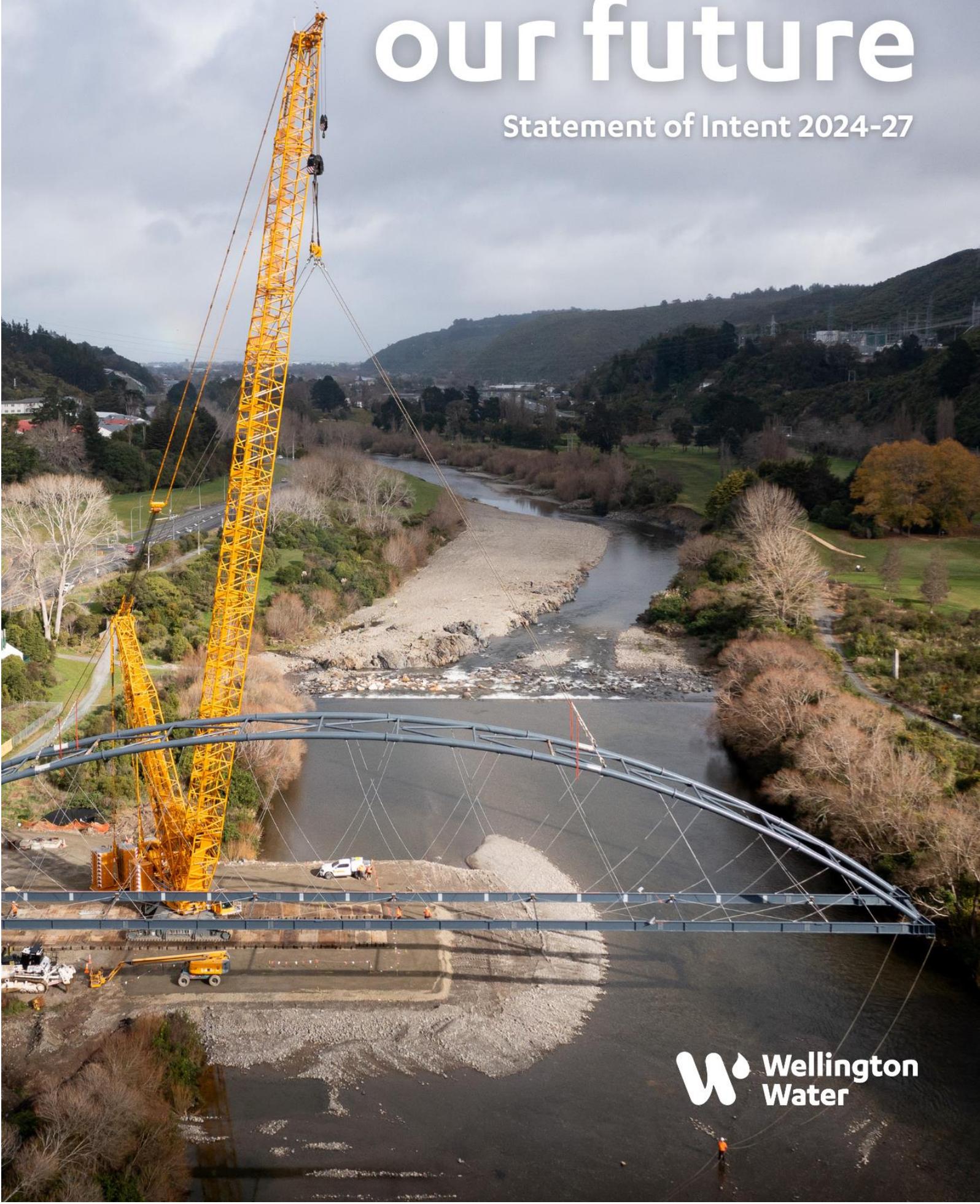


Our water, our future

Statement of Intent 2024-27



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Foreword

Welcome to our 2024-2027 Statement of Intent. This document outlines Wellington Water's direction and priorities, the expectations of our shareholding councils, how we intend to meet those over the next three years, and how we intend to measure and report our performance.

In our last Statement of Intent, we were working towards the establishment of a new Water Services Entity to take over delivery of water services from October 2024. With the 2023 change of government and direction, the responsibility for water services remains with our shareholding councils.

While our councils are working together to look at what a new model for delivering water services could be under the Government's Local Water Done Well policy, Wellington Water needs to plan for being in place in the current model for longer than expected.

Wellington Water's focus has been and remains on delivering our core services. Our job is to provide the region with safe and reliable water services and keep the assets in the best condition possible to hand over to any new water entity. We do this with the mana of the water in mind, and with a safe, capable, and engaged workforce.

The water infrastructure challenges we face as a region are well canvassed:

- Ensuring an adequate supply of drinking water over the short, medium, and long-term. This includes continued decreased drought resilience across the region.
- Reducing the risk of failure of critical assets in the network as well as treatment plants;
- Reducing the environmental impacts of discharges from the network and wastewater treatment;
- Ensuring the region can grow and this is not limited by capacity in water networks
- Addressing the growing backlog of work to renew and replace aging infrastructure;
- Meeting increasing regulatory requirements; and
- Meeting the expectations of mana whenua and customers.

