
Statement of Intent 2018 to 2021



He mihi

Tuia te rangi e tū nei, tuia te papa e takoto nei.

Kia tau iho te korowai atawhai o te wāhi ngaro ki runga i a tātou katoa.

E ngā maunga whakahī, e ngā wai tākunukunu, e ngā tōpūtanga tāngata nui rawa o Tāmaki Makaurau, Tāmaki herenga waka, tēnā rā koutou katoa.

E manakohia kia piki ake o ā tātou mahi ngātahi āmuri ake nei. Anei rā te tāuaki hei tātaki i aua manako, heoi anō, inā kē te nui o ngā mahi hei kawē ake e eke ai tō mātou wawata.

Unite thus the heavens above, unite thus the land beneath us; we acknowledge the cloak of grief, those whom have passed on, and we acknowledge their influence upon us.

To thy mountains, thy cool sequential waters, the many ethnicities and peoples throughout Tāmaki Makaurau, warm and heartfelt greetings to you all.

We come together to seek a new way forward, united in our shared responsibilities, and committed to achieving. Clearly, much is yet to be done if we are to give credence to our vision.

Contents

01	He mihi	13	INSIGHT: Collaborative consenting process delivers value for community
02	Message from the Chair	15	Engaging with our communities
03	Purpose of Statement of Intent	16	INSIGHT: Managing water sources sustainably
04	Who we are	17	Managing and measuring our performance
05	How we operate	18	INSIGHT: Transforming our organisation
05	Where we operate	19	Driving efficient, transparent and stable financial management
06	Working together to achieve the vision for Auckland	21	Appendix A Detailed capital expenditure list
07	Climate Change	22	Appendix B Our legislative framework
08	Working together with the Council group	23	Appendix C Our performance measures
09	INSIGHT: Setting an example for water quality		
11	Enabling growth		

Message from the Chair

Watercare Services Limited (Watercare) continues to provide its core services – water supply and wastewater treatment and disposal – whilst meeting the challenge of a changing environment, from driving efficiency, addressing evolving customer expectations to working with a wide range of stakeholders to understand the impact of climate change on Watercare’s planning and operational processes.

Strategic Transformation Programme

Customer expectations are being shaped by a desire for convenience and the ability to self-serve – simply put, Watercare’s systems and processes can greatly be improved to help us better meet those customers’ needs, both now and in the future.

Technology and innovation have an enormous role to play in the Company’s evolution.

As part of Watercare’s Strategic Transformation Programme, technology upgrades will streamline back-office processes, centralise information management to maintain the quality of data and assist company-wide access to that data. This will create opportunities for greater engagement with customers and with that an enhanced customer service experience.

Safe and reliable, 24 x 7

We take pride in the quality and resiliency of our water supply and adhere to the six fundamental principles of drinking water safety for New Zealand identified by the Havelock North Drinking Water Inquiry Report. The six principles are: a high standard of care must be embraced, protection of source water is of paramount importance, maintain multiple barriers against contamination, change precedes contamination, suppliers must own the safety of drinking water and apply a preventive risk management approach.

The resilience of Watercare’s water supply system was demonstrated during last year’s extreme cyclonic event. The Company will build on that strong foundation with a series of planned upgrades and replacements for our water supply network over the next three years. This will help Auckland achieve the Auckland Plan’s objective of adapting to a changing water future.

Enabling growth sustainably

Watercare’s challenge is to meet the demands of the growth occurring, and planned for, Auckland without compromising quality, efficiency nor the environment. Our asset management strategy details the \$5.7 billion in projects that have been planned and sequenced for the next 10 years to ensure the water and wastewater networks continue to have sufficient capacity and resilience to meet growing demand. Watercare’s long term planning focuses on sustainable design which takes into account a number of factors including the impact of climate change and mitigating the effects of our operations on the environment.

Climate change

Watercare is committed to working with a range of stakeholders to combat climate change and its impact, including reducing or capturing carbon emissions. Initiatives already underway are energy efficiency, energy neutrality, and transition from commercial to native forestry in the Hunua ranges, where close to 5 million native plants will be planted. In 2018, Watercare will finalise a Climate Change Mitigation and Adaptation Strategy, which will update the climate change related vulnerabilities, and associated actions to reduce emissions and address the implications of climate change on Watercare’s existing and future assets and operations.

Working with Auckland Council

As Auckland’s water and wastewater services provider, Watercare continues to work closely with Auckland Council to ensure that the city’s vision is achieved. Our Board welcomes the opportunity to work collaboratively with the Mayor and Councillors to develop joint strategies and policies which achieve efficiencies and provide greater benefit to our customers and the ratepayers of Auckland. We look forward to further joint initiatives this year.

This Statement of Intent (SOI) sets out Watercare’s response to the Mayor’s Letter of Expectation, our obligations and how we intend to fulfil our mission to provide safe, reliable and efficient water and wastewater services to all of Auckland. The SOI highlights the various initiatives that we are collaborating on with the Council group and reaffirms our continued commitment to working with Council and other infrastructure providers to enable the region’s sustainable growth and development.

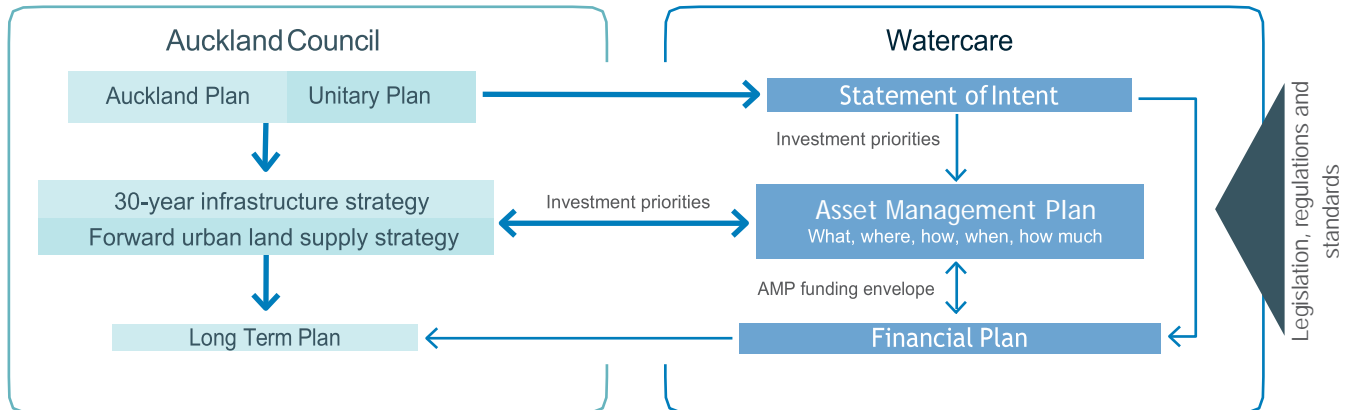
MARGARET DEVLIN

Chair

Purpose of Statement of Intent

In accordance with Schedule 8 of the Local Government Act 2002, our annual SOI publicly states the activities and intentions of Watercare for the next three years, together with the objectives and outcomes which will be delivered.

Our SOI provides an opportunity for our Shareholder to influence the direction of the Company and provides a basis for the accountability of Directors for performance of the organisation.



See *Our Legislative Framework* in Appendix B (page 22) for more information on our legal responsibilities.

Wastewater flowing through the new Biological Nutrient Removal (BNR) facility at the Mangere Wastewater Treatment Plant



Who we are

Our vision

Trusted by our communities for exceptional performance every day.

Better tomorrow than we are today | Pai ake apōpō atu i tēnei rā

Our mission

Reliable, safe and efficient water and wastewater services.

Watercare is a lifeline utility that provides essential services to Auckland. Our mission – to deliver reliable, safe and efficient water supply and wastewater services – is critical to the economic, social and environmental health and wellbeing of our communities.

Watercare is a council-controlled organisation (CCO), wholly owned by Auckland Council.

To deliver our vision and mission, we have prioritised four strategic areas of focus.

Customer focus: To fulfil our vision of providing exceptional service, we strive to understand our customers and stakeholders and engage with them in a meaningful way.

Business excellence: For Watercare, the drivers underpinning business excellence are the recruitment and retention of the right people, ensuring their health and wellbeing, and the implementation of smart processes and fit-for-purpose technology.

Financial responsibility: Every dollar Watercare spends has an impact on the price our customers pay for services. We are obliged to be an efficient, minimum-cost provider with due consideration for long-term asset investment.

Fully sustainable: Watercare's business is intrinsically linked to the natural environment and significantly impacts the communities in which we operate. Integrating sustainability into everything we do is key to our role as a trusted community and Iwi partner.



