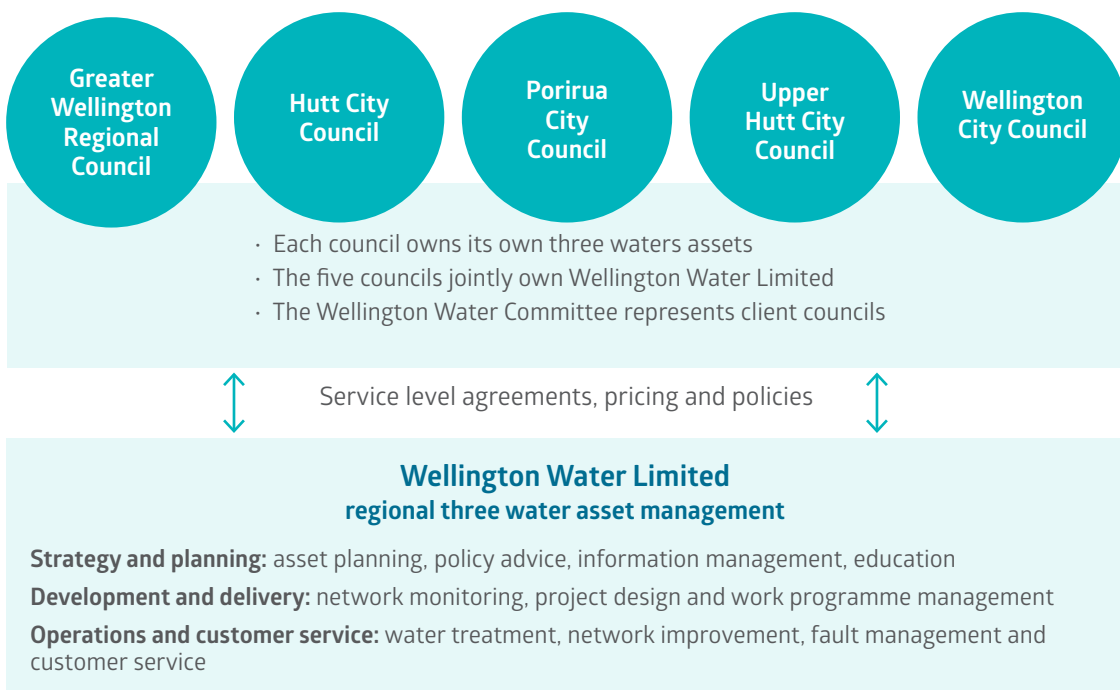
Wellington Water is a shared service, council-controlled organisation jointly owned by Hutt, Porirua, Upper Hutt and Wellington city councils, and GWRC. We manage the three water networks (drinking water, stormwater and wastewater) on behalf of our client councils and provide advice on how best to invest in their future development.

Wellington Water was created in September 2014, when the bulk water group from GWRC merged with Capacity. The decision to amalgamate was part of a wider push by councils in the region to realise the benefits of shared services across the region. A new organisational structure was then designed for the company in late 2014 and implemented in early March 2015.

We employ approximately 180 staff, and manage expenditure on behalf of our clients of approximately \$175 million, to maintain and develop water assets worth \$2.7 billion.

Each shareholding council owns its respective water services assets (pipes, pump stations, reservoirs and treatment plants) and decides (after considering advice from Wellington Water) the service levels, policies and investment it will make in consultation with respective communities.

Figure 1: Who we are



Every year we work with councils, the community, regulatory authorities and suppliers, contractors and consultants, to deliver activities aimed at maintaining and improving the infrastructure that is essential to human life and the growth of our economy.

Wellington Water operates under the Companies Act 1993 and the Local Government Act 2002 (LGA) which have specific provisions for council-controlled organisations to:

- achieve shareholders' objectives, both commercial and non-commercial
- be a good employer
- exhibit a sense of social and environmental responsibility by having regard to the interests of the community and endeavouring to accommodate or encourage these
- conduct affairs in accordance with sound business practices; and
- report on the intended levels of service and performance measures for providing water, wastewater and stormwater services that need to be included in local authority long term plans

Appendix 3 contains our client council key performance indicators, that were developed in consultation with councils to achieve increased consistency in measurement.

Wellington Water complies with the Health (Drinking Water) Amendment Act 2007 that ensures safe community drinking water supplies and mitigates the risk of disease through waterborne diseases by stipulating national drinking water standards and water safety plan requirements. Wellington Water complies with the Drinking Water Standards for New Zealand 2005 (revised 2008) that cover:

- the maximum amounts of substances or organisms or contaminants or residues that may be present in drinking water
- criteria for demonstrating compliance with the Standards
- remedial action to be taken in the event of non-compliance

Wellington Water also complies with other legislation such as the Resource Management Act (RMA) 1991 and the Wellington Regional Water Board Act 1972, and will comply with the Health and Safety Reform Act, when it becomes law.

The scope of our functions

Our role is to ensure the three waters networks meet the levels of service that our client councils have agreed to in their long term plans.

We provide asset management services that include the collection, treatment and delivery of water for our client councils; the operation, management and maintenance of water supply networks, assets and systems, as well as wastewater treatment facilities, pump stations, reservoirs and related networks.

We also oversee the maintenance, upgrade, renewal and development of the three waters infrastructure. This involves managing the life cycle of water assets to support the communities' three waters' needs, accommodate council growth strategies and changes in land use and population.

Each year, to inform the development of long term plans, Wellington Water provides asset management plans for each council. In the coming year, we'll develop a RAMP that will look across all our councils' assets, and outline initiatives and investments that makes sense for all councils to work together on. The plan will also address individual client needs. It will include initiatives to progress strengthening the seismic resilience of water storage, provide community education and adopt a catchment approach to managing impacts on fresh water.

To do all this we consult, plan, monitor, coordinate and deliver services to keep water safe to drink and ensure that stormwater and wastewater do not harm the environment. We aim to lead and champion the effective mitigation of environmental effects from the three waters activities.

Appendix 1 contains a brief explanation of the company's structure and functions.

How we are governed

The Board of Directors and the Wellington Water Committee

Board of directors

Wellington Water is governed by a board of independent directors. The chair of the board reports to the Wellington Water Committee, which is made up of a representative of each of the five shareholders.



John Strahl
Chair



Cynthia Brophy



Nicki Crauford



David Benham



Raveen Jaduram



David Wright

The Board of Directors' accountabilities include:

- approving the company's strategy
- ensuring the company is compliant with the law and solvency and making sure the organisation has the capability to perform
- monitoring the company's performance and its relationships with and provision of services to client councils and others

Wellington Water Committee

Wellington Water's five shareholders are Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and GWRC. Representatives of these councils meet quarterly in the form of the Wellington Water Committee to discuss water issues and general progress. Each shareholder holds 20% of the voting shares of Wellington Water. The committee provides shareholder governance and regional oversight and provides guidance on Wellington Water's regional approach to issues and policy.

The Wellington Water Committee (on behalf of the shareholders) prepares the letter of expectations for the company. These expectations are reflected in this Statement of Intent 2015-16 and are reported on, along with service performance outcomes, in our annual report. The company reports on corporate goals and performance to the board and the Wellington Water Committee, quarterly as well as annually. Service performance outcomes are derived from council long term plans, which in turn are influenced by the asset management planning work we do.



David Bassett
Chair of the Wellington Water Committee

Deputy Mayor, Hutt City Council



Fran Wilde
Deputy Chair of the Wellington Water Committee

Chair, GWRC



Nick Leggett
Mayor, Porirua City Council



Wayne Guppy
Mayor, Upper Hutt City Council



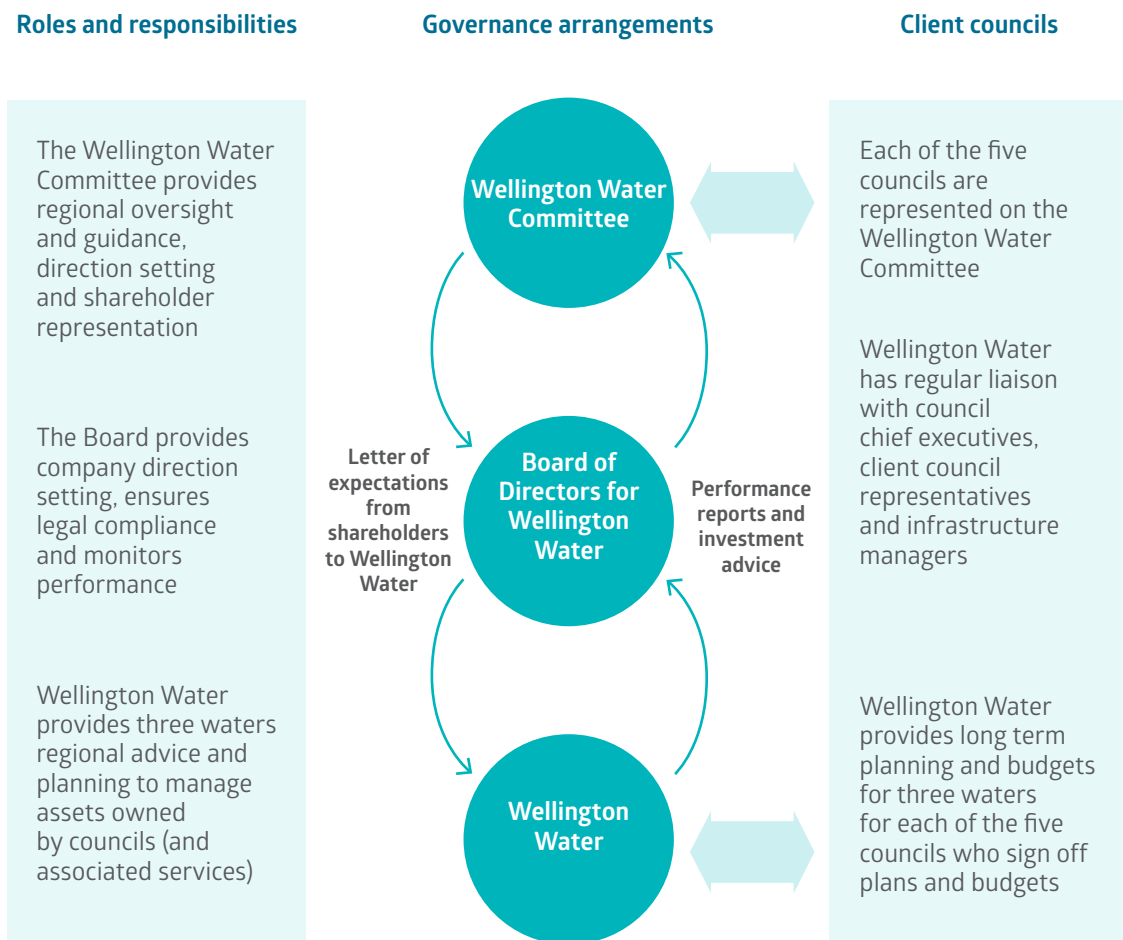
Iona Pannett
Councillor, Wellington City Council

Representatives as at 30 June 2015.