We have worked with the shareholding councils to set out the costs to meet the challenges as part of the Long-Term Planning process. Stated plainly – the region needs an investment of \$10 billion over the next 10 years. We are conscious that this investment need comes at a time when cost of living and affordability are issues for ratepayers. Each of our councils have invested more funding, at various levels and timeframes, but it is still short of what the region needs.

Wellington Water's job is to now use that investment and achieve the best outcomes and value possible for our councils and the communities they serve. The gap between the investment and the need present risks for the region, so we will continue to provide councils with expert advice on their assets, the work we are doing to maintain and improve them and raise risks early and transparently.

The two most critical regional risks are ensuring sufficient water for the Wellington metropolitan region and the performance of the wastewater treatment plants throughout the region. These risks are under political and regulatory scrutiny, and importantly, are concerning to iwi and the community. Our operational focus will be to mitigate these risks as much as possible with available budgets over the next financial year.

We look forward to working with our councils, iwi partners, and regulators to meet councils' requirements for the years ahead and deliver services for communities.

Who we are and what we do

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

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

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

Our governance structure

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



Our values

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

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

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

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

The next three years – our approach

The Wellington Water Committee has been clear in its direction to us – to give effect to Te Mana o te Wai (placing the health and wellbeing of water first) in the way that we manage the water assets and deliver three water services.

The context in which we operate requires us to deliver those services effectively and efficiently alongside supporting the region to establish a new water services entity.

To meet our councils' expectations, we remain focused on core services and making sure we do these as well as we can.

Strategic focus

We work to the regional strategic priorities for water set by the Wellington Water Committee. These are:

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

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

Our organisational strategy

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

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

We always look to ways to be more effective (do the right thing at the right time) and efficient (do things right). For example, last summer we recognised the need to find savings and reduced our corporate operating expenditure, directing it to the council operating expenditure and fixing as many leaks as possible.

The next three years sees a reduced and fixed corporate operating expenditure. We need an effectiveness and efficiency mindset in everything we do to deliver our services with a reduced corporate budget.

We will:

- keep our people safe and well;
- increase the capability and capacity of our people and our wider supplier whānau;
- keep embedding Te Mana o te Wai into how we plan and operate;
- have a strong delivery focus on our core services and functions (drinking water, wastewater, stormwater) and do these well;
- focus on the customer;
- work on continuous improvement and demonstrating cost-saving initiatives;
- be transparent and report on our performance – when our outcomes are not met, we let our councils and the public know; and
- build strong partnerships with iwi mana whenua.

We measure our success through the performance measures outlined in this Statement of Intent.

Investment from our councils

The shareholding councils have consulted their communities on proposed three waters investment (capital and operating expenditure) for the 2024-34 Long-term Plan (LTP) period.

Wellington Water advised councils that regional capital investment in the order of \$10 billion is required over the next 10 years to deliver on all the region's strategic priorities. This level of investment is unaffordable and currently undeliverable.

Based on delivery to date, Wellington Water recommended that councils (excluding South Wairarapa District Council) invest \$7.6 billion in capital expenditure over the 2024-34 LTP period. This level of funding is the maximum that can be delivered in the region.

Some councils have invested more in water infrastructure than ever before. However, the councils have been clear to Wellington Water that \$7.6 billion is still unaffordable due to council debt headroom constraints and impact on ratepayers.

The capital investment programmes agreed by councils collectively totals \$3.6 billion, around half of what Wellington Water recommended as being deliverable. Funding is particularly constrained in the first three years of the 2024-34 LTP period.

Wellington Water recommended a regional 10-year operating expenditure budget totalling \$1.7 billion (excluding South Wairarapa District Council). Councils have provided a 10-year operating expenditure budget of approximately \$1.5 billion.

The level of funding set by councils for the 2024-34 LTP period means we cannot achieve a balanced programme that delivers on all the region's strategic priorities.

Investment has been prioritised to look after existing infrastructure, but this is still not enough to address the pipe renewals backlog in 30 years or prevent it from increasing. Working towards sustainable water supply and demand has been prioritised in the capital and operating programmes, but this too (for some councils) is still not sufficient to address the risk of an acute water shortage or reduce the ongoing risk of water shortage. There is minimal activity to support growth, achieve net carbon zero and improve resilience in all council programmes.

South Wairarapa District Council (SWDC) has deferred adopting a LTP and instead will be undertaking an annual planning process as enabled by the Water Services Acts Repeal Act. SWDC will consult on an enhanced 2024/25 Annual Plan, then follow with a nine-year 2025-34 LTP in 2025.

This document focuses on the next three financial years, 2024-2027. Below are investment figures for each of our council owners (excluding SWDC) for this three-year period.