Our strategic priorities

Customer focus

- We understand our customers' needs and deliver value
- We consistently provide exceptional products and service
- We are trusted by our customers who understand our purpose and value our service

Business excellence

- We have a safe and engaged team
- We are a commercially savvy business
- We are responsible stewards of our assets
- We continually strive for process excellence

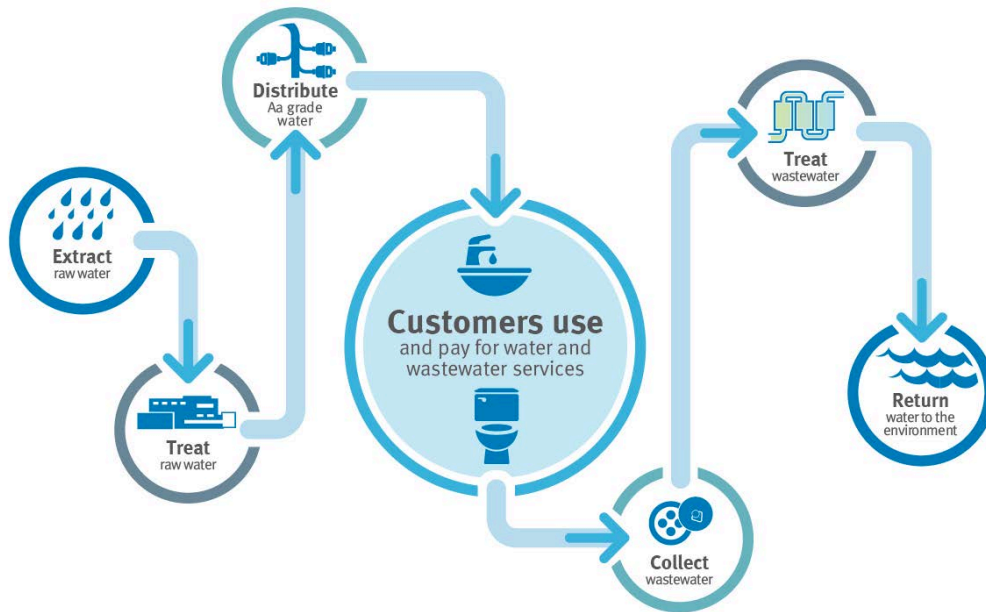
Financial responsibility

- We are a minimum-cost service provider
- We are financially stable over the long term

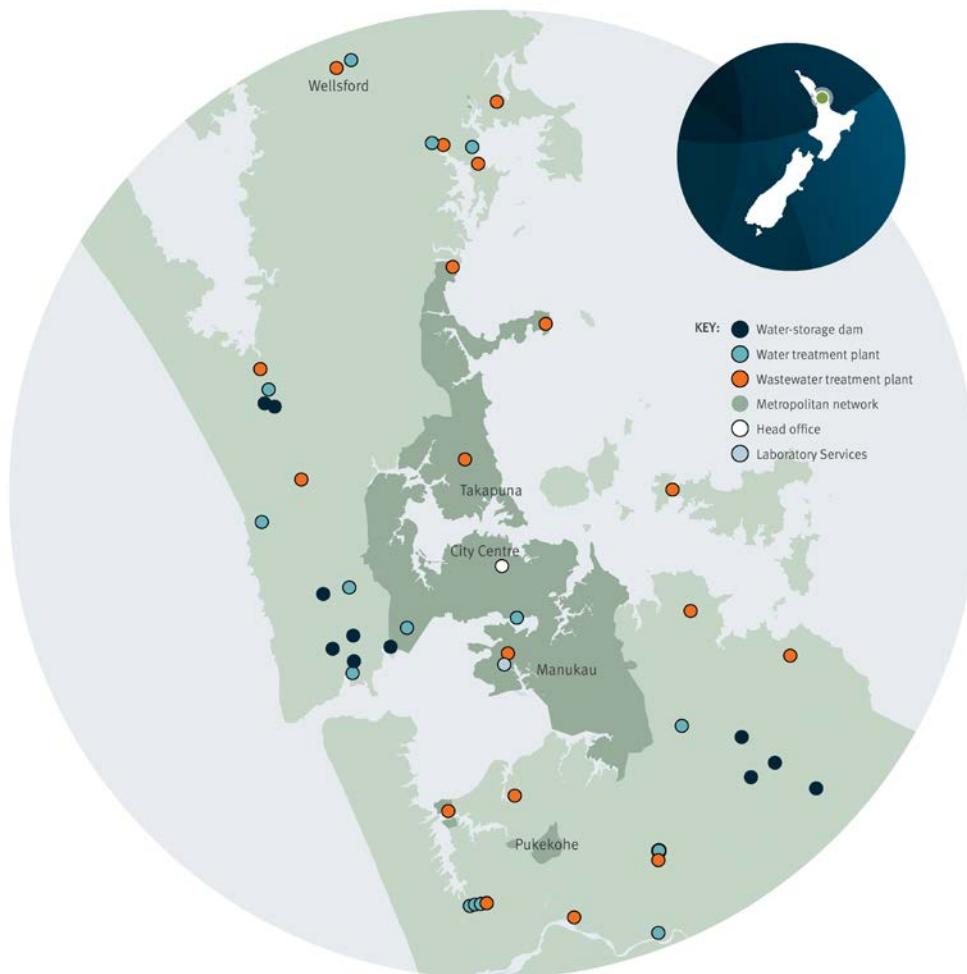
Fully sustainable

- We are a socially responsible business
- We protect and enhance our natural environment
- We meet all our legal and regulatory obligations

How we operate









Where we operate



Working together to achieve the vision for Auckland

Our Company is fully committed to working with the Auckland Council Group to implement the final version of the Auckland Plan 2050, including the Development Strategy, relevant performance measures and any associated guidance. The table below sets out the Auckland Plan outcomes, and how Watercare contributes to these outcomes.

Auckland Plan Outcomes	Degree of contribution	How Watercare contributes
<p>Māori identity and wellbeing</p>  <p>Investing more in youth to help advance Māori well-being</p>	Primary	<ul style="list-style-type: none"> • By actively fostering and maintaining relationships with local Māori. See page 15 for information on the Mana Whenua Kaitiaki Forum • By providing technical advice related to water supply and septic tanks in marae • By providing scholarships for Māori • By integrating Māori identifiers including a focus on te reo Māori
<p>Homes and places</p>  <p>Ensuring healthy, affordable housing for all Aucklanders</p>	Primary	<ul style="list-style-type: none"> • By enabling growth through the timely delivery of infrastructure in areas identified by Council for growth • By investing in critical water and wastewater infrastructure and shaping Auckland • By reliably delivering high-quality 'Aa'* grade water to all customers • By ensuring customers experiencing financial hardship can access support through the Watercare-funded Water Utility Consumer Assistance Trust
<p>Environment and cultural heritage</p>  <p>Using growth as an opportunity to protect and enhance our environment</p>	Primary	<ul style="list-style-type: none"> • By working with Auckland Council on the Three Waters Strategy in order to achieve the Auckland Plan 2050's objectives of adapting to a changing water future • By planning and providing resilient infrastructure that is adaptive to future changes including climate change • By collecting and treating wastewater effectively, and managing the effects on receiving environments • By actively promoting water- efficient behaviours to consumers • By working to reduce water demand through operational improvements
<p>Belonging and participation</p>  <p>Ensuring Auckland is inclusive and that all Aucklanders can participate fully</p>	Secondary	<ul style="list-style-type: none"> • By reliably delivering 'Aa' grade water to all customers
<p>Transport and access</p>  <p>Improving transport choices so we can move easily around Auckland</p>	Secondary	<ul style="list-style-type: none"> • By ensuring Watercare works with Auckland Transport and other utilities to align infrastructure projects wherever possible, to minimise effects on traffic and neighbourhoods
<p>Opportunity and prosperity</p>  <p>Equipping people for future jobs</p>	Secondary	<ul style="list-style-type: none"> • By providing a pipeline of employment opportunities • By building a resilient workforce in the water and wastewater industry

* The Ministry of Health checks many different aspects of the water before it is given a two-letter grading. The first letter represents the quality of the water leaving the treatment plants. The second letter represents the quality of water received at homes and businesses. An 'Aa' grade means the drinking water is of a high quality.

Climate change

The projected impacts of climate change are captured in Watercare's Enterprise Risks, and are therefore reflected in our current and future planning and operational requirements.

In late 2016, Watercare adopted an Energy Policy that commits the company to being net-zero carbon by 2050. This 2050 target mirrors that proposed by the Zero Carbon Bill.