Client councils

It's important we have the trust of directors, councillors and council officers of the five councils who are our clients. Figure 2 represents these critical relationship structures in the context of our service delivery. It shows linkages between the direction setting of the governance bodies, the advisory support we provide to our client councils, working with councillors to achieve their visions for their communities, and the work we do – delivering three waters network management to our clients' customers.

Figure 2: Governance and shareholder relationships in our service delivery



Refer to Appendix 2 for more information about governance and shareholders.

What we want to achieve

Our purpose is:

We create excellence in regional water services for healthy communities

Wellington Water's strategy is made up of our:

- **outcomes** – safe drinking water, respect for the environment and resilient now and in the future
- **trusted advisor approach** - we provide trusted advice to client councils on the highest value for money approach
- **regional approach** – developing a RAMP that will include increasing seismic resilience, adopting a catchment approach to fresh water management and providing community education
- **customer strategy and plan** – these will guide our engagement with customers and how we can improve our services provision, by putting customers at the heart of everything we do






The Macaskill water storage lakes in Te Marua, Upper Hutt, Wellington's largest water storage facility

Our outcomes

Our outcomes are longterm areas of focus and have been chosen for their durability and relevance to the end user. Given the long term nature of these outcomes, our success will (in some cases) be demonstrated through trend data.

Table 1: Our outcomes and key performance indicators

Outcome	Key performance indicators	Actual results	Targets (2015-18)
<p>Safe drinking water - water delivered to the taps of the region's houses and businesses that satisfies consumers and meets or exceeds our clients' expectations</p> 	Compliance with part four of the Drinking Water Standards. ¹	2012-13: 100% 2013-14: 100%	100%
	Maintain water supply grading from the Ministry of Health	2012-13: Achieved 2013-14: Achieved	Achieved
<p>Respectful of the environment –we are mindful of the impacts that our activities have on the environment. We work closely with stakeholders to ensure discharges into watercourses and the sea are carefully managed</p> 	Percentage of days during the bathing season (from 1 November to 31 March) that the monitored beaches are suitable for recreational use ²	New indicator	Each monitored beach is open 90% of the days during the bathing season (increasing trend)
	Percentage of freshwater sites that have a rolling 12 month median value for E.coli that do not exceed 1000cfu/100ml ³	New indicator 2012-13 90% (WCC only) 2013-14 85.6% (WCC only)	90% of all freshwater sites (increasing trend)
	Non-consented discharge events from treatment plants	New indicator	Zero
	Overflows from the network per council	New indicator	Decreasing trend
	All activities across the three waters comply with all resource consent requirements, measured by infringement, abatement notices, enforcement orders or convictions from our activities.	2013-14: One abatement notice (PCC)	Zero

Outcome	Key performance indicators	Actual results	Targets (2015-18)
<p>Resilient now and in the future – we know how costly and vital the infrastructure is that we work on and how it can be impacted by external influences such as climate change. Our planning, design, consultation and delivery prioritise network and community resilience for day to day use, and in times of emergency, now and in the future.</p> 	Availability of three waters network to customers per council		
	Water reticulation	2012-13: 2.08 2013-14: 1.55	Fewer than 4 unplanned supply cuts per 1000 connections
	Wastewater	2012-13: 0.55 2013-14: 0.62	Fewer than 1.2 wastewater reticulation incidents per km of pipeline
	Stormwater	2012-13: 0.06 2013-14: 0.11	Fewer than 0.5 stormwater pipeline blockages per km of pipeline
	Cumulative number of habitable floors affected per 1,000 connections per council per flooding event	New indicator	Zero ⁴
	Water resources preserved for future generations. Measure of awareness of water conservation work and change in behaviour:		
	· I think I should be conserving more water than I'm currently doing	June 2012: 68% June 2014: 68%	Decreasing trend
	· I have the information I need to be able to conserve more water	June 2012: 59% June 2014: 73%	Increasing trend
	· I generally make a positive effort to conserve water	June 2012: 33% June 2014: 48%	Increasing trend
Sufficient water is available to meet unrestricted demand (other than by routine garden watering restrictions) in all but a drought situation that has severity equal to or greater than a one-in-50 year drought	2012-13: 0.9% 2013-14: 0.4%	Modelled probability of annual water supply shortfall is no greater than 2%	
Sustainable drinking water consumption (average regional gross per capita usage)	2012: 357 L/p/day 2013: 350 L/p/day 2014: 345 L/p/day	Regional per capita demand must remain below 374 L/p/day in the long term to prevent timing of bulk water growth projects being brought forward. We are looking for a decreasing consumption trend.	
Complete the regional asset management plan seismic resilience work programme.	New indicator	Client council long term plans include appropriate seismic resilience upgrades and all related milestones for implementation are met.	

¹ <http://www.health.govt.nz/publication/drinking-water-standards-new-zealand-2005-revised-2008>

² <http://www.gw.govt.nz/is-it-safe-to-swim/>. The bathing season is decided by the GWRC and Regional Public Health (RPH)

³ Reference the Ministry for the Environment and Ministry of Health Guidance 2003.

⁴ Preventing flooding completely may be out of the company's control in some circumstances so a decreasing trend is sought, however we work with the councils through their long term plans to reduce the likelihood of future flooding.

The connection is improving between achieving our outcomes through service level agreements, and the funding required to deliver our services. Our ability to deliver improved water services is dependent on councils investing in the right areas. Councils are in turn dependent on Wellington Water to provide specialist knowledge and advice about where to invest. To optimise investment in water assets it's essential that the need to invest and actual commitments to invest are well aligned.

Regional approach

We take a regional approach to develop council asset management plans

The company strategy is to continuously improve the linkage between outcomes and investment through Asset Management Plans (AMPs). At the heart of this work is the notion that Wellington Water can look across all the individual council AMPs and identify issues which can be progressed as a single issue on behalf of all councils rather than in five discrete parts. We've canvassed this idea with our people, the sector and across the five councils and they have all endorsed the concept.

We will begin this approach with four programmes of work – a RAMP, drinking water seismic resilience, a catchment approach to impacts on fresh water and community education. All of these are significant programmes of work which are expected to take two to three years to scope, investigate and design solutions for implementation.

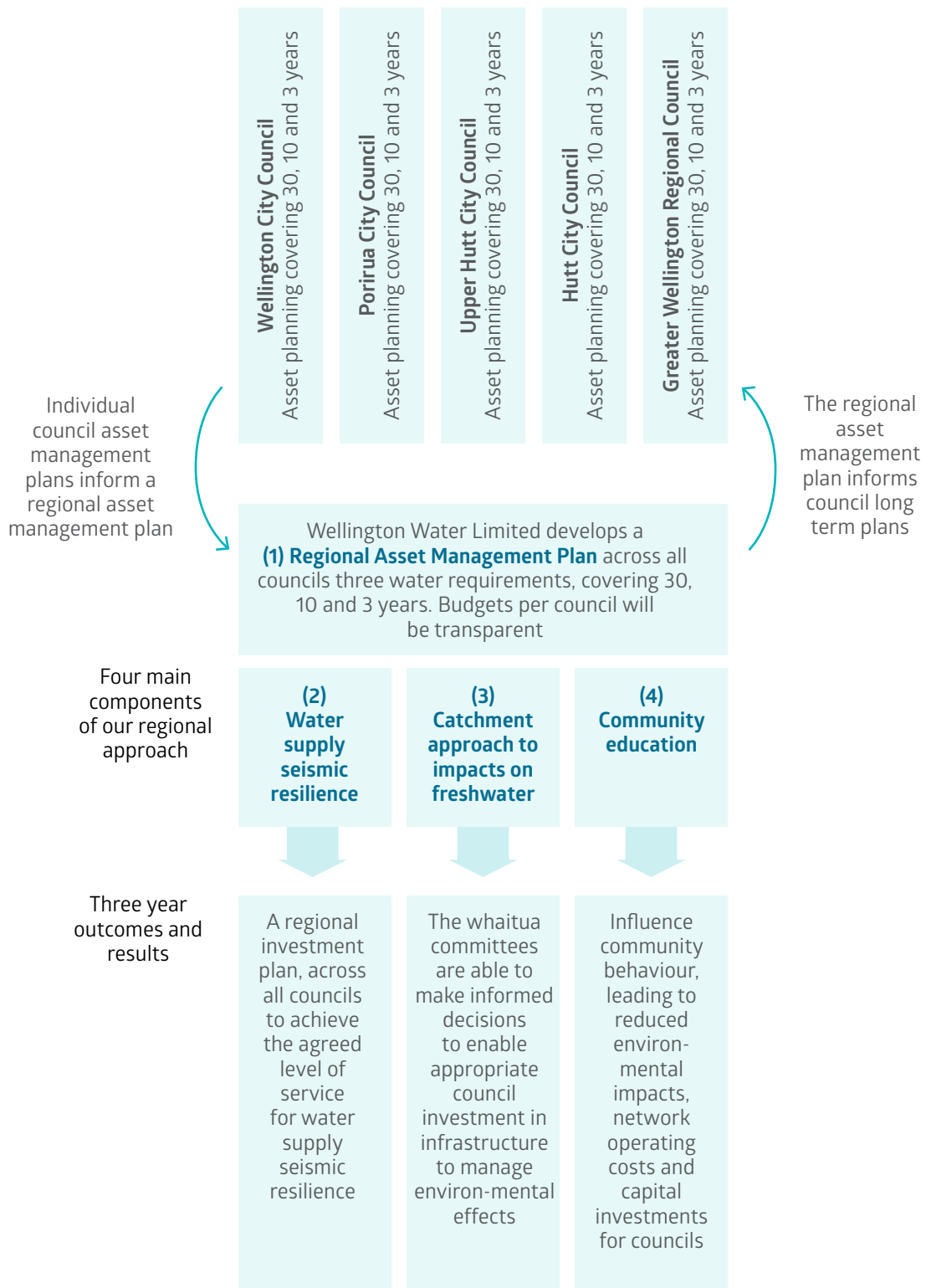


We'll be working closely with whaitua committees to take a catchment approach to impacts on fresh water and coastlines

Figure 3: The asset management plan process

Over time the regional intention is to move from thirteen AMPs into a single one focussed on the three waters, while still maintaining transparency for each council, and meeting individual council's needs.