Table 1: Council by council capital expenditure 2024-27

Council	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	Total	WWL Recommended
GWRC	\$104.4 M	\$47.0 M	\$32.7 M	\$62.4 M	\$76.1 M	\$81.6 M	\$63.9 M	\$66.1 M	\$57.2 M	\$49.7 M	\$641.2 M	\$1,237.7 M
HCC*	\$79.5 M	\$100.8 M	\$140.3 M	\$131.3 M	\$131.4 M	\$127.9 M	\$151.0 M	\$131.8 M	\$163.4 M	\$148.3 M	\$1,305.8 M	\$2,412.8 M
PCC**	\$70.5 M	\$44.4 M	\$47.5 M	\$47.4 M	\$50.7 M	\$53.1 M	\$49.9 M	\$50.6 M	\$51.4 M	\$49.6 M	\$515.0 M	\$1,686.0 M
SWDC***	\$12.7 M	--	--	--	--	--	--	--	--	--	\$12.7 M	--
UHCC*	\$19.8 M	\$9.4 M	\$9.8 M	\$7.9 M	\$14.7 M	\$19.4 M	\$18.4 M	\$11.5 M	\$12.2 M	\$13.0 M	\$136.1 M	\$460.1 M
WCC****	\$61.8 M	\$60.2 M	\$68.6 M	\$103.1 M	\$94.8 M	\$128.7 M	\$149.8 M	\$147.7 M	\$90.5 M	\$121.6 M	\$1,026.9 M	\$1,761.3 M
Grand Total	\$348.7 M	\$261.8 M	\$298.9 M	\$352.1 M	\$367.5 M	\$409.2 M	\$433.3 M	\$408.0 M	\$375.4 M	\$383.1 M	\$3,637.9 M	\$7,557.8 M
Recommended Annual Total (excluding SWDC)	\$384.5 M	\$410.7 M	\$506.4 M	\$656.5 M	\$961.3 M	\$7,726 M	--					

*All Wastewater Joint Venture costs are captured in HCC budgets. Thus, UHCC figures are understated by \$155M and HCC's figures overstated by the equivalent.

**Awaiting confirmation from PCC on their adopted budget.

***SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year.

****WCC were not able to update their budgets before the adoption meeting to reflect our recommended changes for corporate charges and updates to programme. A revised programme built and socialised with them will be formally incorporated after adoption. The revised programme is what we will be planning to deliver to.

*****The Recommended Annual Total differs from the WWL Recommended as:

- Recommended Annual Total being a regional view of what WWL could deliver – growing the programme year on year, up to approximately \$1B per year.
- WWL Recommended view being a council-by-council programme view based on individual projects that could make up each council's programme. These were built to reach the regional Recommended Grand Total but due to the lumpiness of capital programmes does not match exactly.

Table 2: Council by council operating expenditure 2024-27

Council	Water	23/24 Budget	24/25 Recommended	24/25 Council	25/26 Recommended	25/26 Council	26/27 Recommended	26/27 Council
GWRC	Drinking Water	\$26.0 M	\$28.7 M	\$27.5 M	\$30.7 M	\$29.4 M	\$30.8 M	\$30.0 M
HCC	Drinking Water	\$9.8 M	\$11.9 M	\$14.7 M	\$12.4 M	\$13.9 M	\$13.3 M	\$14.4 M
HCC	Stormwater	\$3.6 M	\$4.5 M	\$4.5 M	\$4.7 M	\$4.5 M	\$4.8 M	\$4.6 M
HCC	Wastewater	\$5.0 M	\$5.3 M	\$5.3 M	\$5.8 M	\$5.5 M	\$5.8 M	\$5.4 M
HCC	Wastewater JV	\$11.5 M	\$13.3 M	\$13.2 M	\$13.5 M	\$13.4 M	\$13.5 M	\$13.4 M
HCC*	Total	\$30.0 M	\$35.0 M	\$37.8 M	\$36.2 M	\$37.3 M	\$37.4 M	\$37.8 M
PCC	Drinking Water	\$4.8 M	\$5.5 M	\$4.8 M	\$5.7 M	\$4.8 M	\$6.1 M	\$4.8 M
PCC	Stormwater	\$2.4 M	\$2.3 M	\$1.4 M	\$2.4 M	\$1.4 M	\$2.3 M	\$1.4 M
PCC	Wastewater	\$3.7 M	\$4.1 M	\$2.7 M	\$4.4 M	\$2.7 M	\$4.3 M	\$2.7 M
PCC	Wastewater JV	\$2.9 M	\$4.0 M	\$3.3 M	\$3.8 M	\$3.4 M	\$3.9 M	\$3.4 M
PCC**	Total	\$13.8 M	\$15.9 M	\$12.3 M	\$16.4 M	\$12.3 M	\$16.5 M	\$12.3 M
SWDC	Drinking Water	\$2.6 M	\$3.9 M	\$3.1 M	--	--	--	--
SWDC	Stormwater	\$0.2 M	\$0.5 M	\$0.4 M	--	--	--	--
SWDC	Wastewater	\$2.7 M	\$3.6 M	\$2.9 M	--	--	--	--
SWDC	Water Races	\$0.2 M	\$0.2 M	\$0.2 M	--	--	--	--
SWDC ***	Total	\$5.8 M	\$8.2 M	\$6.4 M	--	--	--	--
UHCC	Drinking Water	\$2.9 M	\$4.1 M	\$3.2 M	\$4.2 M	\$3.2 M	\$4.5 M	\$3.2 M
UHCC	Stormwater	\$0.8 M	\$1.4 M	\$0.8 M	\$1.4 M	\$0.8 M	\$1.5 M	\$0.8 M
UHCC	Wastewater	\$1.8 M	\$2.4 M	\$1.8 M	\$2.5 M	\$1.8 M	\$2.5 M	\$1.8 M
UHCC	Wastewater JV	\$3.4 M	\$3.9 M	\$4.0 M	\$3.9 M	\$4.0 M	\$3.9 M	\$4.1 M
UHCC	Total	\$9.0 M	\$11.7 M	\$9.9 M	\$11.9 M	\$9.9 M	\$12.3 M	\$9.9 M
WCC	Drinking Water	\$17.5 M	\$24.3 M	\$28.1 M	\$22.4 M	\$23.0 M	\$23.4 M	\$22.7 M
WCC	Stormwater	\$4.1 M	\$7.1 M	\$4.4 M	\$6.0 M	\$4.4 M	\$6.1 M	\$4.3 M
WCC	Wastewater	\$26.0 M	\$31.1 M	\$27.6 M	\$32.4 M	\$27.8 M	\$32.7 M	\$27.7 M
WCC	Wastewater JV	\$3.9 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M	\$5.6 M
WCC****	Total	\$51.5 M	\$68.0 M	\$65.6 M	\$66.3 M	\$60.7 M	\$67.8 M	\$60.3 M
Region		\$136.1 M	\$167.5 M	\$159.5 M	\$161.5 M	\$149.7 M	\$164.9 M	\$150.4 M