In October 2017, Watercare committed to the Climate Change Leadership statement which means Watercare takes climate change seriously in its business, including i) we measure our greenhouse gas emissions and publicly report on them, ii) we set a public emissions reduction target consistent with keeping with 2 degrees of warming, and iii) we work with our suppliers to reduce their greenhouse gas emissions. Watercare also believes the transition to a low emissions economy is an opportunity to improve New Zealand's prosperity by i) supporting the Paris Agreement and New Zealand's commitment to it, and ii) supporting introduction of a climate commission and carbon budgets enshrined in law.

Watercare is also committed to the United Nations Sustainable Development Goals (SDGs) and is a signatory to the Water Services Association of Australia's pledge signed by major Australian and New Zealand water utilities in 2017, advocating for the SDGs as a plan of action for people, planet and prosperity. Watercare has made the commitment to support and promote the 17 SDGs including Goal 13 which is to "take urgent action to combat climate change and its impacts".

We are using the Integrated Reporting framework and its six capitals to embed sustainable thinking, including in relation to climate change, in everything we do and progress our contribution to the SDGs. In the 2019 financial year, business process will include integrated thinking and business units will map and measure their contribution to the SDGs.

In 2018, Watercare will finalise a Climate Change Mitigation and Adaptation Strategy, which will update the climate change related vulnerabilities, and associated actions to reduce emissions and address the implications of climate change on Watercare's existing and future assets and operations.



Mt Eden resident Jean-Luc Batcheldor enjoys a glass of 'Aa'-graded drinking water

Working together with the Council group

1. Watercare commits to continuing to work collaboratively and shares information with Council.
2. The Company continues to support the 'value for money' reviews being undertaken by Council as required by s17A of the Local Government Act 2002. The Company continues to actively participate in a timely manner with the reviews, and supports the objectives of the reviews. Watercare will implement recommendations from the reviews as appropriate to Watercare. In addition, Watercare is committed to participating in all future reviews.
3. In particular, Watercare will continue to collaborate with Healthy Waters and Auckland Transport to develop the three waters recommendations into more concrete proposals.
4. The Company continues to be supportive of, and to collaborate with Council on, the optimal solution for the Western Isthmus Water Quality Improvement Programme including work to progress funding and governance arrangements (including consideration of a new financial entity) through the development of the 10 year plan.
5. As set out on page 7, climate change impacts, now and in the future, are already key considerations in Watercare's planning process. Watercare's Climate Change Mitigation and Adaption Strategy will be a critical tool to ensure that Watercare contributes to Auckland reducing emissions and is resilient to the effects of climate change. Watercare will thoroughly look at its long term business model, operational and strategic risks and vulnerabilities, planning and assumptions. Once Auckland Council has developed its policy position on climate change mitigation and resilience, and produced the Auckland Climate Action Plan, Watercare will check its own Climate Change Mitigation and Adaption Strategy against the newly developed Council policy position for consistency.
6. Watercare continues to prioritise positive and proactive dialogue with the community on all significant projects, including the Western Isthmus Water Quality Improvement Programme.
7. The Company supports the exploration of alternative funding for new infrastructure. In particular, it notes and supports the Council's request to explore alternative options for funding of the Central Interceptor and other major capital projects. It is recognised that Watercare is the appropriate agency to deliver the Central Interceptor project. The Central Interceptor is included in Watercare's funding requirements and reflected in our price path. However, any off-balance-sheet funding will assist Council by creating headroom for other projects including transport.
8. Watercare will continue to actively participate in group procurement activities. In the first half of 2017/18 this has included the procurement of insurance cover, electricity, personal safety equipment and uniforms, along with a number of technology initiatives. In addition, Watercare has been participating in the group sustainable procurement centre of excellence and adopting the group benefit reporting methodology.
9. In 2017, Watercare acquired the forestry rights over Council-owned land in the Hunua Ranges, in the catchment of the water storage reservoirs. Watercare is working closely with Council officers on plans to progressively rehabilitate approximately 2,000 hectares of land back to native forest over a two to three decade programme. A forest management plan is being developed and regeneration trials are being undertaken
10. The Company continues to regularly participate in the Council's Consenting Made Easy programme.
11. Watercare has engaged NIWA to deliver a hydrodynamic and water quality model for the Manukau Harbour. This is a large research programme and will provide one of the first 3D models of this kind worldwide. The final model will be delivered at the end of 2019. Watercare has designed this work with collaboration in mind, giving co-ownership of the models to the Council. The project management involves Watercare, Healthy Waters, Iwi and RIMU.

All partners are very satisfied with this united approach. The solid relationship established due to the collaborative work is now enabling further discussions on improving the quality and efficiency of environmental monitoring in the Manukau Harbour.
12. The Company will continue to collaborate with Auckland Council on submissions relating to bills, policy statements, regional plans and similar documents and consult with the Council before making its own submissions in cases where Watercare has a specialist need to submit. Recent examples are:
 - Joint submission to the Government's Urban Development Authorities – Discussion Document
 - Submissions to the Board of Inquiry for NZTA's Northern Corridor Improvements project and East-West link
 - Submission to Waikato's Draft Future Proof Strategy – Planning for Growth
 - Joint submission to the New Zealand Productivity Commission's Low Emissions Economy – Issues paper
 - Feedback to Waikato District Council's draft district plan.
13. Watercare will continue to collaborate with Local Boards in the manner set out on page 15 of this document.
14. The Company will actively support the desired outcomes of the Safeswim monitoring programme when making infrastructure investment decisions, and work with Council to achieve the outcomes of this programme.
15. Watercare will participate in a collaborative process with the Council group to update its strategic planning and meet requirements of the national policy statements on urban development capacity and freshwater management. Watercare will reflect agreed changes in its own strategic planning and Asset Management Plan. Strategies and plans to be reviewed include:
 - Refresh of the Auckland Plan
 - Update of the 30-year Infrastructure Strategy
 - Development of Auckland's Three Waters Plan
 - Development of watershed plans
16. The Company will continue to notify Council of any substantive changes made to Watercare's Asset Management Plan outside of the annual updates provided.
17. Watercare continues to work with Council and the other CCOs to maximise the savings and benefits in relation to its combined insurance programme.

INSIGHT: Setting an example for water quality

The contamination of Havelock North's drinking water supply in 2016, which caused gastric illness in around 5,500 residents and contributed to three deaths, prompted a Government Inquiry.

In December 2017, the inquiry report identified six principles fundamental to safe drinking water management in New Zealand. The report recommended these principles be circulated to the industry and used to inform all reforms, and drinking water operations.

The six principles are: 1) Embrace a high standard of care 2) Protect source water 3) Maintain multiple barriers against contamination 4) Change precedes contamination 5) Suppliers must own the safety of drinking water 6) Apply a preventive risk management approach.

At Watercare, we adhere to the six principles of drinking water safety, and these principles are embedded into our systems, processes and behaviours. We take our responsibility to provide a safe and reliable supply of water to Auckland seriously. Every day, we work hard to deliver 'Aa'-graded drinking water to 1.5 million people throughout Auckland.

We collect Auckland's drinking water from a number of water sources throughout the region, including dams, rivers and underground aquifers. Because there is a wide variety of sources, a broad range of water treatment processes need to be used. For example, water from the dams in the Waitakere Ranges is sourced from catchment areas that are protected from farming and industry and largely comprise native bush.

The catchment in the Hunua Ranges is also largely protected. In 2017, Watercare acquired the forestry rights to a 1,900-hectare commercial pine forest in the Hunua Ranges. We plan to progressively rehabilitate the land to native forest to further protect the water supply catchment areas from siltation.

The water from the Waitakere and Hunua dams is of a high quality naturally, so it requires less complex treatment for it to meet the Ministry of Health's Drinking Water Standards for New Zealand. Water from the Waikato River, however, travels through a number of different environments on its journey to the water treatment plant at Tuakau, so the raw water from the river must go through additional treatment processes.

We operate 15 water treatment plants that treat the drinking water supplied to the Auckland region. Each plant is designed to deal with the characteristics of its particular sources of raw water. Typically, we use a combination of screening, coagulation, clarification, filtration and chlorine disinfection to treat and supply Auckland homes and businesses with high quality, safe and reliable water.

We constantly monitor the water as it goes through the treatment process. On average, we carry out 250 tests each day at various stages of the process, from raw water right through to treated water. In addition, our automated computer network analyses the water quality at our treatment plants 24 hours a day.

We also have a number of safety measures in place, including a detailed emergency management plan, to protect the water network if our monitoring finds anything unusual. Our integrated supply network means we can utilise a different water source to meet demand, as we did during the extreme weather event in 2017 and during the recent summer months.