Separate council asset management plans and budgets for our five councils are developed by Wellington Water in consultation with councils



Regional asset management plan

Currently, we prepare 13 separate council AMPs (in consultation with councils) for the Wellington metropolitan region. This approach doesn't allow our client councils to make regionally based decisions or promote the three drinking water, stormwater and wastewater outcomes for the region.

We will draft and maintain a RAMP to help guide investment across regional infrastructure. We'll maintain the integrity of all the individual councils' AMPs in the first instance but move towards a fully integrated plan in the long run. This plan will help us encourage conversations in the region about any critical trade-offs in investments, initially with a focus on the other three regional programmes of work. Our aspiration is for the plan to have investment strategies for all water infrastructure and each of the three regional initiatives in time to inform 2018 long term plans.

Drinking water seismic resilience

At present there is no whole-of-network approach (from source to tap) to ensure communities have access to water supply after a major earthquake.

There is about a one-in-ten chance of a major (magnitude 7.5) earthquake happening in Wellington in the next 100 years. A major earthquake would severely damage water supply pipelines and treatment plants and result in a water supply shortage for the Wellington metropolitan region; widespread damage of the reticulation network is also likely.

We'll work with councils to identify a water supply level of service which is acceptable and affordable to the community following a major earthquake, and an investment plan to achieve this level of service within an agreed time frame.

Catchment management approach to impacts on fresh water

GWRC has initiated a catchment approach to the management of water quality and quantity known as the *whaitua* process. Wellington Water is working with *whaitua* committees that are made up of local *iwi*, council officers and community members to improve water quality and limits for each catchment or *whaitua*.¹ Recommendations for these types of improvements will be assessed by GWRC and (where it's appropriate) reflected in the Wellington Natural Resources Plan.

Over the next year, we'll work with the *whaitua* committees to establish consistent monitoring of all catchments, and identify the cost implications of meeting options for receiving water quality limits. We'll also advise councils on their long term funding plans for monitoring programmes, meeting consenting requirements and infrastructure upgrades to meet the *whaitua* limits that are reflected in the Wellington Natural Resources Plan.

Community education

We want a community that is well-informed and engaged about the impact that their actions can have on the three waters networks and the environment. Potential benefits are improved water quality, reduced water consumption, reduced network maintenance costs and deferring the need for investment in new infrastructure. Educating our community supports the delivery of our outcomes of being respectful to the environment and being resilient now and in the future.

Working with our communities on a regional scale would achieve cost efficiencies, standardise practices and lead to a whole-of-network approach to delivering education programmes.

We'll consider what community education services are currently being provided and how they are provided, and use this information to draft and consult on a community education strategy, including a work programme to deliver the strategy.

¹ *Whaitua* committees – a *whaitua* is a catchment managed as an integrated system. A *whaitua* committee is a group of local *iwi*, council and community representatives who through a collaborative process will recommend how the land and water resources in a *Whaitua* area should be managed, which could include setting water quality standards. For more information: www.gw.govt.nz/assets/Whaitua/Te-Awarua-o-Porirua/WGNDOCS-1408894-v1-TAoP10keypointspdf.PDF

Customer strategy

We place customers at the heart of everything we do

We intend to make customers (those experiencing our service delivery on behalf of our client councils) a much more integral part of the planning and delivery of our services. As we become a more customer centric organisation, we'll ensure that customer expectations and feedback are brought into the heart of our decision making.

This requires us to keep a pulse on current and future needs so any changes can be reflected in improved services.

We will develop a customer strategy (in consultation with our client councils) that will include identifying the meaning of customer value across the supply and delivery value chain, how to bring customers into the business and how to better use customer data and information to improve services and outcomes.

How we work with others

All staff at Wellington Water are empowered to work collaboratively with each other, councils, stakeholders and the wider community.

Our stakeholders range from central government to local government, construction companies and suppliers of equipment through to GWRC for consents, Worksafe New Zealand, regulatory bodies, and Water New Zealand.

To ensure our stakeholders' needs are well managed, we have organised ourselves into three network-focused teams. These focus on strategy and planning, development and delivery, and network and customer operations. These teams are supported by the finance and procurement and business services teams (see Appendix 1).

Councils

As trusted advisors, we advise our client councils on the highest value-for-money approach

Our primary relationships are with client councils and ratepayers. We are focused on being a trusted advisor to councils, which means they know we are working alongside them and providing them with professional advice and guidance about their investment decisions. We have regular meetings with client council representatives to ensure Wellington Water actively participates in resolving council issues.

The trusted adviser model recognises value created by increasingly carrying out services that are best suited for the Wellington metropolitan area as a whole. At Wellington Water, we aim to do this with increasing consistency and efficiency through mechanisms such as service-level agreements with councils that determine how best to achieve outcomes within the funding provided.

Our approach is to work across all client council businesses and identify issues that we can work on from a regional perspective, instead of engaging five times, in a different way with each council. We'll continue working closely with councils, and increasingly aim to provide fit-for-purpose but consistent and consolidated services that all councils can benefit from. This requires a shift in how we engage with councils and how we present our progress.

At the same time, it's important to achieve and maintain our reputation as a trusted adviser where we treat each of our clients as individuals, with specific conditions and needs that must be met. As a shared service organisation we are constitutionally obliged to seek to achieve our shareholders' objectives. At the highest level, these needs are expressed in each council's long term plan outcomes. We believe our strong relationship focus and reporting structures ensure

that we can meet both the individual and the joint regional aspirations of our clients.

Consistent with our regional approach, Wellington Water will become principal to 3 Waters contracts from July 2015. We are developing regional contract documents to support this process and will work with councils to harmonise processes across our clients. We believe real efficiencies will be achieved by Wellington Water having one set of processes to follow by using consistent documents across professional consultants and works contractors, irrespective of the client council.

Wellington Water supports councils' growth aspirations (eg. housing accords and the Special Housing Areas Act) by working with councils and developers to provide timely and accurate advice about infrastructure requirements, to support land development proposals and where upgrades can be made at the time of renewal. We achieve this by participating in council spatial planning processes and providing advice through the subdivision and land development processes.

It is our role to plan over a 30 year period for three waters infrastructure so councils can set appropriate levels of service and investment. Once agreed, it is our job to operate, maintain and improve the network in line with decisions held within long term plans and annual plans. We promise to deliver work programmes and related activities that will ensure council infrastructure assets will meet the levels of service for which they are funded.

Major projects for the councils

The following table summarises the types of capital programmes that Wellington Water will implement on behalf of our shareholding councils.

Table 2: Key capital programmes

Key Capital Programmes

Programme	Asset	Council	Reason
Forward investigation and design	All	All	Improved planning and budgeting
Renewals	All	All	Renewals programme developed to target the pipes that need replacing the most, to improve asset performance and resilience
Resilience triggered renewals and upgrades	All	All	Projects to improve resilience including structural assessments, reservoir strengthening and pipe replacements
Inflow and infiltration	Wastewater	All	Investigation to identify areas of inflow and infiltration
Hydraulic modelling	All	All	A hydraulic modelling strategy has been developed which includes a programme to establish network performance and assist with strategic network planning
Flooding reduction	Stormwater	All	Stormwater upgrades to reduce local and catchment-wide flooding

Note: "all assets" means assets for drinking water, stormwater and wastewater.

Central, regional and local government

Wellington Water will continue working with central government, including with the Treasury's National Infrastructure Unit to assist in building a stronger evidence base for the three waters and to further refine the National Infrastructure Plan.

We help implement policies from government agencies that relate to the three waters. For example the Ministry for the Environment published the National Policy Statement for Freshwater Management, an instrument available under the RMA to help local government decide how competing national benefits and local costs should be balanced. The statement requires regional councils, through their regional plans, to safeguard freshwater quality for ecosystems and human health, and recreational purposes. The RMA requirements are built into our contracts with suppliers and are managed through the consent processes we work through on a regular basis. We plan to implement regional initiatives to improve the quality of water catchments in support of the National Policy Statement for Freshwater Management. The *whaitua* approach will help with this.

Wellington Water will continue to work with Local Government New Zealand to implement the findings of their report titled "Exploring the issues facing New Zealand's water, wastewater and stormwater sector."

Regulatory authorities

The principal regulatory authorities that we engage with are GWRC and Regional Public Health (RPH). We'll continue to work collaboratively with GWRC to uphold compliance including responding promptly to queries from GWRC, providing monitoring results and reporting in terms of our wastewater and stormwater discharge consents, and attending quarterly meetings.

Wellington Water will continue to work with RPH to prepare and implement water safety plans for each of our client councils and with GWRC on ensuring that our wastewater treatment plants meet public health standards.

Suppliers and the wider industry

We recognise that opportunities to innovate and create value for our clients lie along the entire length of the supply chain. Having started a regular series of meetings with supplier representatives, we'll continue to strengthen this channel through planned activity. Our health and safety forum is one example of this, and we are working with our suppliers on our health and safety approach.

Interest groups

Wellington Water is active in its community engagement and is developing an engagement strategy to work with a range of different interest groups from the Department of Conservation to Fish and Game New Zealand, to beach care and harbour groups, iwi, schools and recreational organisations and Forest and Bird.

The strategy will scope what can be delivered, how we can measure effective engagement and identify channels of communication for regular engagement. This strategy and its implementation will evolve over the next three years.

How our environment is changing

We consider changes in our social, economic, environmental, technical and legal environments as our work programme evolves.

Social – Customers are increasing their expectations of council services. Our challenge is to build our customers' views into our asset planning to improve performance. We are working with our communities and customers to increase their understanding of water supply, service standards and the impacts of our work on communities. Water rights and water quality have become topical, national issues. Wellington Water wants to work collaboratively with all parties who have an interest in water management, including local iwi.

Some parts of the Wellington region are growing; this growth and demographic change places pressure on infrastructure and services. We'll continue to support the growth aspirations of our client councils by providing timely and accurate advice on the infrastructure requirements of future development, including the impacts on the existing three waters infrastructure.

Economic – Central government agencies are also taking a stronger interest in how New Zealand's infrastructure is managed, with water being one of several utilities critical to achieving economic productivity.

Local government is under pressure not just from ratepayers, but also from central government, to contain costs and focus on core services. At the same time they need to facilitate growth for business and housing development.

Infrastructure construction costs are rising faster than inflation which may impact our ability to deliver savings for our clients. We are creating a Value for Money Committee that will consider deterioration (renewal profiles of assets) against estimates of depreciation.

Environmental – The Wellington region is delicately poised between available water supply sources being able to meet demand all year round, and the need to invest in additional storage or supply sources. We are still determining how climate change could tip the balance, while voluntary savings, leak repairs and efficient use could stabilise it. Even with these improvements, supply risk needs to be actively managed.