* HCC budget includes post consultation additional budget of \$2.8m in 2024/25 and \$1.4m from 2025/26 – 2033/34 for drinking water leak repairs. Residential meters assumed to be fully implemented by 2027/28.

**Awaiting confirmation from PCC on their adopted budget.

***SWDC chose to develop an Annual Plan in 2024/25 and will develop a Long Term Plan next year. SWDC 2024/25 opex budget is subject to council confirmation.

**** WCC budget includes one off cost in Y1 \$2m and Y2 \$4m for Residential meters business case & an additional \$3.3m in Y1 for Drinking Water to be used on leak repair before summer.

Risks associated with current levels of investment (for the next three years)

The risks below are key risks that all our councils across the region face. The likelihood of these risks occurring is dependent on the level of investment each council provides and, some therefore, will vary by council:

- Severe water restrictions or an acute water shortage in future summers;
- Continued risk to drought resilience across the region with current supply capacity only able to meet unrestricted water demand in a 1 in 13 year drought as opposed to 1 in 50 years;

- Wastewater treatment plants are not reliable and do not comply with consent conditions with limited ability to bring the wastewater treatment plants back to compliance reliably in the next three years;
- Not meeting communities' and mana whenua expectations due to wastewater overflows from network and treatment plants;
- Assets fail more regularly due to lack of investment in proactive activities such as renewing and replacing assets, planned maintenance, leak detection and condition assessments;
- Customers face more disruption and longer waits for repairs on the wastewater and stormwater networks;
- Disruption and repair times on the drinking water network will initially improve, but begin to worsen from July 2025; and
- Additional population growth puts pressure on the capacity of the network and treatment plants, leading to impacts on customers and the environment.

Corporate risks associated with current levels of investment (for the next three years)

As well as council risks, Wellington Water has key corporate risks that we manage and mitigate as best we can. These are:

- Staff leave Wellington Water because of the uncertainty with water sector reform;
- Our contractors and suppliers are unable to invest in people and equipment due to uncertainty and lack of sufficient future work;
- We continue to operate in a highly reactive manner, which leads to diversion of staff resource, inefficiencies, and unexpected costs; and
- Our corporate systems and processes are no longer fit for purpose, at the end of their technical life, and don't meet the needs and expectations of our shareholding councils and customers.

Performance measures

To meet the direction set by the Wellington Water Committee, we have set ourselves 17 performance measures that focus on delivering core services. Our councils and the Wellington Water Committee have also set some key expectations for us to deliver. These are listed in the following sections along with how we will deliver the measures.

In the year ahead we will work with our councils to introduce a single regional reporting framework. We will review how we measure and report on outcomes in this document as part of this, with an eye towards a new regional water entity and economic regulation.

We have up to 35 mandated performance measures set by the Department of Internal Affairs (DIA) for each council. Each council sets the targets for the DIA performance measures. In some cases, these don't always align with the funding or the state of the network. More information can be found on page 24.

As a water services provider we meet a wide range of water safety standards and rules under the Water Services Act 2021, which is regulated by Taumata Arowai. These rules are in place to ensure we also provide safe drinking water to our communities. We report annually to Taumata Arowai on our compliance against these standards.

You can find a consolidated view on page 19 of all the Statement of Intent 2024-27 performance measures.

Delivery of core services

We are focused on delivering our core services. Keeping to the core for Wellington Water means:

- Sufficient and safe drinking water for our communities;
- Removing and treating wastewater before returning it to the environment; and
- Stormwater risks and impact are managed.