The end result of our 'source to tap' approach is the high-quality 'Aa'-graded drinking water delivered to 1.5 million people throughout Auckland, every day regardless of source.



Process technician Scott Llewelyn at the Waikato Water Treatment Plant

Enabling growth

We acknowledge that when planning for growth, size and location matter. Watercare has been working closely with the Council group to identify areas where there is sufficient capacity to support growth in the short term. We have also been aligning the planning of new or upgraded infrastructure to meet Council's spatial development priorities and give effect to the Long Term Plan and Council's Future Urban Land Supply Strategy (FULSS).

Linear infrastructure, such as water and wastewater pipes, can have long lead times for construction. Out of sequence development requires interim or temporary service provision, which generally leads to inefficient provision of the services and increased costs for the community, most of which do not benefit from individual development.

The alignment of service provision with the FULSS, and vice versa, allows Watercare to plan, consent and construct bulk services efficiently to enable Council's growth requirements.

That means our infrastructure will enable growth in the areas identified for development by Council.

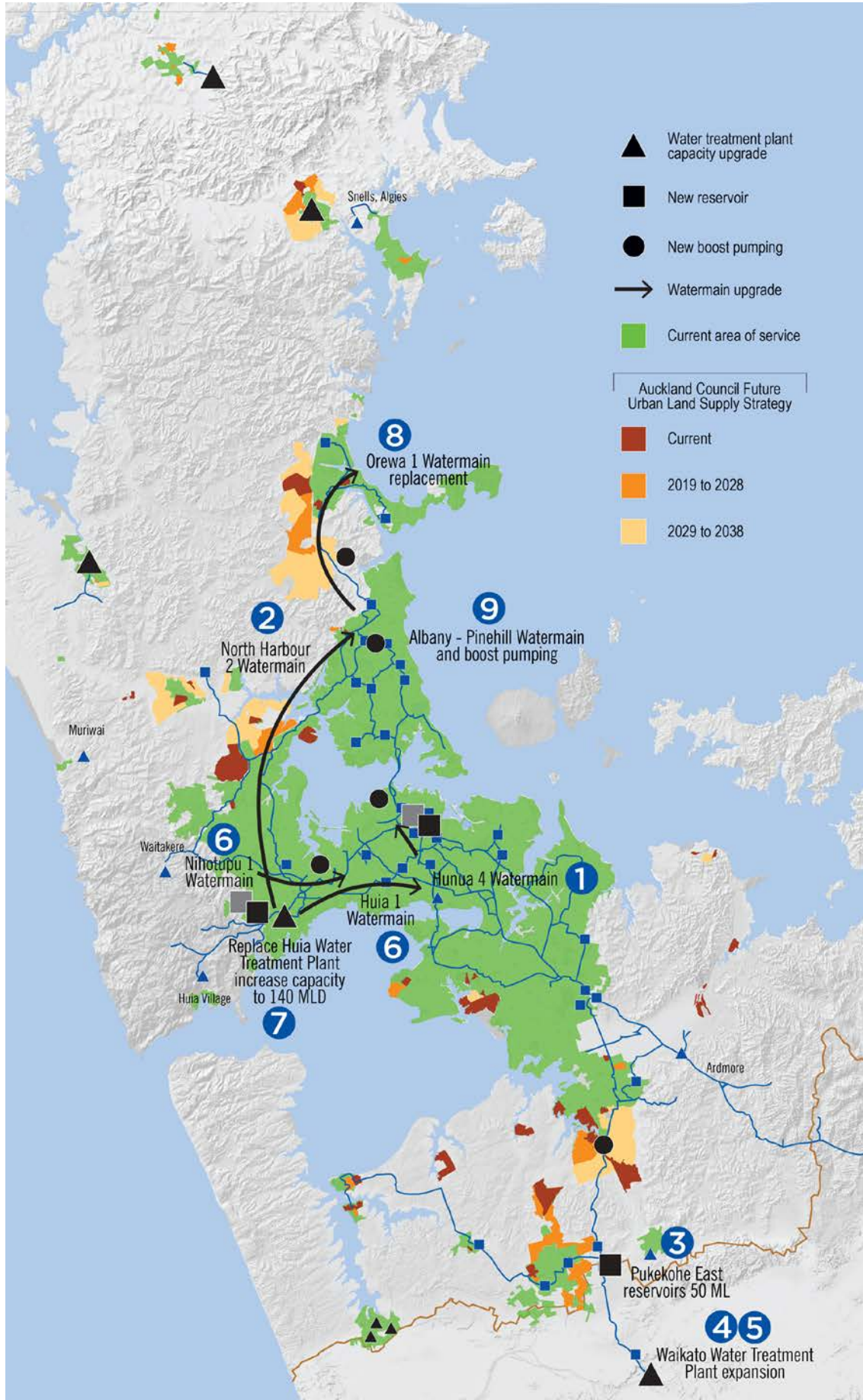
We also ensure our decision making is influenced by Council's local place making and urban regeneration priorities. To this end, Watercare acknowledges the Council's request for the CCOs to actively participate in the integrated governance of urban regeneration priority areas, and is committed to work with Council in this regard.

Veolia Water in Papakura, like Watercare throughout the rest of Auckland, responds to growth areas identified by Auckland Council. Accordingly, Watercare will require Veolia Water, within the terms of the agreement between the parties, to ensure it is providing the necessary water and wastewater infrastructure to meet growth.

Summary of key water projects

	Major water projects	Description	Work to be carried out over the next three years
1	Hunua 4 Watermain	Construction of the last section of a 32-kilometre-long watermain that will run from Manukau to central Auckland	The contract has been let for construction from Market Road to the Khyber Pass Reservoir. Ninety per cent of the construction will be tunnelled, thereby avoiding significant congestion down Manukau Road and through to the Khyber Pass Reservoir. Completion due December 2020.
2	North Harbour Watermain Duplication	Construction of the North Harbour no.2 watermain which will run for 33 kilometres from Titirangi to Albany	Duplication of the watermain over Upper Waitemata Harbour to be completed in 2020. The section from Upper Harbour to Albany to be constructed over the next three years, with the remainder to be completed progressively by 2026.
3	Pukekohe East Reservoirs	Construction of two additional water storage reservoirs to maintain security of supply and cater for growth	Consent has been granted. Design and construction of the first reservoir to progress with completion in June 2021.
4	Waikato Water Treatment Plant Expansion 1	Expansion of the capacity of the existing water treatment plant to cater for additional demand arising from growth	Increase of maximum water treatment plant production capacity from 150 MLD to 175 MLD to be completed by December 2018. Chemical systems capacity upgrades to be completed by December 2019.
5	Waikato Water Treatment Plant Expansion 2	Provision of additional water abstraction, treatment and conveyance capacity from the Waikato River to cater for additional demand arising from growth	Consent for an additional take from the Waikato River filed with Waikato Regional Council in December 2013. The application is in a queue awaiting public notification. Based on feedback from Waikato Regional Council, the notification is not expected until late 2018.
6	Nihotupu No.1 and Huia No. 1 Watermains replacement	Replacement of two critical watermains which are nearing the end of their design lives	Construction to commence in 2018 and expected to be completed by December 2021.
7	Huia Water Treatment Plant Upgrade	Replacement of the Huia Water Treatment Plant which is reaching the end of its design life and the provision of improved treatment processes which will maintain supply and improve levels of service	Consent process to be completed and detailed design commenced during this period.
8	Orewa No.1 Watermain Replacement	Completion of a seven kilometre-long bypass of the most vulnerable section of this aged watermain that runs between Silverdale and North Orewa	The northern 4.3 kilometres of this watermain will be constructed in the next two years, through the Millwater development, across Orewa River, and connect to Maire Road Reservoir. The final 0.3 kilometres from Silverdale to the Millwater development will also be constructed in the next two years.
9	Albany Pinehill Watermain and Pump Station	Construction of a watermain from the Albany Reservoirs to the Pinehill Reservoir to meet increased growth and to improve the resilience of the supply to the area of the North Shore supplied from the Pinehill Reservoir. The project also delivers a replacement chlorine booster to treat the inflow to the reservoirs.	Completion of the Pinehill Watermain, Albany Pinehill Water Pump Station and the replacement chlorine booster at the Albany Reservoir Complex is due in 2019.