We monitor closely both supply and demand, and have developed a number of storage and supply alternatives. We are also working closely to improve relationships with consenting authorities, so we, our suppliers and our clients have a clearer understanding of requirements and expectations.

We are mindful that one of Wellington City Council's Our Living City goals relates to growing and enjoying our natural capital, and other councils have similar goals that emphasise the importance of the city environment to quality of life. Wellington Water can support these goals by ensuring future planning and projects are carried out in a way in which protects urban nature, biodiversity and resilience.

Our ability to extract water from rivers and the aquifer is governed by resource consents. Under new national rules and proposed new regional rules, we will be increasingly monitoring any discharges into fresh water to comply with the National Policy Statement for Freshwater and the Natural Resources Plan (when it is finalised). We'll also keep an eye on potential resource management reform and its implications.

Technology and information – Adding value and delivering more for less will depend on how we use technology and information to inform decision making about water assets. We have chosen to establish an Information Directorate to improve access to accurate, consistent information across councils, and provide them in turn with the information they need to make good decisions.

How we manage the company

In order to be an effective and high performing organisation, Wellington Water will support its people to deliver against service levels, manage its finances prudently and transparently with councils and governing bodies, and monitor performance at all levels.

As a result of the merger, Wellington Water has recently adopted a new brand identity and logo that represents our regional approach (while councils still own their water assets). Throughout 2015-16 and beyond, we will integrate all aspects of our new brand into the way we work, communicate and engage with others.

Our People Plan

People want to work at Wellington Water to make a difference

To deliver on our regional objectives and our three outcomes of a safe, resilient and respectful three waters network, we empower our staff and create an environment of trust and collaboration. We also aim to protect, promote and improve the health, safety and wellbeing of our people.

Last year we introduced a People Plan – a three-year action plan to build capability and engagement within the company. As well as our programme of change to integrate Wellington Water as a company, these four themes remain key priorities for our company.

Table 3: Our People Plan themes and intentions

Outcome	Intentions
Grow our leadership capability	We will invest in a leadership development programme for all people leaders that will focus on building capability in <i>adaptive leadership</i> . The benefits of this investment will be to develop the skills of our leaders to be authentic, empower our people, and develop confidence in leading in complex and ambiguous situations.
Demonstrate our values and behaviours	We will invest in working collaboratively, where people come first, we share our knowledge and together we're stronger. This includes looking out for each other in terms of health and safety.
Become a high performance organisation	We will invest in embedding the change. This will include implementing and supporting our company workflow committees, growing our technical capability and centre of excellence to deliver the regional approach (technical career paths and succession planning) and building our collective maturity and confidence in key leadership systems (for example business planning). This will help us to realise the benefits of integrating the three waters business and create new value for our client councils.
Build a technical centre of excellence	We will develop our technical capability in asset management and three waters management. This includes developing career paths and succession plans.

Health and safety

At Wellington Water we need to know our staff, suppliers and contractors are safe at work at all times and that we have the systems, processes and organisational culture in place to support health and safety at work. Our vision is that our people, suppliers and affected parties go home healthy and safe. We are committed as far as reasonably practicable to ensuring no harm comes to our people and those that work with us. This means we strive to have no accidents and to develop a culture that is proactive in addressing potential health and safety issues. It may take time as we integrate our new approach into the culture of the organisation.

Our health and safety work programme focusses on ensuring staff feel (and are) safe and healthy at work, at all times. It will prepare us for all the requirements of the Health and Safety Reform Bill that is expected to be passed in the third quarter of 2015.

To prepare for this change, we'll train staff and clarify accountabilities and responsibilities at all levels of the organisation and in our governance structures (including the role of the Board of Directors and the Health and Safety Committee representatives). This also includes reviewing policies for a range of topics from drugs and alcohol, personal protection equipment (PPE) policies through to incident investigation, managing hazardous substances and health risk assessment and monitoring.

We'll improve how we collect and analyse health and safety data to make better decisions, mitigate risk and report progress. As we make these changes and have access to better quality information, we will be able to influence industry-wide health and safety solutions and standards.

We have an internal Health and Safety Committee (with representatives from across the business), a Work Programme Health and Safety Committee (to focus on contractors, sub-contractors, consultants and suppliers) and we are an active participant in the 3 Waters Health and Safety forum.

Wellington Water has a Wellbeing Committee to promote staff health and wellness awareness across the business. The committee is supported by a Synergy Health wellbeing programme called Tracksuit, Inc. The programme is designed to provide staff with the motivation, education and support they need to enhance their overall wellbeing. There are some linkages between the Health and Safety Committee and the Wellbeing Committee.

New ways of working

Our new structure is not as important as the people who bring it to life and how they work with each other. Silos are long gone as we take a life cycle approach to all our work, where no one person or part of the business works in isolation.

Working collaboratively is the number one way we can utilise each other's knowledge to deliver on our regional objectives. We downplay hierarchy, and emphasise working across the business so we can work well together. Decisions will be made collectively, with the right people around the table.

A number of cross-functional workflow committees support decision-making and adding value for our clients. A relationship management system gives responsibility for key relationships to individuals within the business.

The workflow committees are:

- The Three Waters Decision Making Committee - looks at the asset management workflow across the business, provides strategic oversight and makes decisions that need extensive technical expertise
- The Value for Money Committee – embedding improvement opportunities
- The Health and Safety Committee – looks within and outside of the business

Our values

We still want to focus on our the behaviours of putting people first, sharing our knowledge and working together.



People come first

What we do makes a big difference to other people's lives, and we strive for excellence in serving our communities, our clients and each other.



We share our knowledge

We're a diverse team of skilled professionals, soaking up new knowledge to share innovative solutions that meet our customer's and client's needs.



Together we're stronger

We look out for each other, we trust and respect each other, and we're proud of our achievements.

Company priorities

We have four priorities for 2014-15, where we'll focus our resources and energy.

Becoming Wellington Water

Wellington Water completed a full re-organisation of its legacy organisations in 2014-15. The new structure went live in March 2015 and good progress has been made embedding the change since then. To get the most out of our new structure we'll empower our people and focus on becoming a high performing organisation. We'll do this in several ways, including tracking performance against key performance indicators and implementing transition plans. Becoming Wellington Water also involves integrating our regional mind-set into the way we work every day and how we interact with our client councils.

Information Directorate

During the co-design process leading up to the formation of Wellington Water, staff said they wanted to see information management as a higher priority for the organisation. We listened to this feedback and established the Information Directorate. Since then we've been engaging staff on the scope of this team and the overall strategy for information management; as we develop the directorate we'll consult with our shareholders. With all councils aspiring to the same standards for water network management, we can progress the idea of common standards for data and a single asset management system for all work within the region.

Value for money

Wellington Water was founded on the notion that a regional entity will be able to deliver better value in achieving council outcomes than each of the individual councils doing it themselves. We need to develop a culture within the company and across the supply chain which makes creating value a part of everyday life.

We'll develop a value for money system over the financial year to record new initiatives staff introduce to add value (through increased benefits for the same cost, as well as the same benefits for lower cost). These initiatives will be subject to external audit to ensure the proposals are robust.

To implement this system, we'll set an organisational target for overall savings that we can aspire to achieve over the financial year.

As a trusted advisor, our overriding objective is to deliver outcomes and services to our clients for the best long-run value for money. Client council focus has been on our operating budgets, but these are very lean. Over the past year, with our clients, we have developed an approach of investing in the company so we can create more value in the work programmes that are worth in total many times more than our operational budget.

In December 2014, we concluded our conversations with client councils on this overriding objective. We acknowledged client councils had little funding to invest in the company so we needed another solution. We agreed that the company can retain 10% of the annual value created by Wellington Water as confirmed by independent assessment. A value for money framework is a key priority for 2015-16 year.

Reliable delivery of capital programmes

Our reputation is, in part, demonstrated by doing what we say we'll do. Delivering on our planned capital improvement works across the three waters networks is critical. We have identified a number of ideas which will help us deliver a more reliable performance, which includes working more closely with councils to manage work programme changes part way through implementation, and undertaking better planning and investigations prior to implementation.

Managing risk

Our risk management framework supports our company strategy and outcomes and aims to integrate risk management across all aspects of the company. The framework complies with AS/NZS ISO 31000:2009 and has been peer-reviewed by an external risk expert.

A risk register categorises risks in terms of whether they are strategic, organisational (including any key performance indicators), activity, operational, health and safety or project based.

Risk procedures require all groups to actively maintain their risk profiles and registers and discuss risks, their treatment programmes and to report on them at a leadership level on at least a monthly basis. We report risks quarterly to the board and discuss treatment programmes to mitigate extreme risks at each board meeting.

Finances

The Wellington Water operating budget for 2015-16 is \$20.74 million. Of this, \$16.64 million relates to personnel costs, leaving \$4.10 million for other costs such as rent, vehicles, contractors and consultants and depreciation. We work closely with councils to develop budgets and aim to have budgets to councils by 31 August in the preceding year.

Wellington Water has adopted a no surprises approach. This applies to the communication of our forecast updates, capital expenditure plans, debt position and forecast position. We assess our progress at quarterly shareholder representative meetings.

We have completed a review of our Treasury Risk Management Policy. In the absence of further equity funding from council organisations, the policy proposes we borrow to provide funding for capital business improvement projects over the next three years.

Forecast statement of comprehensive income

During 2014-15, Capacity Infrastructure Services was merged with the water supply group of the GWRC to form Wellington Water. In addition, staff from the public drainage, CCTV and data teams at the Wellington City Council were transferred to Wellington Water. The 2015-16 Forecast Statement of Comprehensive Income represents the first full year of Wellington Water's operation, and as a result both revenue and expenditure have increased by approximately \$7 million to reflect this.

Forecast statement of financial position

During 2014-15, Wellington Water reviewed its position on treasury risk management. As a result, we propose to borrow funds in the ordinary course of business, where investment is needed to expand the services we deliver or to improve the quality of our services. Wellington Water is currently forecasting to borrow \$0.8 million by June 2015 and an additional \$0.4 million by June 2016.

Cash and trade and other payables remain high at year end as a result of timing differences due to the payment of consultancy funding to Wellington Water.

The new Local Government (Financial Reporting) Amendment Regulations 2013 address the essential services sustainability benchmark. The intention is that council capital expenditure on roads, flood protection, wastewater, stormwater and water supply infrastructure equals or exceeds depreciation on those five services. The exception is where the Office of the Auditor-General has accepted capital expenditure for renewal of three waters infrastructure based on condition (as in Upper Hutt).

Wellington Water will be assisting councils by providing the information and advice they need on the condition of their three waters infrastructure, to help them invest where they need to, and meet the agreed network outcomes. Refer to Appendix 4 for the company's accounting policies and to Appendix 5 for the financial forecasts for the next three years.