In a time where all our councils are facing rising costs and tight budgets, we are acutely aware of every dollar we are provided by councils and ratepayers. We prioritise our work to ensure that we are applying resources and people to the right things (eg our core services) and to the areas needed most.

Key to this is having maturing knowledge of the state of councils' assets. Understanding the condition of water assets in the region helps us to prioritise future maintenance and renewal work, as well as analysing risk and evaluating whether urgent repair or replacement work is required. We then use this information to provide councils with advice on what to prioritise their investment on. We have an ongoing programme of condition assessment work, which has been underway since 2020.

The relationship with the customers is important. While the main interface to report issues remains with our councils, it is important that we measure customers' experience when they interact with Wellington Water. How we measure satisfaction has changed in 2024 to align with privacy rules and to receive richer feedback.

We have changed our methodology from a one-on-one phone survey of a sample of customers to an online survey that all customers are invited to complete. Research shows that potential biases can occur in when responding to surveys and this can be amplified depending on the methodology used. For example, some studies shed light on survey takers having what is referred to as social desirability bias where respondents are more likely to

provide positive answers to appear more socially desirable or acceptable to the interviewer. Simply having an interviewer conduct the survey can also sometimes skew results and affect how a person responds to a survey. Because of this, we had anticipated a decline in reported results for satisfaction when moving to an online survey.

The change in methodology has had the expected impact on the result, with customer satisfaction decreasing from 70% under the phone survey to around 50% with the online survey. While we are not happy with this level of customer satisfaction, we will take our new result as a baseline and will aim to improve. Once fully implemented, the new method may allow us to gauge impacts of negative or positive media activity, environmental or economic issues.

Wellington Water is responsible for the delivery of fluoride into the drinking water network at the levels set out in the Ministry of Health guidelines. We will keep focusing on delivery and provide regular reporting and transparency of fluoride levels. The South Wairarapa network is not fluoridated.

Underpinning these core areas of delivery is our ongoing programme of planned maintenance and reactive responses to network outages, and our capital delivery programme which aims to replace and renew as many of the aging assets in our region as possible before they reach the end of their operational lives.

We know the measures below for safe drinking water and wastewater treatment plant consent compliance are not achievable with the current levels of funding. As an example, the lack of chlorine contact-time affecting up to 800 customers in the Hutt City drinking water network will mean we will not achieve the compliance level until the requisite network upgrades are complete. However, to place lower targets than 100% for drinking and wastewater treatment is not acceptable to Wellington Water or our governance, so we will continue to measure and report with the 100% target firmly in our sights for the medium term.

There is an increasing need for renewals of pipes to meet the risk of drinking water loss and wastewater infiltration and exfiltration issues. Each year Wellington Water establishes a pipe renewal target by council and will measure its delivery against that target.

Our ability to deliver hinges on our people. We continue to take care of our people during a time of change and ensure that our staff and the people in our supplier whānau are engaged, informed and supported. We are committed to ensuring that our people remain engaged with the organisation, particularly in a further period of uncertainty over water reform. Our health and safety measure is a leading indicator of a good safety culture.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
1	We deliver a level of service that our customers expect.	The percentage of our customers that report being "Satisfied or Very Satisfied" with our services	≥ 55%	≥ 57.5%	≥ 60%
2	The yearly average level of fluoride leaving each Metropolitan Water Treatment Plant is within the Ministry of Health guidelines 95% of the time.	The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million 95% of the time.	Achieved at all plants	Achieved at all plants	Achieved at all plants

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
3	We will deliver safe drinking water to metro Wellington.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
4	We will deliver safe drinking water to South Wairarapa.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
5	Our metropolitan Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
6	SWDC Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
7	Annual target kilometres of pipe met.	Percentage of pipe replacement/ renewal completed.	≥9.1 kilometres	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
8	We will deliver our capital programme within the expected range.	Total capital delivery is between \$297m and \$347m	\$297m - \$347m	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
9	Our people remain engaged with our company and its purpose.	Our overall engagement score remains stable or increases.	Overall engagement greater than 60%	Overall engagement greater than 60%	Overall engagement greater than 60%
10	We will monitor and address critical health and safety risks for our people.	Health and Safety critical risks will be reviewed, and improvements implemented.	Two or more	Two or more	Two or more

*Measured separately at each Water Treatment Plant. The Metro Wellington drinking water treatment plants are Gear Island, Te Mārua, Wainuiomata and Waterloo. South Wairarapa treatment plants are Waiohine, Memorial Park, Martinborough and Pirinoa.

Note: that we are unable to meet the contact time requirements for chlorine at the Waterloo plant as the first customers serviced are too close to the plant.

Te Mana o te Wai

Water has mana, it has power, authority, and influence. Water sustains life, enables and enriches a flourishing natural environment, and is an essential element to the wellbeing and health of people and communities. The mana of water is multi layered and is derived from its mauri, its life force, and its connection to people through whakapapa.

The phrase 'I am the water, and the water is me / ko au te awa ko te awa ko au' states clearly the importance and significance of water to us as people and the depth and strength of the relationship and personal connection we have with it. This points to the way we give effect to the idea of Te Mana o te Wai as a water services entity. A relational approach to the way we care for, protect, manage, use, and reuse water is the key to our success.