Map of key water projects



Summary of key wastewater projects

	Major wastewater projects	Description	Work to be carried out over the next three years
1	Central Interceptor	Construction of a new wastewater conveyance and storage pipeline to service central Auckland as well as the isthmus, east and south	Design is complete. Procurement is in progress with the contract to be let in early 2019. Construction is planned to commence in 2019 and be completed by December 2025.
2	Northern Interceptor: Hobsonville to Rosedale Phase	Construction of a new wastewater pipeline which will divert flows from Mangere Wastewater Treatment Plant to Rosedale Wastewater Treatment Plant	Construction to be tendered and delivered. Project to be completed by December 2020.
3	Northern Interceptor: Westgate to Hobsonville Phase	Construction of the second stage of the Northern Interceptor to divert wastewater flows from Swanson, Massey and Glen Eden catchments to the Rosedale Wastewater Treatment Plant. This project is dependent on the delivery of the Northern Interceptor from Hobsonville to Rosedale	Obtaining the necessary consents and land owner approvals during this period with completion due by 2025.
4	Rosedale Wastewater Treatment Plant Upgrade	Provision of additional treatment capacity to cater for population growth on the North Shore and treat diverted wastewater flows from West Auckland, which are currently served by the Mangere Wastewater Treatment Plant	Design and construction to be completed by December 2019.
5	Pukekohe Wastewater Treatment Plant Upgrade	Construction of additional trunk network and treatment capacity to cater for population growth in the Pukekohe Wastewater Treatment Plant catchment	Application for discharge to Waikato River has been granted. Enabling works will commence in early 2018. Design and construction to be completed in line with growth expectations with Stage 1 commissioned in 2019.
6	Mangere Wastewater Treatment Plant Biological Nutrient Removal	Provision of additional biological nutrient removal capacity to cater for projected growth in population	The new BNR plant is treating wastewater now. It will be complete and commissioned by December 2018.
7	Puketutu Island	Rehabilitation of Puketutu Island using treated biosolids from the adjacent Mangere Wastewater Treatment Plant	Continue the monofill operation to rehabilitate Puketutu Island.
8	Warkworth-Snells-Algies Wastewater Services	Construction of a new wastewater treatment plant, new wastewater pipeline, pump stations and ocean outfall at Snells Beach	Consents have been obtained. Design and construction to progress with completion by June 2020.
9	South West Wastewater Servicing	Construction of a new wastewater treatment plant at Waiuku, new wastewater pipeline, pump stations and harbour outfall at Clarks Beach	Consent has been obtained. Currently subject to an appeal to the Environment Court. Mediation underway.

INSIGHT: Collaborative consenting process delivers value for community

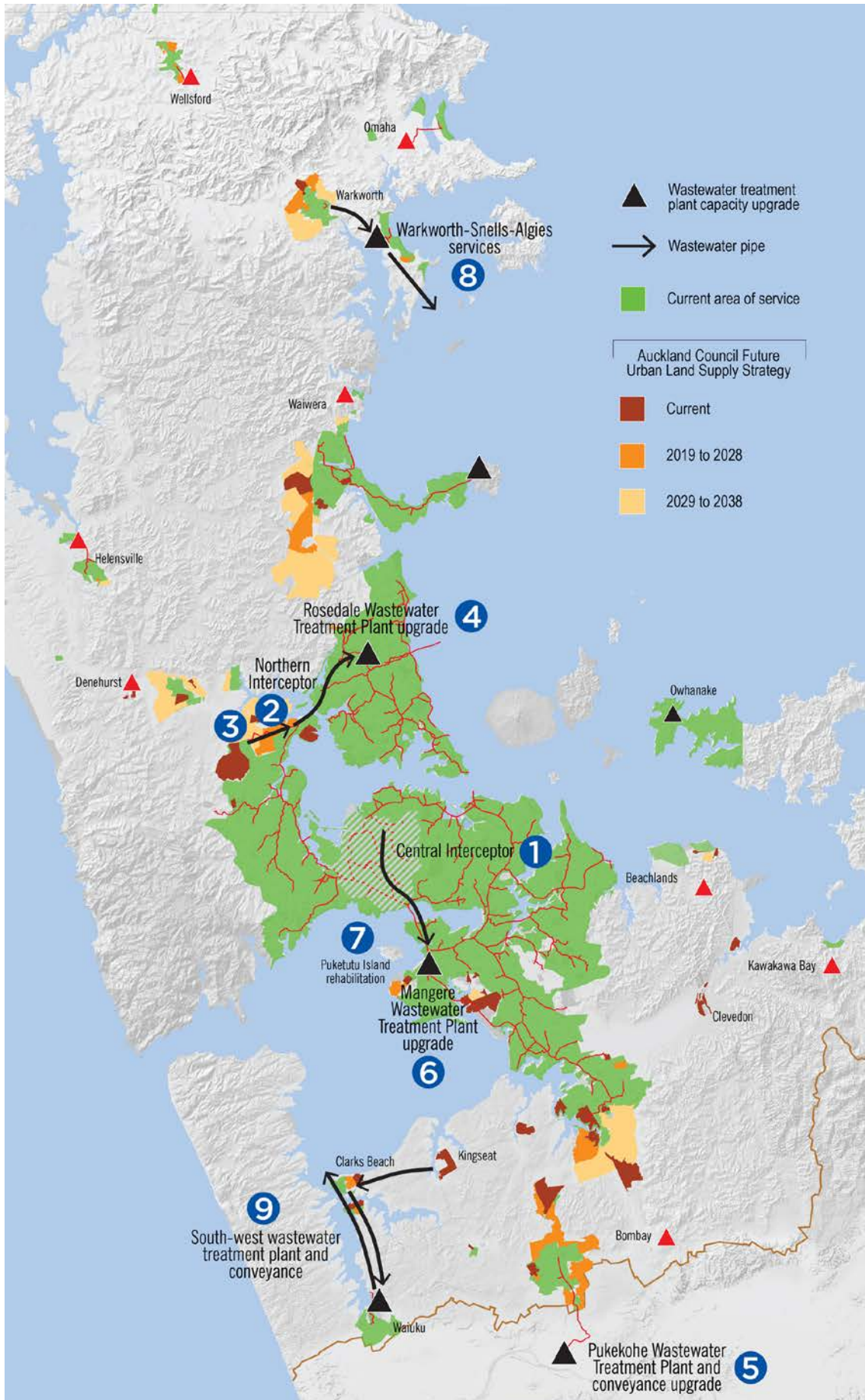
In October 2017, Watercare received a 35-year consent to upgrade the Pukekohe Wastewater Treatment Plant that services the rapidly growing population of southern Auckland and north Waikato. Initially, mana whenua and the local community raised concerns about discharge of treated wastewater into the local tributary of the Waikato River.

With a collaborative approach and focused consultation, we devised solutions to address the concerns raised by the community, particularly mana whenua. These included adjusting the design of the wastewater scheme to enable the production of higher quality treated wastewater that would meet contact recreational standards, improve the quality of the receiving environment, native planting of a one-hectare area along the tributary, and increased processing capacity in the plant to cater for growth.

The plant will now undergo a \$60 million upgrade over the next four years. Stage one includes enabling works and the construction of a new activated sludge reactor with membrane bioreactors and a new UV facility. Stage two will convert the old sequential batch reactors to activated sludge reactors. The project is expected to increase processing capacity from 2019, and be completed in 2021.

This people-focused, partnership approach to consenting has resulted in effective long-term outcomes for Pukekohe, along with the local community actively advocating for the project.

Map of key wastewater projects



Engaging with our communities

Watercare provides lifeline services to Auckland. Our water and wastewater services are critical to the economic, social and environmental health and wellbeing of our communities. Recognising this, we engage with our stakeholders through a wide range of forums. We will continue to align our branding, signage and marketing collateral to the Council group's brand guidelines as appropriate and where cost effective.

Customers

We engage by:

- Making information available via a number of channels and in different ways, including written, face-to-face and digital
- Consulting with customers on topics that affect them to ensure their needs are understood and considered
- Holding forums for developers to inform them of our plans for infrastructure development
- Collecting feedback through various channels including from our customer feedback system and through our regular customer experience surveys
- Analysing feedback from our customers and using it to drive business improvements, and to look at what we can do better or differently to reduce issues and complaints
- Conducting annual customer focus groups on specific issues.