Statement of cashflows

The 2015-16 Forecast Statement of Cashflows (Appendix 5) represents the first full year of Wellington Water's operation, and as a result both operating receipts and payments to suppliers have increased by approximately \$7 million. Variations in purchases of fixed assets reflects the timing of investment into assets that the company is anticipating. In 2014-15 we are forecasting an investment of \$0.8 million into the office refurbishment and in 2015-16 the majority of investment is into corporate systems.

Measuring success

Monitoring and reporting against the Wellington Water strategy and its priorities occurs on a regular basis both to our internal governance arrangements and externally to client councils. This is done through quarterly performance reports to the board, the Wellington Water Committee and to councils. Councils also receive monthly finance reports. The Senior Leadership Team monitors progress of the whole organisation through monthly result sheet reporting.

Wellington Water has been working with client councils to agree a set of common long term plan and service level agreement performance measures and targets.

While the majority of targets are based on existing council targets, we'll continue to work with councils to ensure that the relationship between investment and service levels is fully understood, in time for inclusion into the 2018 long term plans.



Company performance measures

Table 4: Company performance measures

Wellington Water Company Performance Indicators 2015-16 – 2017-18

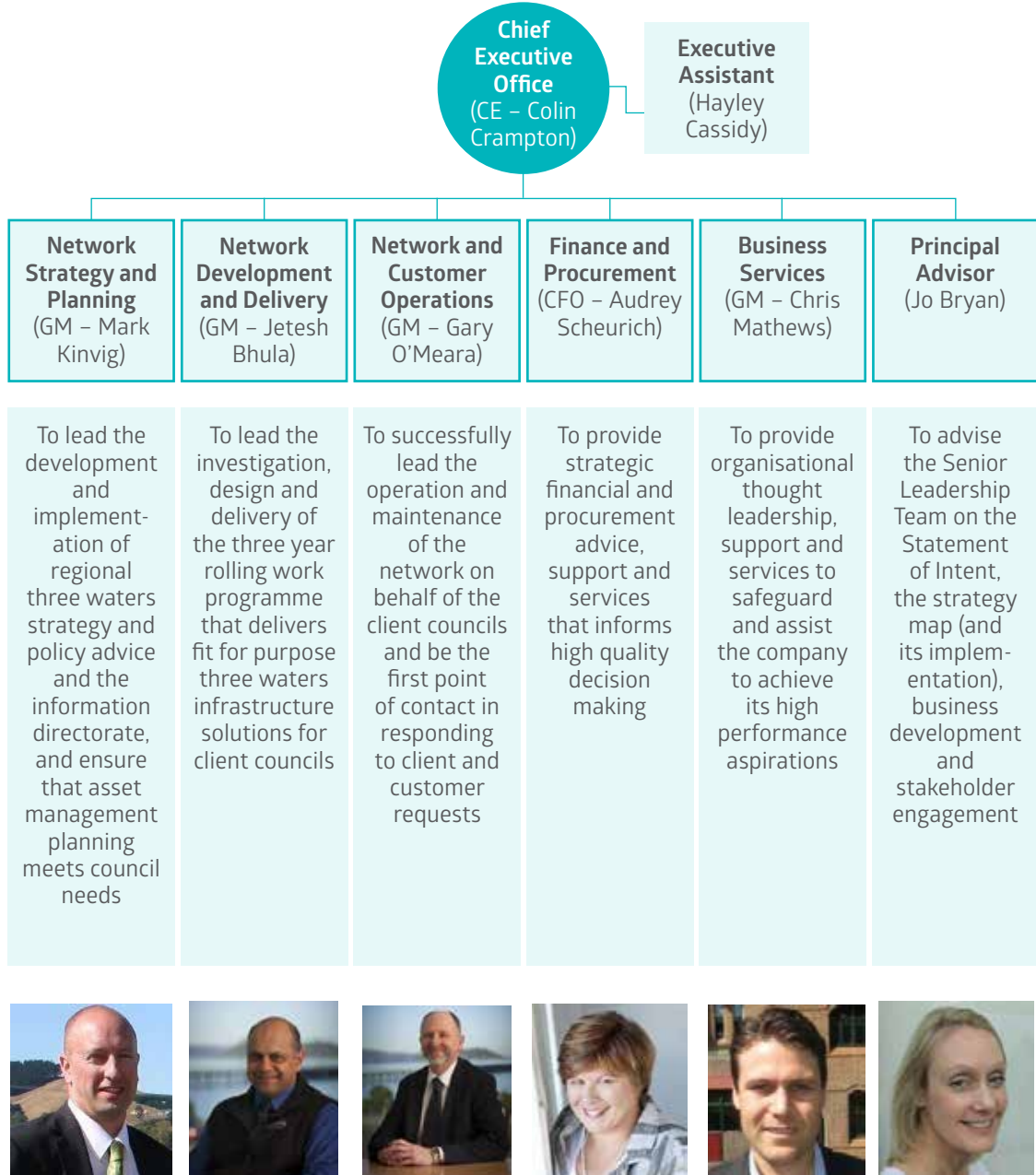
Performance objective	Performance measure and target
Strategic priorities	
At Wellington Water we plan, operate and improve our business to deliver our strategic priorities which are to: <ul style="list-style-type: none"> - become Wellington Water (as a result of our recent reorganisation) - develop and implement an Information Directorate - reliably deliver our capital programme - deliver value for money to our client councils 	<p>We complete our strategic priority milestones on time over the next three years, as monitored by the company's Senior Leadership Team on a quarterly basis.</p> <p>We will aim to achieve 1% savings on the council work programme to June 2016.</p>
Regional initiatives	
Our regional initiatives track to plan as agreed with councils	We complete our regional initiatives on time
People	
At Wellington Water our staff are happy and highly motivated and they can see the value their role adds to the Wellington region	We have engaged staff that enjoy coming to work, go the extra mile and support each other* (This will form part of the workforce plan, draft due 30/9/2015)
We want to attract and retain the best people	<p>60% of technical centre of excellence members have succession plans in place</p> <p>Less than 5% of high performing staff leave the company in any given year</p>
Health and safety	
We protect, promote and improve health and safety and wellbeing for all our people	<p>All Wellington Water health and safety representatives that are appointed by the company receive the minimum training, to level 2 within one year and to level 4 within two years</p> <p>We see evidence (in the form of at least a 50% increase) in the reporting of 'near hit' incidents over 'all workers' category by end 2015-16. This increased trend would then continue in out-years.</p> <p>The top four sector wide risks are mitigated through minimum standards (agreed with the industry) and are implemented by the company in 2015-16</p> <p>Our staff feel (and are) safe and healthy at work, at all times.*</p>
Company financials	
We will ensure prudent financial management	We manage our finances within budget
Council work programmes	
We provide quality and cost effective asset management advice to client councils about how to manage their three waters assets	Wellington Water takes a whole-life cost approach to managing assets to achieve agreed levels of service (tested through a sample of completed projects driven through the Asset Management Plans)
We provide high quality services, do what we say we will do and learn from our experiences	<p>Post completion evaluations to ensure we delivered what we said we would deliver (5% sample size)</p> <p>95% of all agreed projects from client council asset management plans are completed in any given year.</p>
Customer	
We place customers (end users) at the heart of everything we do and deliver them brilliant service	We'll develop a customer strategy and a set of customer specific performance metrics* (Draft strategy due 30/9/2015)

* Measure to be determined

Appendix 1: Organisational structure

The organisational structure was put in place during the change process in late 2014, and went live on 2 March 2015. It is a functional design that reflects our workflow.

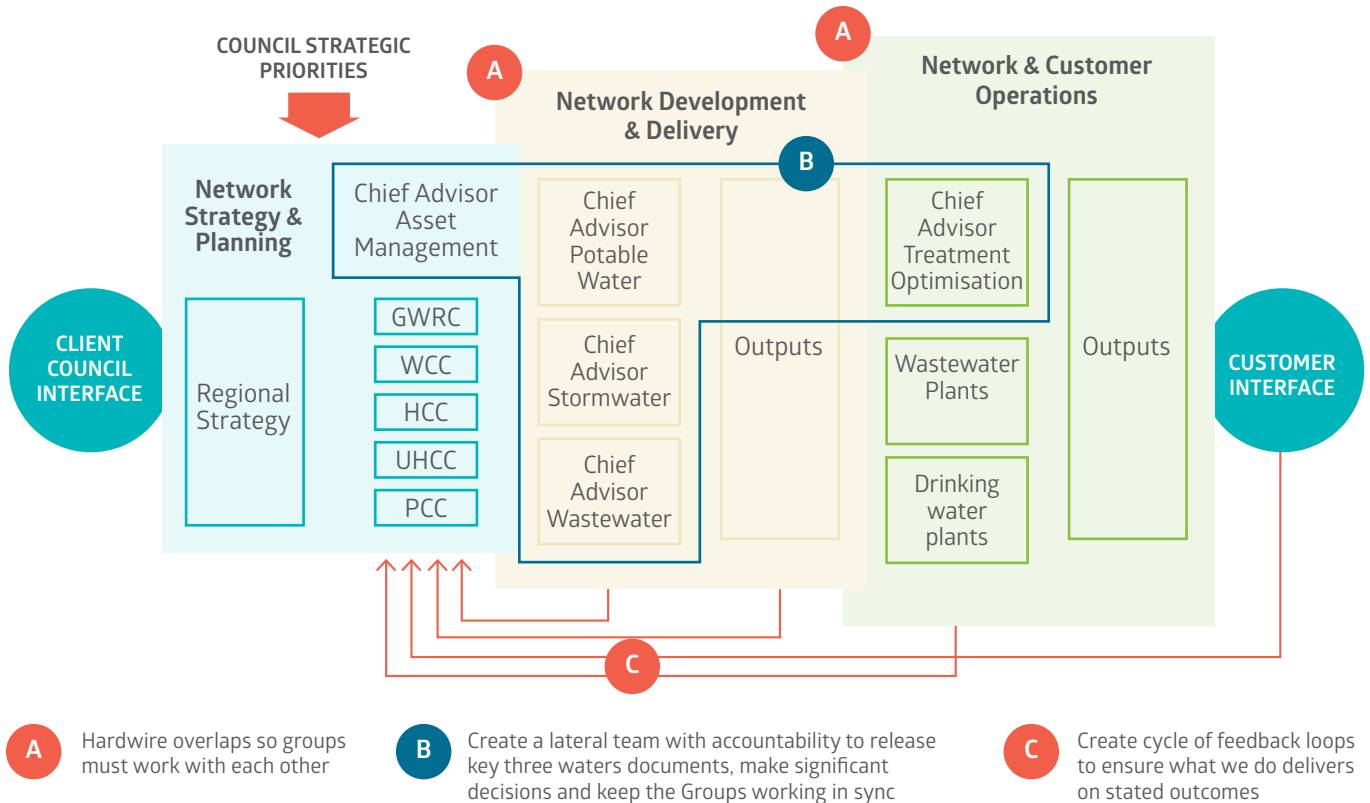
Figure 4: Our Senior Leadership Team and Groups



How we work together

The diagram below shows an example of how we'll work across the business.