Embedding Te Mana o te Wai into the way we work is a multi-faceted endeavour. This includes the ways we plan for a variety of purposes, manage and navigate the regulatory environment, and manage and pursue operational activities. It begins with early and meaningful engagement.

We will:

- develop a clear organisational understanding of Te Mana o te Wai and what this means for our work;
- look at how we can apply Te Mana o te Wai in core areas of our work; and
- work with our iwi and mana whenua partners, shareholders, and communities to develop this understanding.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
11	Give effect to Te Mana o te Wai.	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on where and how it will be applied to our planning, regulatory and operational activities.	Develop a strategy to give effect to Te Mana o te Wai.	Implement and review strategy.	Implement and review strategy.

Partnering with iwi and mana whenua

We value relationships with mana whenua iwi including Taranaki Whānui ki te Upoko o te Ika, Ngāti Toa Rangatira, Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua, and Rangitāne o Wairarapa.

Having mana whenua iwi at the centre of discussions and decisions about drinking water, wastewater and stormwater is critical to our future success. This must be at the highest-level including engagement and agreement on what we will invest in and when and how we prioritise investment in one thing over another. We value these diverse contributions. We're working to build and maintain trust and confidence in the way we work.

We have made good progress in how we work with mana whenua iwi. We have developed mutual respect and are strengthening our trust with one another. We are better informed about mana whenua iwi needs and priorities and aspirations for water.

In 2023, we signed new partnership agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui. The agreements demonstrate our commitment with mana whenua iwi to realise the benefits of working together to advance Te Mana me Te Mauri o te wai i te Ūpoko o te Ika a Maui. They acknowledge the deep whakapapa connection that both iwi have to the rohe and the commitment we have to early and meaningful engagement. We would like to extend the same partnering arrangements to mana whenua iwi in the Wairarapa.

We will:

- honour our agreements in place with Te Rūnanga o Toa Rangatira and Taranaki Whānui and undertake an annual hui to discuss progress;
- work with Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa to develop ways of working together and potentially to develop partnership agreements;
- build our understanding about Te Ao Māori;
- involve mana whenua iwi in our planning and delivery of projects including through procurement; and
- engage with mana whenua iwi on Resource Management Act related activity.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
12	To demonstrate our commitment to partnering with mana whenua iwi	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements
13	To demonstrate our commitment to partnering with mana whenua iwi	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Partnership agreements offered to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua Rangitāne o Wairarapa	Annual hui to review the relationships	Annual hui to review the relationships

Mitigating the risks of a water shortage

Reducing the risk of water restrictions and water shortages

Our focus for future summers is to work with our councils to reduce the risk of more severe water restrictions and water shortages and reduce the impact on communities as much as possible.

Over previous years we've seen this risk rise. We managed the region through a tricky summer last year and we are now focused on managing the risk for future years.

Wellington Water's approach to this work is driven by three key outcomes: keeping the water in the pipes, reducing water demand, and adding more water supply. We have recommended to our councils that the following activities be undertaken over the 2024/34 period as the initial actions to address this risk:

- continue to increase investment into finding and fixing leaks, managing water loss, and replacing old infrastructure;
- continue to encourage customers to reduce water use;
- investment in water meters across the metropolitan Wellington region; and
- build additional storage lakes.

For the immediate term, we have a clear plan in place. We have outlined our actions and the councils' actions for the 2024/25 summer to Taumata Arowai. Some of these actions are already underway and others will need further analysis and council decision-making.

In looking at our plan and the level of investment councils can afford, removing the risk of Level 3 and 4 Water Restrictions is not realistic. Instead, we're aiming to reduce the risk of entering Level 4 Water Restrictions for the 2024/25 summer.

We will:

- complete work on the Te Mārua Water Treatment Plant upgrade;
- continue operational activities to reduce water loss and leaks, including advancing pressure reduction and targeted renewals activities (such as on service connections)
- work with our councils and Taumata Arowai over the next year and provide regular updates on our progress; and

- engage with the public early and consistently about water restrictions, getting prepared for a potential water shortage and the importance of conserving water.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
14	There is sufficient water to meet customer needs	Wellington Water and councils do not implement Level 4 Water Restrictions	Achieved	Achieved	Achieved

Key expectations from our councils

In the Letter of Expectation 2024 (refer to page 21), the Wellington Water Committee set out a number of activities that require collaboration between Wellington Water and shareholding councils.

Wellington Water supports the outcomes intended by these activities and have set out below the activities we intend to undertake to deliver on these.

Single integrated water meter implementation plan

The installation of residential volumetric water meters in the region and maximising their benefit to reduce water loss and drive water conservation behaviour is a critical tool to address the region's water shortage risk in the medium to long term.

All metropolitan councils have indicated they will support work towards water metering and will progress this on varying timeframes. South Wairarapa District Council already have residential meters.

A consistent and regional roll out across all our council areas is needed to get the desired benefits from meters. Our councils have asked us to work with them to produce a regionally integrated implementation plan for water meters.

This roll-out will include an end-to-end system that reads the meters and provides information on usage to the manager of the network and for customers. This information will enable Wellington Water or a new entity and councils to more effectively address leakage on both public and private networks, as well as identify high use customers.