Tangata whenua (Māori)

We engage by:

- Promoting and supporting mana whenua relationships. From 1 July 2016 the Mana Whenua Kaitiaki Forum (MWKF) expanded its role to integrated decision-making on matters significant to Māori across the Auckland Council Group. Watercare maintains its relationship at an operational level with MWKF through quarterly meetings with the Mana Whenua Kaitiaki Managers' Group – Water Sector – and will expand this sector's work by facilitating group meetings with other stakeholders working in this area. Watercare will work with Auckland Council to optimise the governance fora for engaging with mana whenua across the Council group
- Developing, working and maintaining relationships with mana whenua affected by Watercare operations and initiatives
- Increasing the understanding of Māori values and cultural impact throughout Watercare
- Providing technical advice related to water supply and septic tanks
- Awarding scholarships to Māori
- Making efforts to strengthen the relationship with Waikato Tainui by working with their representatives and executive management team. The relationship commenced when Watercare first applied to take water from the Waikato River to assist in meeting Auckland's need for water. With the projected growth for Auckland, a second application to take water has been lodged. Watercare is working closely with Waikato Tainui to ensure that the health and wellbeing of the Waikato River is not adversely affected.

- Supporting Auckland Council's work on development of a te reo policy in 2018-19
- Completing a Māori Responsiveness Plan in 2017/18
- Watercare meets bi-monthly with representatives of the 19 mandated mana whenua entities
- Committing to the refined priorities of Te Toa Takitini, the specific project/programme contributions and any related performance measures. These are reported on through Watercare's quarterly reports.
- Carrying out any actions that may result from the Council's response to the Independent Māori Statutory Board's (IMSB's) review of expenditure on Māori.
- Committing to participate and implement the findings of the current Treaty Audit

Local residents and community groups that neighbour our worksites

We engage by:

- Using a variety of channels to ensure there are no surprises regarding potentially disruptive works. Information is communicated via various channels, including: flyers, newsletters, door-to-door communication, advertisements, signage, radio broadcasts, local resident and business association information meetings, community open days and direct mail
- Providing opportunities for the community to input into decision-making during the planning of new infrastructure with a view to minimising delays in statutory approval processes under the Resource Management Act 1991.

Local Boards

We engage by:

- Building enduring relationships with Local Board Chairs and representatives by providing timely and accurate responses to their information needs
- Sharing information on Watercare-related matters including infrastructure planning and construction projects in the interests of no surprises
- Collaborating with Healthy Waters to share information and promote the Western Isthmus Water Quality Improvement Programme
- Using innovative new ways to help share information via Local Board community networks. Some Local Boards have featured in short information videos uploaded to YouTube channel, which can also be shared via the Local Board Facebook pages
- Working with Local Boards to promote the inflow and infiltration programme aimed at removing stormwater from the local wastewater network. Local Boards in problem areas are helping to promote the programme including smoke testing, which can help identify and resolve private drainage issues, thereby reducing potential for wet weather overflows
- Collaborating with Local Boards and the community to gather input into future projects such as the Huia Water Treatment Plant, consent renewals for the Army Bay Wastewater Treatment Plant and planning for the Western Isthmus Water Quality Improvement Programme.

Infrastructure providers

We engage by:

- Participating in the Auckland Infrastructure and Procurement Group forums and working groups
- Continuing to work closely at technical and managerial levels with Auckland Transport, the Auckland Motorway Alliance, New Zealand Transport Authority (NZTA) and other infrastructure providers to plan and deliver complex infrastructure solutions in the road and motorway corridors
- Co-ordinating planned major works with Auckland Transport teams to ensure 'best for Auckland' outcomes
- Working closely with industry experts and attending regular sessions with Civil Contractors New Zealand and the Association of Consulting Engineers New Zealand to ensure safe, practicable and sustainable outcomes
- Recognising the importance of integrated planning to achieve the efficiencies expected and envisioned by Auckland Council, Watercare continues to be committed to working closely with Auckland Council and Healthy Waters on the Three Waters review
- Collaborating with the Council group on the Western Isthmus Water Quality Improvement Programme.

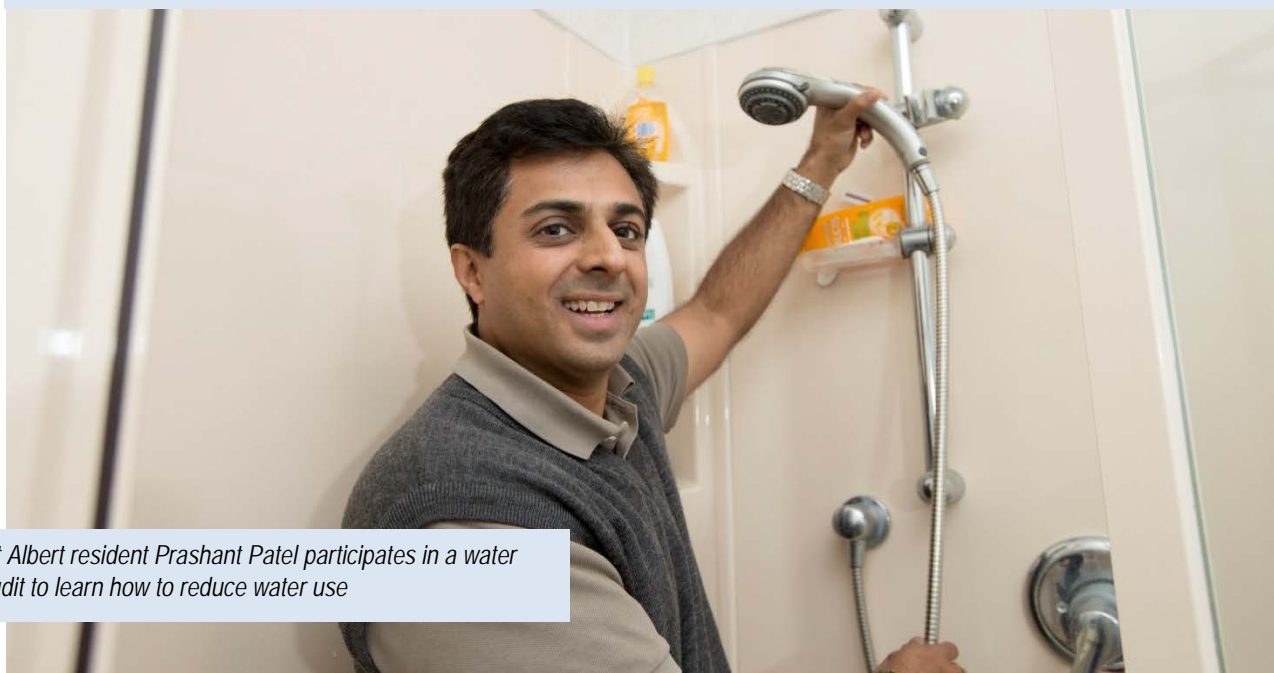
INSIGHT: Managing water sources sustainably

Over the next 30 years, the population that is serviced by Auckland's water system is expected to increase by 700,000, based on Auckland Council's medium growth projection. This will create significant additional demand for water – and that means investment will be needed for new water sources, water treatment capacity and networks. As Auckland's water and wastewater services provider, Watercare plans upgrades and additional infrastructure to meet this increased demand while we continue to work on reducing water demand through our water efficiency programme.

In 2008, Watercare collaborated with the former local councils of Auckland on the Three Waters Strategic Plan. This set a target to reduce Auckland's gross per capita consumption by 15 per cent by 2025 compared with 2004 with the aim of deferring the next water source required for Auckland by 10 years. Through a combination of customer outreach programmes, metering, volumetric charging for water and wastewater and network loss management, Auckland has succeeded in pushing out the need for the next water source by five years. The water efficiency gains targeted from 2017 to 2025 will enable us to defer by another five years. Deferring the next water source puts less pressure on Auckland's waterways and saves \$92 million in interest cost associated with additional infrastructure. This is true environmental and social sustainability, where we are contributing to a healthy natural environment and a more affordable Auckland.

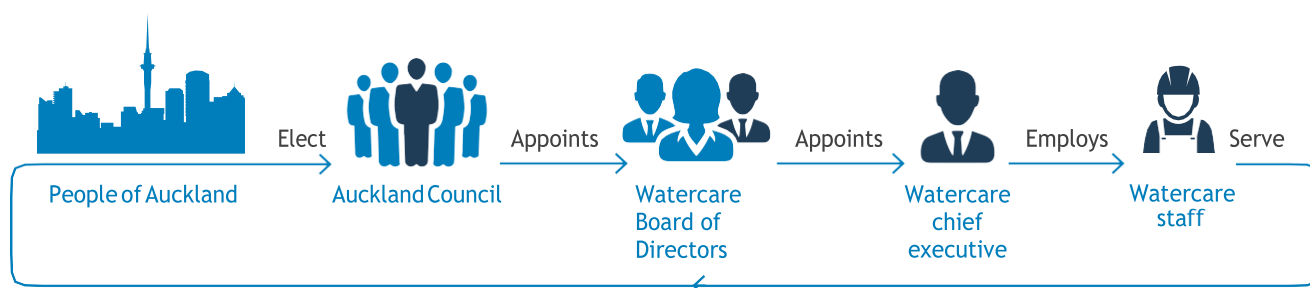
The 2017-2020 Water Efficiency Strategy identifies new initiatives such as retrofitting old showerheads with more water-efficient ones and water efficiency schemes for new housing developments, as well as continuing our existing programmes. We will establish strong partnerships, driven by the principle of resource efficiency, with the Council, the community and organisations. We are committed to leading by example and have strengthened our efforts to reduce water losses in our distribution network.