Figure 5: How chief advisors work across the business



Interpretation

1) We wanted to design a structure where workflow was more important than where people sit in the business, i.e. everybody works collectively to deliver customer outcomes.

2) To achieve this we:

- purposely overlapped elements of the structure so each group needs each other to achieve delivery
- created a 3 Waters Decision Making committee consisting of all chief advisors, who collectively agree on key elements of the business, for example asset management plans and work programmes.

Appendix 2: Governance and shareholder information

Wellington Water is a council-controlled trading organisation as defined by Section 6 of the Local Government Act (LGA) 2002. Wellington Water is also covered by the Companies Act 1993 and governed by law and best practice. The Shareholders' Agreement relating to Wellington Water outlines how shareholdings are managed and respective relationships.

The Board of Directors

The Board of Directors is responsible for the proper direction and control of Wellington Water.

It has a maximum eight members. All directors must be Independent Directors selected by the Wellington Water Committee, in accordance with the board's skill matrix. Each director can serve a maximum of two terms, or six years.

Board Chair John Strahl's second three-year term expires on 31 December 2015 and independent director Ian Hutchings completes his second term on 30 June 2015. Replacing him will be Dave Benham, former CE of GWRC. Shareholders jointly appointed Raveen Jaduram and Nicola Crauford as independent directors to 31 December 2017. The Wellington Water Committee jointly appointed Cynthia Brophy and David Wright for one term of three years from 1 February 2015.

Board performance reviews are undertaken annually and will be provided to the Wellington Water Committee and shareholders on completion.

Ratio of consolidated shareholders' funds to total assets

Ownership of infrastructure assets is retained by the shareholders (or other clients). As a business that returns all benefits to shareholders, the ratio of shareholders' funds to assets is contained in the Statement of Movements in Equity (Appendix 5).

Information to be provided to shareholders

It was proposed, and accepted by the client councils, that the company can retain 10% of the annual value created by Wellington Water as confirmed by independent assessment.

In each year, Wellington Water shall comply with the reporting requirements under the Local Government Act 2002 and the Companies Act 1993 and regulations.

In particular Wellington Water will provide:

- a statement of intent detailing all matters required under the Local Government Act 2002, including financial information for the next three years
- within two months after the end of the first half of each financial year, the company shall provide 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 2002)
- within three months after the end of each financial year, Wellington Water will provide an annual report which 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 2002)

Due to the extensive reporting requirements undertaken in accordance with the service level agreements with client councils, the reliance on six monthly reports fully meets the LGA's requirements and is considered appropriate.

Share acquisition

There is no intention to subscribe for shares in any other company or invest in any other organisation.

Compensation from local authority

It is not anticipated that the company will seek compensation from any local authority other than in the context of normal commercial contractual relationships.

Equity value of the shareholders' investment

The net value of the shareholders' investment in the company is estimated to be valued at \$0.953 million as at 31 December 2014. This value will be assessed by the directors on completion of the annual accounts or at any other time determined by the directors. The method of assessment will use the value of shareholders' funds as determined in the annual accounts as a guide.

Matters that shareholders wish to restrict

The shareholders have agreed that this document has the following restrictions:

- making a loan or borrowing money, except for any borrowings in the ordinary course of business of no more than \$1,000,000 in total
- granting security over the assets of the company, or granting an indemnity or guarantee other than in the ordinary course of business
- making a material change in the nature of the company's business or engaging in business activities outside the ordinary course of business
- entering a new customer service level agreement, except in the form already agreed by shareholders
- entering into a partnership or joint venture, except in the ordinary course of business
- acquiring a new business or shares in another company
- starting or settling any legal or arbitration proceedings, except in the ordinary course of business
- transferring or disposing of real or intellectual property with a value of over \$0.2 million

Appendix 3: Client council key performance indicators (by Wellington Water outcomes)

All long term plan measures are included in the following tables. Targets apply to each of the next three years but are reviewed annually against actual performance.

Safe drinking water – water delivered to the taps of the region’s houses and businesses that satisfies consumers and meets or exceeds client expectations

Table 5: Safe drinking water key performance indicators

	Service Category	Service Aspect	Service Objectives	Performance Measures	Target			
					Actual Result (13-14)	Target 2015-18	Client	
BULK WATER	Service quality	Service quality	To measure the quality of water supplied to residents	Comply with the Drinking Water Standards for NZ 2005 (revised 2008) (Part 1 Microbiological, Part 2, Chemical and Aesthetic compliance)	100%.	100% compliance	GWRC	
					One E.coli transgression recorded by Regional Public Health, no further action required			
					One fluoride transgression recorded by Regional Public Health, no further action required			
					Maintenance of water supply quality grading's from Ministry of Health for the bulk water supply ¹	Grading maintained ²	Maintain grading ³	GWRC
					Number of waterborne disease outbreaks	Nil	Nil	GWRC
	Customer focus	Customer satisfaction	To achieve a high overall level of customer approval of the water service	Number of complaints about: a) drinking water clarity related to bulk supply/1000 connection b) drinking water taste related to bulk supply/1000 connection c) drinking water odour related to bulk supply/1000 connection d) drinking water continuity of supply related to bulk supply /1000 connection	The target for 2013-14 was 0 complaints. One event generated complaints. This was related to geosmin in the Macaskill lakes	Fewer than 5 per 1000 connections	GWRC	
						Fewer than 5 per 1000 connections		
						Fewer than 5 per 1000 connections		
						Fewer than 5 per 1000 connections		
						Fewer than 5 per 1000 connections		
				Response to drinking water complaints relating to bulk supply/1000 connection (Note: this is about the service we are providing)	New performance measure	Fewer than 5 per 1000 connections		

Safe drinking water – continued

	Service Category	Service Aspect	Service Objectives	Performance Measures	Target			
					Actual Result (13-14)	Target 2015-18	Client	
WATER RETICULATION	Service quality	Service quality	To measure the quality of water supplied to residents	Compliance with Drinking Water Standards for NZ 2005 (revised 2008) (Part 4 bacterial compliance)	100% compliance	100% compliance	All clients (excl GWRC)	
				Maintenance of water supply quality gradings from Ministry of Health ¹	Grading maintained ²	Maintain grading ³		
	Customer focus	Customer satisfaction	To achieve a high overall level of customer approval of the water service	Number of complaints about:	New performance measure	Fewer than 140 complaints per 1000 connections for each council		
				a) drinking water clarity/1000 connections				
				b) drinking water taste/1000 connections				
				c) drinking water odour/1000 connections				
				d) drinking water continuity of supply/1000 connections				
	Responsiveness to drinking water complaints/1000 connections							
	Community satisfaction with water supply	96%	95%	HCC				
		New performance measure	95%	PCC				
94%		90%	UHCC					
New performance measure		90%	WCC					

Respectful of the environment – in all our work we are mindful of the impact on the environment. We work closely with stakeholders to ensure discharges into watercourses and the sea are carefully managed.

Table 6: Respectful of the environment key performance indicators

	Service Category	Service Aspect	Service Objectives	Performance Measures	Target					
					Actual Result (13-14)	Target 2015-18	Client			
BULK WATER	Environmental compliance	To manage water in an environmentally sensitive manner	To comply with all relevant legislation	Compliance with all resource consents and environmental regulations	Full compliance	100%	GWRC			
	Legislative compliance	Legislative compliance	To comply with all relevant legislation	Compliance with resource consents for the water supply activity (full compliance is no notices/convictions): <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders Convictions 	Full compliance	No notices received	All clients (excl GWRC)			
WATER RETICULATION	Environmental compliance	To manage wastewater in an environmentally sensitive manner	To maintain and promote appropriate standards of water quality and waterway health in the city's coastal and river environments	The number of dry weather sewerage overflows from the council's sewerage system expressed per 1000 sewerage connections to the sewerage system	New performance measure	Nil	All clients (excl GWRC)			
				The number of non-consented overflows from the treatment plants	Nil	Nil	HCC, PCC and WCC			
				The number of consented overflows from the treatment plants*	11	Fewer than 10 and decreasing trend	HCC UHCC			
	Legislative compliance	Legislative compliance	To comply with all relevant legislation	Compliance with resource consents for discharge from its wastewater system (full compliance is no notices/convictions): <ul style="list-style-type: none"> Abatement notices Infringement notices Enforcement orders Convictions Received by the Council in relation to the resource consents	Full compliance	Nil	All clients (excl GWRC)			
								14	Fewer than 15 and decreasing trend	PCC
								8	Fewer than 10 and decreasing trend	WCC
WASTEWATER	Customer focus	Customer satisfaction	To achieve a relatively high overall level of customer approval of the wastewater service	Customer satisfaction with wastewater service	96%	95%	HCC PCC			
					New performance measure	80%	UHCC			
					75%	WCC				

Respectful of the environment – continued

	Service Category	Service Aspect	Service Objectives	Performance Measures	Target		
					Actual Result (13-14)	Target 2015-18	Client
STORMWATER	Customer focus	Customer satisfaction	To achieve a high overall level of customer approval of the stormwater service	Median response time to attend a flooding event, measured from the time that council received notification to the time that service personnel reach the site.		60 minutes	All clients (excl GWRC)
	Environmental performance	To manage stormwater in an environmentally sensitive manner	To maintain and promote appropriate standards of water quality and waterway health in the cities' coastal and river environments	Percentage of days during the bathing season (from 1 November to 31 March) that the monitored beaches are suitable for recreational use.*		New performance measure	90%
				Percentage of monitored fresh water sites that have a rolling twelve month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml.*	All clients (excl GWRC)		
	Legislative compliance	Legislative compliance	To meet all resource consenting requirements	Compliance with resource consents for discharge from its stormwater system (full compliance is no notices/convictions): <ul style="list-style-type: none"> · Abatement notices · Infringement notices · Enforcement orders · Convictions Received by the council in relation to the resource consents	One abatement notice issued to PCC	No notices received	All clients (excl GWRC)

Resilient now and in the future – we know how costly and vital the infrastructure is that we work on and the impact of external influences such as climate change. Our planning, design, consultation and delivery prioritise network and community resilience for day to day use, and in times of emergency, now and in the future