Investment in this system will require councils to have a common approach and policy positions with regards to charging (e.g. volumetric or service charges), and how to ensure equitable outcomes for communities. Consultation with communities will be critical and we anticipate that this will be a key workstream in the plan.

We will:

- engage with councils to facilitate a common approach and policy positions across the region to establish common business needs;
- develop a project plan that supports those business needs that includes community engagement, stakeholder management, communications, procurement and implementation of the physical meter and the supporting technology systems and processes;
- finalise the scope and provide investment support as required by each council; and
- undertake trials.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
15	We manage the region's water shortage risk in the medium to long term	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas.	A single integrated implementation plan is in place, procurement strategy is in place and detailed business case completed.	Procurement commenced, funding agreed, roll out of water meters has commenced.	Roll out of water meter installation continues.

Compliance, assurance, and performance reporting

Remaining transparent

We ensure the public are aware of incidents and outages that impact their water services and any work we are doing in their local community. We also keep the public informed of areas in our operations of high public interest.

We regularly publish information on our website that includes:

- monthly average fluoridation levels and compliance performance at the metropolitan water treatment plants;
- service outages;
- monthly compliance performance reports of the treatment plants in the region;
- wastewater discharges from the wastewater treatment plants and overflows from the wastewater network; and
- key advice to councils, and responses to Local Government Official Information and Meetings Act requests.

Reporting on our performance

We report to our councils and regulators on a range of activities and performance throughout the year, to provide them with assurance we're maintaining a focus on delivery, value for money, and putting in place improvements where we can.

Our current and regular reporting includes:

- monthly finance, operational, and capital delivery reports by council;
- monthly water (including fluoride) and wastewater treatment plant performance and compliance;
- quarterly and annually on the measures set out in this Statement of Intent and Department of Affairs mandatory measures;
- reporting to Taumata Arowai on our level of water safety compliance; and
- reporting to Greater Wellington Regional Council on our level of compliance with our resource consents.

We will:

- work with councils on how we improve our regular reporting;
- deliver timely reporting to councils on our financial, non-financial, and compliance performance;
- raise issues around current and potential non-compliances of the treatment plants with our councils – we take a 'no surprises' approach; and
- be transparent with the community around non-compliances of the treatment plants, particularly the issues that have a direct impact on public health and safety and the environment.

Demonstrating value for money

The Wellington Water Committee has asked Wellington Water to provide assurance that it has an absolute focus on delivery and sustainable operational gains.

Ensuring that we are delivering value and being as efficient and effective as we can be within current funding levels is important to us, and our communities deserve to know that their rates are being spent wisely.

Delivering the efficiency and effectiveness that our councils and communities expect will require significant investment in people and systems to deliver. We will refocus efforts on scoping up what this will look like for councils and more information on this is provided below.

Single performance framework for the region:

The Wellington Water Committee has asked us to improve efficiency, effectiveness, transparency, and oversight by working with shareholding councils to produce a single integrated performance framework for the region.

Wellington Water’s current reporting framework has grown organically as a response to issues or as practice has matured. We acknowledge councils are financially constrained and are investing heavily in water infrastructure. It is timely to review how we provide assurance to the Wellington Water Committee and our councils to give better oversight of how value is being driven.

Wellington Water will develop a set of key performance indicators that demonstrate to councils, customers, and iwi mana whenua that Wellington Water is operating effectively and efficiently within its current context and constraints.

This will require regular and ongoing collaboration between councils, led by Wellington Water. Early engagement and understanding of council needs and Wellington Water’s current performance framework is an important first step to this.

We will:

- engage with councils and stakeholders to understand their needs;
- develop an integrated project plan;
- produce a roadmap for the next three years and an implementation plan; and
- report back to the Wellington Water Committee for consideration, indicative costs and how these costs will be met.

The success of this work is dependent on regional collaboration and agreement across all our councils. Measures could be introduced earlier if appropriate and resourced and funded. Any work on a performance framework needs to be enduring and must consider the longer term needs of any model used by councils in the future for the delivery of water services in the region.

In the meantime, we will continue with our current regional reporting and review any bespoke reporting to ensure it is sustainable.

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
16	Create a single regional performance framework	Lead work with our shareholding councils to develop a single regional performance framework	Single regional performance framework in place for reporting from 1 July 2025	Implementation	Implementation

While this work is underway, it is important that we are accountable and transparent about our delivery and where improvements are needed. We will continue to assess our operations and our key contracts to ensure we continue to deliver value to our councils and communities.

We will:

- work to continuously improve our efficiency throughout the organisation;
- ensure we set performance targets for ourselves and our suppliers that drive behaviour that enhances effectiveness (e.g. outcomes achieved, quality, timeliness, safety, and value for money);
- investigate options for benchmarking performance and cost comparisons against similar organisations (noting Water NZ no longer provides benchmarking for New Zealand and the Water Services Association of Australia only benchmarks every two years, the next being in 2025/26);
- undertake reviews of the operating Alliance and key contracting arrangements with suppliers over the next two years to ensure they are delivering value and make improvements if needed; and
- provide the Wellington Water Committee with examples of value for money activities.
- work with councils to review traffic management processes with the aim of simplifying and increasing efficiency within current Codes of Practice.