The water efficiency programme will focus on four streams of work: municipal, residential, non-residential and water losses, to achieve a total water efficiency gain of 21 million litres per day by 2025. The detailed Auckland water efficiency strategy document is available on Watercare's website, www.watercare.co.nz/About-us/Reports-and-publications.



Mt Albert resident Prashant Patel participates in a water audit to learn how to reduce water use

Managing and measuring our performance



Watercare's Board is ultimately responsible for all decision-making by the Company. The Directors and the Management team are committed to ensuring the Company applies best-practice governance policies and procedures. As at 1 March 2018, there are four subcommittees being 1) Audit and Risk, 2) People, Remuneration and Appointments, 3) a subcommittee to oversee the Strategic Transformation Programme, and 4) a subcommittee to oversee the Asset Management Plan, and all major capex projects including the Central Interceptor.

Watercare ensures we fulfil the public meetings stipulation of the Local Government (Auckland Council) Act 2009 which requires Auckland Council CCOs to hold two public meetings a year and the timing for these is set out below. Dates and times are publicly notified in advance with agendas and minutes made available on our website.

Watercare works diligently to meet our legal obligations and act in accordance with the CCO governance manual, which sits alongside this SOI and forms part of the annual binding agreement between Council and Watercare.

We are committed to participating in the design and implementation of group-wide policies. Watercare is also supportive of the development of Council group foundation principles and standards (where required). Watercare is currently working with Council in relation to the sensitive expenditure policy.

Watercare is also committed to working collaboratively in relation to 'out of sequence' future urban development.

See *Our Legislative Framework* in Appendix B (page 22) for more information on our legal responsibilities.

Date	Purpose	Form of public notification
29 May 2018	Consider Shareholder comments on draft SOI	Public notice
30 October 2018	Consider performance against SOI targets	Public notice
May 2019	Consider Shareholder comments on draft SOI	Public notice

Managing risk

We have an established risk management policy and framework, which follows the guidance of the ISO 3100 risk management standard. Risks are identified and evaluated using likelihood and consequence scores and ranked. The highest-ranked and significant emerging risks are regularly reviewed by senior Management and the Board via Management and Board-level reporting.

As part of the risk management framework, Watercare Management have a Risk Management Steering Committee to monitor emerging risk and risk-mitigating actions and strategies.

The Internal Audit function produces an annual plan that is approved by our Audit and Risk Committee with quarterly reporting by Management against the plan to the committee. The Audit and Risk Committee maintains oversight of progress and must be satisfied that recommendations arising from Internal Audit's work are fully addressed by Management.

Watercare also provides a quarterly report outlining Watercare's risk management framework, approach, processes and an overview of the top risks with associated mitigation actions to the Council's Audit and Risk Committee. A detailed assessment of the current risk position for two key risks that are likely to be front of mind to Councillors is also included in these reports.

Measuring our performance

We have an agreed set of performance measures and targets which form the basis for accountability to delivering on Council's strategic direction, priorities and targets. These are reported on a quarterly basis in accordance with the CCO governance manual.

The measures and targets include the Department of Internal Affairs-mandated measures and those that were agreed with Council as part of the Long Term Plan 2015–2025. Our performance measures are included in the Appendix C (pages 23 and 24). Watercare will, with Auckland Council, identify additional effective, appropriate and meaningful measures that will arise from the Government's review of three waters in New Zealand. This includes working on identifying appropriate climate change measures and targets.

Watercare is committed to contributing to the development of new metrics and indicators which will measure our impact and align with the refreshed Auckland Plan and the Long Term Plan 2018–2028.



INSIGHT: Transforming our organisation

In 2017, we took the first steps towards changing the way Watercare does business.

To meet the changing expectations of our customers and stakeholders, and the changing environment in which we operate, we have embarked upon a Strategic Transformation Programme that will enable us to adjust to these changes and achieve our strategy and vision.

Ultimately, we want to make it easier for our customers and stakeholders to interact with us, and for them to be able to self-serve where they choose.

To do that, we are addressing the limitations of our ageing back-end systems, improving efficiency and productivity across the business, and providing greater business flexibility by implementing technology platforms capable of supporting different options in the future. We are also investing in our people, with a particular focus on strengthening leadership capability.

While our current organisational structure has served us well and we continue to deliver excellent water and wastewater services, further capability alignment is needed. We want to eliminate pain points for our customers and ourselves, streamline the way we operate, reduce effort and duplication, and align our organisation to enable us to be more efficient and effective.

One of the customer & billing teams working on the Strategic Transformation Programme



Driving efficient, transparent and stable financial management

We understand and appreciate that our customers expect us to be financially responsible as every dollar we spend has an impact on the price they pay for water and wastewater services.

Watercare funds all of its operating costs and capital projects through water and wastewater service charges, infrastructure growth charges and borrowings. That means we self-fund what we deliver and do not receive rates money from Auckland Council. Our financial position enables us to fulfil the \$5.7 billion commitment we have made to the Auckland community in our Asset Management Plan. Watercare's funding envelope has been aligned for the provision of service identified in the FULSS.

Our financial management is underpinned by robust plans and policies, supported by a comprehensive risk and audit programme.

To be financially stable over the long term, we take the following into consideration when managing our capital investment programme: risk, future demand, debt levels, interest costs and inter-generational equity.

Our Asset Management Plan defines Watercare's best engineering and business judgment of the capital investment required to maintain the integrity of our infrastructure base over a 20-year period.

It helps us to decide what, where, how, when and how much we invest to build and maintain our water and wastewater assets.

Watercare will continue to collaborate with Council and other Council CCOs to closer integrate its planning to assist in addressing infrastructure challenges for Auckland.

We have implemented efficiency initiatives across major areas of expenditure, including a network efficiency programme and a capital delivery optimisation programme.

The network efficiency programme is focused on reducing the cost of operating and maintaining our retail network while maintaining the appropriate level of service.

The capital delivery optimisation programme includes the introduction of a revised capital projects delivery business model and a target to deliver five per cent savings in capital spend.

The following summary of financials supports the delivery of the strategic objectives and performance targets for Watercare.

Operating budget

Operating budgets (\$million)	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Revenue	510.9	535.3	560.9	585.1
Fees and charges	485.2	507.2	531.3	554.3
Grants and subsidies	-	-	-	-
Other revenue	25.7	28.1	29.6	30.8
Direct expenditure	213.5	218.9	227.1	234.5
Employee benefits	73.7	75.2	77.9	80.5
Grants, contributions, sponsorship	0.6	0.6	0.6	0.7
Other expenditure	139.2	143.1	148.6	153.3
Net direct expenditure (income)	(297.4)	(316.4)	(333.8)	(350.6)
Funding from Auckland Council	-	-	-	-
Revenue from vested assets	(20.0)	(20.0)	(20.8)	(21.5)
Other non-operating income	-	-	-	-
Net finance expense	81.6	78.4	81.5	85.6
Depreciation and amortisation	229.9	252.4	255.9	259.7
Net losses (gains)	(5.0)	8.0	8.0	8.0
Income tax	36.7	38.1	44.1	48.1
NET EXPENDITURE (INCOME)	25.8	40.5	34.9	29.3

Net direct expenditure by area

Expenditure (\$million)	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Net direct expenditure (income)	(297.4)	(316.4)	(333.8)	(350.6)
Wastewater Service	(215.4)	(229.2)	(242.3)	(255.1)
Water Supply	(82.0)	(87.2)	(91.5)	(95.5)

Our commitment

Watercare supports the Council's drive for greater transparency in budgeting and reporting and is committed to:

- continuing to work with Council to align its capital investment programme with Council's 10 year budget
- benchmarking frontline and back-office expenditure, including regularly publishing results on the Company's website
- exploring alternative operating revenue streams wherever possible
- communicating clearly and in plain-English with all of our customers and stakeholders.

Watercare recognises the challenges the Council faces in relation to funding, and commits to continuing to work with Council in this regard.

Watercare commits to optimise efficiency and value, and remove unnecessary duplication. Watercare also commits to consider, where appropriate, different approaches to core systems and business processes, shared back-office delivery and alignment with the Council Group's investment.