Table 7: Resilient now and in the future key performance indicators

	Service category	Service aspect	Service objectives	Performance measures	Target			
					Actual result (13-14)	Target 2015-18	Client	
BULK WATER	Service quality	Continuity of supply	To provide a reliable water supply	Number of shutoffs to the bulk water supply network resulting in loss of water or pressure to consumers	Achieved, 0	Nil	GWRC	
			Attendance for urgent callouts	Time from local authority receiving notification to service personnel reaching site	New mandatory DIA non-financial measure	Median response time reported		
				Time from local authority receiving notification to service personnel confirming resolution				
			Attendance for non-urgent callouts	Time from local authority receiving notification to service personnel reaching site				
	Time from local authority receiving notification to service personnel confirming resolution							
Resilience	Resilience	To be developed	Probability of annual water supply shortfall (modelled)	Achieved	Less than -2%			
			Implementation of annual programme for improvements to resilience of bulk water network		100%			
WATER RETICULATION	Cost effectiveness	To manage water in an environmentally sensitive manner	To minimise demands on the region's water resources	Average drinking water consumption/ resident/day	New performance measure	335 l/p/day	PCC	
				345 l/p/day		HCC		
			To minimise water loss from the network	Percentage of real water loss from networked reticulation system		New performance measure	Fewer than 18%	HCC, WCC
							Fewer than 17%	UHCC, PCC
	Service quality	Continuity of supply	To provide a reliable water supply	Fewer than four unplanned supply cuts per 1000 connections	Fewer than 4 per 1000 connections	Fewer than 4 per 1000 connections	All clients (excl GWRC)	
				To provide an effective and reliable fire-fighting water supply	Percentage of fire hydrants identified as complying with NZ Fire Service Code of Practice	New performance measure	95%	UHCC, PCC, HCC
	Customer focus	Customer satisfaction	Median response times	Median response time for: <ul style="list-style-type: none"> attendance for urgent callouts resolution of urgent callouts attendance for non-urgent callouts resolution of non-urgent callouts 	New performance measure	60 minutes	All clients (excl GWRC)	
						4 hours		
						36 hours		
						15 days		
Cost-effectiveness	Operating efficiency	To provide a cost-effective water supply service	Operating cost per connection (SLA reporting only)	New performance measure	Less than \$275 per connection	HCC		
					Less than \$275 per connection	PCC		
					Less than \$340 per connection	UHCC		
					Less than \$300 per connection	WCC		

Resilient now and in the future – continued

	Service Category	Service Aspect	Service Objectives	Performance Measures	Target		
					Actual Result (13-14)	Target 2015-18	Client
WASTEWATER	Cost-effectiveness	Operating efficiency	To provide a cost-effective wastewater service.	Operating cost per connection (SLA reporting only)	New performance measure	Less than \$220 per connection	HCC
						Less than \$280 per connection	PCC UHCC WCC
	Customer focus	Customer satisfaction	To achieve a relatively high overall level of customer approval of the wastewater service.	Customer satisfaction with wastewater service	96%	95%	HCC
					New performance measure	95%	PCC
						80%	UHCC
						75%	WCC
	Customer focus	Customer satisfaction	Reliability of the network	Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	0.68	Less than 1.2/km	HCC
					0.81		PCC
					0.49		UHCC
					0.50		WCC
	Customer focus	Customer satisfaction	Median response time	Attendance time: from the time that the Council receives notification to the time that service personnel reach the site, and Resolution time: from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	New performance measure	1 hour	All clients (excl GWRC)
						6 hours	
	Customer focus	Customer satisfaction	To achieve a relatively high overall level of customer approval of the wastewater service.	The total number of complaints received by the council about any of the following: · sewage odour · sewage system faults · sewage system blockages, and · council's response to issues with its sewage system Expressed per 1000 connections to the council's sewage system	Less than 30 per 1000 connections		All clients (excl GWRC)

Resilient now and in the future – continued

	Service category	Service aspect	Service objectives	Performance measures	Target		
					Actual result (2013-14)	Target 2015-18	Client
STORMWATER	Service quality	Service quality	To minimise the effects of flooding	Number of flooding events that occur in a territorial authority district* ⁴	New performance measure	Zero	All clients (excl. GWRC)
				Number of habitable floors affected per 1000 stormwater connections		0/1000 per flood event	
				Number of pipeline blockages per km of pipeline		Less than 0.5 per km	
	Cost-effectiveness	Operating efficiency	To provide a cost-effective wastewater service	Operating cost per connection (SLA reporting only)	New performance measure	Less than \$85 per connection	HCC
						Less than \$35 per connection	PCC
						Less than \$60 per connection	UHCC
						Less than \$100 per connection	WCC
	Customer focus	Customer satisfaction	To achieve a high overall level of customer approval of the stormwater service	Customer satisfaction with stormwater management	84%	80%	HCC
					New performance measure	80%	PCC
				Number of complaints per 1000 properties connected to the Council's stormwater system	Less than 30 per 1000 connections	70%	UHCC
						WCC	
						All clients (excl. GWRC)	
Completion of key programmes in the stormwater asset management plan	100% completion of programme	100% completion of programme					

¹ Refer to: <http://www.drinkingwater.esr.cri.nz/general/grading.asp> for definition of grading.

² Te Marua, Wainuiomata and Gear Island water treatment plants = A1, Waterloo = B, Distribution System = A1.

³ Refer to: <http://www.drinkingwater.esr.cri.nz/general/grading.asp> for definition of grading.

⁴ Preventing flooding completely may be out of the company's control in some circumstances so we're looking for a declining trend, however we work with councils through their long term plans to reduce the likelihood of future flooding.

* All of the above measures have been agreed with councils, however Wellington Water will assess performance based on whether the trend is increasing or decreasing. This is because some of them are new measures where we need to establish a baseline.

Appendix 4: Accounting policies

Statement of accounting policies

Wellington Water will apply the following accounting policies consistently during the year and to the Statement of Intent.

Nature and purpose of prospective information

The financial information presented consists of forecasts that have been prepared on the basis of best estimates and assumptions on future events that Wellington Water expects to take place. The purpose of the prospective financial information is to provide information for the Statement of Intent to be provided to shareholding councils. Prospective financial information provided may not be applicable for any other purpose.

Cautionary note: the forecast financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

These prospective financial statements were approved for issue by the Board of Directors of Wellington Water in February 2015.

Reporting entity

Wellington Water is a company registered under the Companies Act 1993 and a council-controlled trading organisation as defined by Section 6 of the Local Government Act 2002. Wellington Water was incorporated in New Zealand in 2003 as Wellington Water Management Services Limited and changed its name in July 2009 to Capacity Infrastructure Services Limited and later in September 2014 to Wellington Water Limited. Current shareholders are Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council and Greater Wellington Regional Council.

The financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

For purposes of financial reporting, Wellington Water is a public benefit entity.

Reporting period

The forecast financial statements are for the 12 months period from 1 July 2015 to 30 June 2016. Comparative projected figures for the year ended 30 June 2017 and 30 June 2018 are provided.

Specific accounting policies:

- The accounting policies set out below have been applied consistently to all periods presented in these financial statements
- The measurement basis applied is historical cost
- The accrual basis of accounting has been used unless otherwise stated
- These financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless otherwise stated

There have been no significant changes in the accounting policies.

Changes to accounting standards

The New Zealand Accounting Standards Board released new accounting standards that will apply to public benefit entities (PBEs) with expenses greater than \$2 million. PBEs are required to transition to the new PBE standards for reporting periods beginning on or after 1 July 2014 with early adoption not permitted.

The company has considered the implications of these new standards. There is unlikely to be any significant impacts on the financial statements apart from minor changes in disclosures.

Judgements and estimations

The preparation of financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and

expenses. Where material, information on the major assumptions is provided in the relevant accounting policy or will be provided in the relevant note to the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes.

The forecast statements for 2014-15 included actual results to end of December 2014 plus forecast for the remaining parts of the year.

The prospective statements for the three years are not intended to be updated until 2016.

a) Revenue

Wellington Water derives revenue from its customers for both management and consultancy charges. Total standard charges are calculated at the beginning of the period based on the agreed annual work programmes as well as Wellington Water's resource and operating budget. The customers are shareholder councils, Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Greater Wellington Regional Council.

Revenue is recognised when earned and is reported in the financial period to which it relates.

Interest rates are estimated to be the same as the current year, hence no significant change in the interest revenue presented.

b) Expenses

Expenses are recognised on an accrual basis when the goods or services have been received.

c) Taxation

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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 are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

d) Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of receivables and payables, which are stated as GST inclusive. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

e) Financial instruments

Wellington Water classifies its financial assets and financial liabilities according to the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Non-derivative financial instruments

Financial assets

Wellington Water classifies its investments into the following categories: financial assets at fair value through profit and loss, and loans and receivables.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Trade and other receivables are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents comprise cash on hand, deposits held on call with banks, and call deposits with up to three months maturity from the date of acquisition. These are recorded at their nominal value.

Financial liabilities

Wellington Water classifies its financial liabilities into the following categories: financial liabilities at fair value through profit and loss, or other financial liabilities.

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities with a duration of more than 12 months are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method. Amortisation is recognised in the Statement of Comprehensive Income as is any gain or loss when the liability is derecognised. Financial liabilities entered into with a duration of less than 12 months are recognised at their nominal value.

f) Property, plant and equipment

Recognition

Property, plant and equipment consist of operational assets. Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation are expensed.

Measurement

Items of property, plant and equipment are initially recorded at cost.

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

Impairment

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Statement of Comprehensive Income and Expenses.

Disposal

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income and Expenses in the period in which the transaction occurs.

Depreciation

Depreciation is provided on all property, plant and equipment, except for assets under construction (work in progress). Depreciation is calculated on a straight line basis, to allocate the cost or value of the asset (less any residual value) over its useful life. The depreciation rates of the major classes of property, plant and equipment are as follows:

- Telephone system 9 years (10.75%)
- Furniture & office equipment 2-14 years (7-48%)
- Plant equipment 3-10 years (10-36%)

The residual values and useful lives of assets are reviewed and adjusted if appropriate at each balance date.

Work in progress

The cost of projects within work in progress is transferred to the relevant asset class when the project is completed and then depreciated.

g) Intangible assets

Acquired intangible assets are initially recorded at cost.

Intangible assets with finite lives are subsequently recorded at cost, less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Income and Expenses on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

- Computer software 2½ -5 years (18.6-40%)

Realised gains and losses arising from disposal of intangible assets are recognised in the Statement of Comprehensive Income and Expenses in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Statement of Comprehensive Income and Expenses.

h) Employee benefits

A provision for employee benefits (holiday leave) is recognised as a liability when benefits are earned but not paid.

Long-service leave and retirement gratuities have been calculated on an actuarial basis based on the likely future entitlements accruing to staff, after taking into account years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and other contractual entitlements information. This entitlement is not offered to new Wellington Water employees.