Capital expenditure

For detailed capital expenditure list, please refer to Appendix A

Expenditure (\$million)	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Total capital expenditure excluding capitalised interest	336.4	474.1	532.7	595.2
Capitalised interest	12.0	12.5	19.3	27.9
Total capital expenditure including capitalised interest	348.4	486.6	552.0	623.1
Sources of capital funding	348.4	486.6	552.0	623.1
Infrastructure growth charge	94.5	95.8	101.1	103.3
Debt	38.1	152.8	198.6	254.8
Asset sales	-	-	-	-
Operating surplus (Net direct income less finance expense)	215.8	238.0	252.3	265.0

Specific expenditure towards Māori outcomes

Initiatives (\$thousand)	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Iwi engagement on Watercare projects	1,190	1,240	1,290	1,320

Other financial information

Current value of assets	The current value of Watercare's assets as 30 June 2017 was \$8.9 billion based on the net asset value of the Watercare group as disclosed in the audited financial statements.			
Accounting policies	Watercare's accounting policies are consistent with those of the Auckland Council group policies with nominated exceptions (e.g. interest capitalisation).			
Financial reporting	Watercare's financial reporting to Auckland Council will be in accordance with the requirements of the CCO Governance Manual.			
	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Asset sales (\$million)	-	-	-	-
Shareholder equity ratio	67%	68%	66%	65%

Appendix A

Detailed capital expenditure list

Expenditure (\$million)	Forecast 2017/18	Projection 2018/19	Projection 2019/20	Projection 2020/21
Capital Expenditure (excluding capitalised interest)	336.4	474.1	532.7	595.2
Wastewater				
Central Interceptor	5.4	34.2	91.7	251.6
Collection System	68.2	70.6	37.9	36.2
North East Sub-regional Wastewater Servicing	6.1	31.0	54.1	44.7
Northern Interceptor	3.7	32.3	58.3	31.4
Other projects < \$250k	0.0	0.0	0.0	0.0
Shared Services Plant & Equip	8.2	7.6	7.1	3.0
Shared Services Process Improvement	13.5	23.1	8.2	3.8
Southern Interceptor Augmentation	4.3	1.7	5.3	6.3
South-West Wastewater Servicing	0.3	4.3	10.3	50.9
Wastewater ECS	3.8	5.4	3.5	1.4
Wastewater Treatment	96.1	104.9	75.1	47.1
Western Isthmus Programme	-	-	12.9	16.7
WWTP Regulatory Compliance	2.4	0.4	1.7	1.4
Capex efficiency	-	(15.8)	(18.3)	(24.7)
Water supply				
Dam Rehabilitation	0.3	0.7	0.7	0.7
Huia Water Treatment Plant Upgrades	1.3	-	-	5.6
Hunua No. 4 Water Supply Scheme	7.3	31.0	31.1	-
North Harbour 2 Watermain	3.8	6.0	17.2	20.3
Other projects < \$250k	0.1	-	-	-
Shared Services Plant & Equip	5.3	3.9	3.6	1.5
Shared Services Process Improvement	6.9	11.9	4.2	2.0
Treated Water Network	63.1	93.9	114.3	91.0
Waikato WTP Augmentation	8.1	12.6	-	-
Water ECS	1.4	1.0	0.9	0.9
Water Source and Headworks	-	0.5	2.2	4.6
Water Sources Regulatory Compliance	0.5	0.3	0.5	0.5
Water Treatment Plant	26.2	21.8	19.9	5.1
Water Treatment Plant Regulatory Compliance	-	-	-	-
Capex efficiency	-	(9.2)	(9.7)	(6.6)

Appendix B

Our legislative framework

Watercare is a limited liability company registered under the Companies Act 1993, and a local government organisation under the Local Government Act 2002. Watercare is subject to regulation governing planning, health and environmental matters.

We became a substantive council-controlled organisation (CCO) on 1 July 2012.

The principal regulators include Auckland Council, Waikato Regional Council and the Ministry of Health. We provide these and other regulatory bodies with information on the impacts of existing policy and regulation on our activities. We also contribute and respond to the development of relevant statutory and regulatory changes affecting water, wastewater and the lifeline utility sector.

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

- Local Government Act 2002
- Local Government (Tāmaki Makaurau Reorganisation) Act 2009
- Local Government (Auckland Council) Act 2009
- Local Government (Auckland Transitional Provisions) Act 2010
- Companies Act 1993
- Health Act 1956 and the Health (Drinking-Water) Amendment Act 2007

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

- Must manage its operations efficiently with a view to keeping the overall costs of water supply and wastewater services to its customers (collectively) at the minimum levels, consistent with the effective conduct of its undertakings and the maintenance of the long-term integrity of its assets
- Must not pay any dividend or distribute any surplus in any way, directly or indirectly, to any owner or shareholder
- Is not required to comply with Section 68(b) of the Local Government Act 2002 (avoiding the requirement to pay a dividend)
- Must have regard for public safety (for example, the safety of children in urban areas) in relation to its structures.



Also under the legislative framework:

- We must give effect to the relevant aspects of the Council's Long Term Plan, act consistently with other specified plans and strategies of the Council and ensure compliance at all times with Section 57, Section 58 of the Local Government (Auckland Council) Act 2009
- At least two Board meetings a year are required to be held in public: one before 30 June to consider the Council's comments on the draft Statement of Intent (SOI) for the upcoming financial year, and one after 1 July to consider our performance under the SOI for the previous financial year
- Our financial statements, the SOI and specified long-term plans must be audited by the Auditor-General, or by an auditor acting on behalf of the Auditor-General.

The Auditor-General is the auditor of Watercare's financial statements. The Auditor-General has appointed Andrew Burgess, using the staff and resources of Deloitte to undertake the external audit work on behalf of the Auditor-General, in accordance with the Auditor-General's Audit Standards, which incorporate New Zealand Auditing Standards. Deloitte must satisfy the independence requirements of the Auditor-General and External Reporting Board.

Appendix C

Our performance measures

Link to Watercare's strategic priorities	Measure	2016/17 Actual	2017/18 Target	2018/19	2019/20	2020/21
	The extent to which Watercare's drinking water supply complies with Part 4 of the Drinking Water Standards New Zealand (bacteria compliance criteria)	100%	100%	100%	100%	100%
	The extent to which Watercare's drinking water supply complies with Part 5 of the Drinking Water Standards New Zealand (protozoal compliance criteria)	100%	100%	100%	100%	100%
	Median response time for attendance for urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site	41 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
	Median response time for resolution of urgent calls-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption	3 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
	Median response time for attendance for non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site	1 day	≤5 days	≤5 days	≤5 days	≤5 days
	Median response time for resolution of non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption	2 days	≤6 days	≤6 days	≤6 days	≤6 days
	The total number of complaints received by Watercare about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) Watercare's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system	6	≤10	≤10	≤10	≤10
	Net promoter score – strive to achieve a score >30	N/A	N/A	30	33	36
	The number of dry-weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system	0.4	≤10	≤10	≤10	≤10
	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that Watercare receives notification to the time that service personnel reach the site	50 mins	≤60 mins	≤60 mins	≤60 mins	≤60 mins
	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that Watercare receives notification to the time that service personnel confirm resolution of the blockage or other fault	3 hours	≤5 hours	≤5 hours	≤5 hours	≤5 hours
	The total number of complaints received by Watercare about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) Watercare's response to issues with its sewerage system expressed per 1000 connections to the Watercare's sewerage system	24	≤50	≤50	≤50	≤50
	Average number of wet-weather overflows per engineered overflow point per discharge location in the transmission system	3.4*	≤2 overflows per year	≤2 overflows per year	≤2 overflows per year	≤2 overflows per year
	Compliance with the Watercare's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by Watercare in relation to those resource consents	a) 0 b) 0 c) 0 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0	a) ≤2 b) ≤2 c) ≤2 d) 0
	The percentage of real water loss from Watercare's networked reticulation system	11.9%	≤13%	≤13%	≤13%	≤13%
	The average consumption of drinking water per day per resident	273	268 +/- 2.5%	266 +/- 2.5%	264 +/- 2.5%	262 +/- 2.5%

*The overflows were impacted by the extreme weather events (Tasman Tempest) in March 2017.

Watercare Services Limited

Registration Number: AK/519049

Registered office:

73 Remuera Road, Remuera, Auckland, 1050
Private Bag 92 521, Wellesley Street, Auckland 1141
Telephone: +64 9 539 7300
Facsimile: +64 9 539 7334
Email: communications@water.co.nz
Website: www.watercare.co.nz