Holiday leave is calculated on an actual entitlement basis at the greater of the average or current hourly earnings in accordance with sections 16(2) and 16(4) of the Holidays Act 2003.

i) Other liabilities and provisions

Other liabilities and provisions are recorded at the best estimate of the expenditure required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value.

j) Equity

Equity is the shareholders' interest in the entity and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of components to enable clearer identification of the specified uses of equity within the entity. The components of equity are accumulated funds and retained earnings. The distribution of equity among the council-shareholders is reflected in the Statement of Movement in Equity.

k) Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are charged as expenses in the Statement of Comprehensive Income and Expenses in the period in which they are incurred. Payments made under operating leases are recognised in the Statement of Comprehensive Income and Expenses on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income and Expenses as an integral part of the total lease payment. Leases which effectively transfer to the lessee substantially all the risks and benefits incident to ownership of the leased item are classified as finance leases.

l) Superannuation scheme

These are defined contribution schemes

Obligations for contributions to KiwiSaver and other cash accumulation schemes are recognised as an expense in the surplus or deficit as incurred.

m) Related parties

A party is related to Wellington Water if directly or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with Wellington Water or has an interest that gives it significant influence over control of the company
- has joint control over Wellington Water
- the party is an associate of Wellington Water
- the party is a member of key management personnel of Wellington Water
- the party is a close member of the family of any individual referred to above
- the party is an entity controlled jointly or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to above

Directors' remuneration is any money, consideration or benefit received, receivable or otherwise made available, directly or indirectly, to a director during the reporting period. Directors' remuneration does not include reimbursement of legitimate work expenses or the provision of work-related equipment such as cell phones and laptops.

Appendix 5: Three year forecasts

Forecast Statement of Comprehensive Revenue and Expenses

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018

	Forecast 2014/15 \$000's	Budget 2015/16 \$000's	Budget 2016/17 \$000's	Budget 2017/18 \$000's
REVENUE				
Operations	17,557	20,748	21,456	21,953
Consultancy charge	8,393	12,548	12,548	12,548
Interest	159	160	160	160
TOTAL REVENUE	26,109	33,456	34,164	34,661
EXPENSES				
General expenditure	2,973	3,738	3,814	3,890
Project consultancy	8,393	12,548	12,548	12,548
Personnel expenditure	14,625	16,647	17,057	17,478
Depreciation	175	319	540	540
Interest on finance leases	21	44	44	44
TOTAL EXPENSES	26,186	33,296	34,004	34,500
NET SURPLUS/(DEFICIT) BEFORE TAXATION	(77)	160	160	160
Tax expense/(benefit)		0	0	0
TOTAL COMPREHENSIVE REVENUE AND EXPENSES FOR THE PERIOD	(77)	160	160	160

COMPREHENSIVE REVENUE AND EXPENSES ATTRIBUTTABLE TO:				
Wellington City Council	(32)	67	67	67
Hutt City Council	(16)	34	34	34
Upper Hutt City Council	(6)	13	13	13
Porirua City Council	(10)	20	20	20
Greater Wellington Regional Council	(12)	25	25	25
Non-controlling interest	0	0	0	0
TOTAL	(77)	160	160	160

Forecast Statement of Financial Position

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018

	Forecast 2014/15 \$000's	Budget 2015/16 \$000's	Budget 2016/17 \$000's	Budget 2017/18 \$000's
CURRENT ASSETS				
Cash	5,215	5,197	5,551	5,847
Prepayments	115	115	115	115
Trade and other receivables	870	1,005	855	675
Current Assets	6,199	6,317	6,520	6,636
NON CURRENT ASSETS				
Property, plant and equipment	1,359	1,795	1,451	1,956
Deferred tax asset	117	117	117	117
Non current assets	1,476	1,912	1,569	2,073
TOTAL ASSETS	7,675	8,229	8,089	8,709
CURRENT LIABILITIES				
Trade and other payables	4,935	5,070	4,920	4,740
Finance / Leases	160	240	240	240
GST payable	519	519	519	519
Provision for Taxation	(88)	(88)	(88)	(88)
Payroll liabilities and annual leave	783	783	783	783
Current Liabilities	6,308	6,523	6,373	6,193
NON CURRENT LIABILITIES				
Loan payable	640	819	668	1,309
Non current liabilities	640	819	668	1,309
TOTAL LIABILITIES	6,948	7,342	7,042	7,502
NET WORKING CAPITAL	727	887	1,047	1,207
EQUITY				
Share capital	950	950	950	950
Retained earnings	(223)	(63)	97	257
TOTAL EQUITY	727	887	1,047	1,207

Ratio of Shareholders Funds to Total Assets **9%** **11%** **13%** **14%**

Shareholders Funds includes Share Capital and Retained Earnings. Total Assets includes all current and non current assets.

Forecast Statement of Movement in Equity

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018

	Forecast 2014/15 \$000's	Budget 2015/16 \$000's	Budget 2016/17 \$000's	Budget 2017/18 \$000's
NET SURPLUS/(DEFICIT) FOR THE YEAR	(77)	160	160	160
COMPREHENSIVE REVENUE AND EXPENSES ATTRIBUTTABLE TO:				
Wellington City Council	(32)	67	67	67
Hutt City Council	(16)	34	34	34
Upper Hutt City Council	(6)	13	13	13
Porirua City Council	(10)	20	20	20
Greater Wellington Regional Council	(12)	25	25	25
TOTAL COMPREHENSIVE INCOME & EXPENSES	(77)	160	160	160
EQUITY AT BEGINNING OF YEAR	654	727	887	1,047
SHARE CAPITAL PAID BY GREATER WELLINGTON REGIONAL COUNCIL	150	0	0	0
EQUITY AT END OF PERIOD DISTRIBUTED AS:				
Wellington City Council	306	373	441	508
Hutt City Council	153	187	220	254
Upper Hutt City Council	61	75	88	102
Porirua City Council	92	112	132	152
Greater Wellington Regional Council	115	140	165	191
TOTAL EQUITY	727	887	1,047	1,207

Forecast Statement of Cash Flows

FOR THE FINANCIAL YEARS ENDING 30 JUNE 2016, 30 JUNE 2017, 30 JUNE 2018

	Forecast 2014/15 \$000's	Budget 2015/16 \$000's	Budget 2016/17 \$000's	Budget 2017/18 \$000's
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash was provided from:				
Operating receipts	25,470	33,161	34,154	34,681
Bank interest	159	160	160	160
GST receivable	758	0	0	0
Cash was disbursed to:				
Payment to suppliers	(24,559)	(32,948)	(33,676)	(33,991)
Tax payments	(72)	0	0	0
Interest payment	(14)	(44)	(44)	(44)
NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES	1,742	329	593	806
CASH FLOW FROM INVESTING ACTIVITIES:				
Cash was disbursed to:				
Purchase of fixed assets	(1,258)	(605)	(90)	(1,150)
NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES	(1,258)	(605)	(90)	(1,150)
CASH FLOW FROM FINANCING ACTIVITIES:				
Cash was provided from:				
Shares issued	150	0	0	0
Bank loans	800	400	0	800
Cash was applied to:				
Loan repayments	0	(141)	(150)	(159)
NET CASH INFLOW/ (OUTFLOW) FROM FINANCING ACTIVITIES	950	259	(150)	641
NET INCREASE (DECREASE) IN CASH	1,434	(18)	353	296
OPENING CASH BALANCE	3,781	5,215	5,197	5,551
CLOSING CASH BALANCE	5,215	5,197	5,551	5,847

Assumptions

- Forecasts include interest costs, borrowings and loan repayments based on forecast cash flow requirements. Interest costs have been assumed at 6%
- Remuneration costs have been increased by 2.5% and assume that current vacancies will be filled according to the remuneration plan
- In December 2014, we concluded our conversations with client councils on the Value for Money objective. We acknowledged client councils had little funding to invest in the company so we needed another solution. It was proposed, and accepted by the client councils that the company can retain 10% of the annual value created by Wellington Water as confirmed by independent assessment
- No allowance has been included in these forecasts for any value for money savings

This schedule outlines how Wellington Water's costs are allocated across client councils based on planned work activities for 2015-16.

Schedule One		Wellington Water Fee and Direct Costs	Consultants/Contractor Costs managed by Wellington Water on behalf of Ratepayers (includes Capacity costs)					Total Cost to Ratepayers
Wellington Water's Cost Allocation Summary 2015-16		Wellington Water management fee and direct costs	Professional services		Total billable	Contractor costs		Total opex & capex
			Capex	Opex		Capex	Opex	
		\$000's	\$000's	\$000's	\$000's	\$000's	\$000's	\$000's
Water	WCC	2,477	1,821	359	4,658	12,137	19,274	36,068
	GWRC	7,984	0	0	7,984	6,504	11,294	25,781
	HCC	1,086	1,036	169	2,291	3,733	10,023	16,047
	PCC	260	326	48	634	1,699	4,731	7,064
	UHCC	522	130	50	702	1,041	3,662	5,405
	Total	12,329	3,314	626	16,269	25,113	48,984	90,365
Wastewater	WCC	1,783	2,667	280	4,730	6,106	15,069	25,904
	HCC	832	538	182	1,551	9,232	11,030	21,813
	PCC	1,345	649	130	2,124	3,337	3,913	9,374
	UHCC	406	221	15	641	3,506	3,128	7,274
	Total	4,365	4,075	606	9,046	22,181	33,139	64,366
Stormwater	WCC	1,397	1,799	548	3,744	3,522	2,519	9,784
	HCC	766	1,115	178	2,059	2,425	2,675	7,159
	PCC	112	41	85	238	213	393	844
	UHCC	260	118	43	420	436	407	1,262
	Total	2,534	3,073	854	6,461	6,595	5,993	19,049
Other	WCC Direct	1,521	0	0	1,521	0	0	1,521
	Total	1,521	0	0	1,521	0	0	1,521
Total Network	WCC	7,177	6,287	1,187	14,651	21,764	36,861	73,277
	GWRC	7,984	0	0	7,984	6,504	11,294	25,781
	HCC	2,683	2,690	529	5,901	15,389	23,728	45,019
	PCC	1,717	1,016	263	2,996	5,249	9,037	17,282
	UHCC	1,187	468	108	1,763	4,982	7,196	13,941
	Total	20,748	10,461	2,086	33,296	53,888	88,116	175,300

- All Council budget figures are draft until confirmed by Councils
- GWRC does not have any consultancy breakdown
- Joint venture treatment plant contract costs are included in the PCC management fee
- This is the first time Wellington Water has included GWRC and WCC direct (which includes CCTV, trade waste and the Information Directorate)