We measure success by:

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
17	Revisit supply chain to ensure efficiency and value for money	Review key contracting arrangements for maintenance and capital works	First review(s) completed and reported to Wellington Water Committee. Agreed actions are implemented.	All reviews are completed and reported to Wellington Water Committee. Agreed actions are implemented.	Agreed actions are implemented

Systems and technology improvements

Significant investment is needed in our technology and asset management systems. This investment is needed for effective and efficient asset management. This would also allow us to produce detailed reporting on activity, associated costs, and fully meet our councils’ and public expectations around efficient and effective operations.

This large programme of work was intended to be delivered through the previous government’s Affordable Water Reform programme and was therefore not included in our investment advice to councils. This means that this work is currently not funded for the upcoming 2024/2025 financial year. With the change in government direction, we’re working with our councils to look at how we can deliver this programme with the intent to provide councils with investment advice for this work as part of the 2025/26 financial year. Although major systems and technology improvements are not funded in 2024/25, we will seek to make improvements on critical areas within available budgets.

We will:

- scope the asset management improvements required for a high-performing organisation;

- develop investment and implementation options and provide these to shareholders for consideration as part of the 2025/26 Annual Plans.

Summary of Statement of Intent 2024-27 measures

The following is a summary of the performance measures from this Statement of Intent 2024-27 that we will be reporting to the Wellington Water Committee on a quarterly basis. We will report against the other activities outlined in this document alongside this.

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
1	We deliver a level of service that our customers expect.	The percentage of our customers that report being "Satisfied or Very Satisfied" with our services	≥ 55%	≥ 57.5%	≥ 60%
2	The yearly average level of fluoride leaving each Metropolitan Water Treatment Plant is within the Ministry of Health guidelines 95% of the time.	The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% of the time.	Achieved at all plants	Achieved at all plants	Achieved at all plants
3	We will deliver safe drinking water to metro Wellington.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
4	We will deliver safe drinking water to South Wairarapa.	We comply with Drinking Water Quality Assurance Rules (Treatment)*	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)	Compliant monthly (12/12 months compliant)
5	Our metropolitan Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
6	SWDC Wastewater Treatment Plants will operate as expected.	We receive zero abatement notices, infringement notices, enforcement orders or convictions for breaches of consent.	0 notices, orders and convictions	0 notices, orders and convictions	0 notices, orders and convictions
7	We will deliver our planned pipe renewals.	Percentage of planned pipe replacement/ renewals completed.	≥ 9.1 kilometres	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
8	We will deliver our capital programme within the expected range.	Total capital delivery is between \$297m and \$347m	\$297m - \$347m	To be set in 25-28 Statement of Intent	To be set in 26-29 Statement of Intent
9	Our people remain engaged with our company and its purpose.	Our overall engagement score remains stable or increases.	Overall engagement greater than 60%	Overall engagement greater than 60%	Overall engagement greater than 60%
10	We will monitor and address critical health and safety risks for our people.	Health and Safety critical risks will be reviewed, and improvements implemented.	Two or more	Two or more	Two or more
11	Give effect to Te Mana o te Wai.	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on	Develop a strategy to give effect to Te Mana o te Wai.	Implement and review strategy.	Implement and review strategy.

#	Purpose	Measure	Target 2024/25	Target 2025/26	Target 2026/27
		where and how it will be applied to our planning, regulatory and operational activities.			
12	To demonstrate our commitment to partnering with mana whenua iwi	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements
13	To demonstrate our commitment to partnering with mana whenua iwi	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Partnership agreements offered to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua Rangitāne o Wairarapa	Annual hui to review the relationships	Annual hui to review the relationships
14	There is sufficient water to meet customer needs	Wellington Water and councils are not required to implement Level 4 Water Restrictions	Achieved	Achieved	Achieved
15	We manage the region's water shortage risk in the medium to long term	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas .	A single integrated implementation plan is in place, procurement strategy is in place and detailed business case completed.	Procurement commenced, funding agreed, roll out of water meters has commenced.	Roll out of water meter installation continues.
16	We will create a single regional performance framework	Lead work with our shareholding councils to develop a single regional performance framework	Single regional performance framework in place for reporting from 1 July 2025	Implementation	Implementation
17	We will revisit supply chain to ensure efficiency and value for money	Review key contracting arrangements for maintenance and capital works	First review(s) completed and reported to Wellington Water Committee. Agreed actions are implemented.	All reviews are completed and reported to Wellington Water Committee. Agreed actions are implemented.	Agreed actions are implemented

*Measured separately at each Water Treatment Plant. The Metro Wellington drinking water treatment plants are Gear Island, Te Mārua, Wainuiomata and Waterloo. South Wairarapa treatment plants are Waiohine, Memorial Park, Martinborough and Pirinoa.

Note: that we are unable to meet the contact time requirements for chlorine at the Waterloo plant as the first customers serviced are too close to the plant.

Letter of Expectation



Mayor Campbell Barry
Chair, Wellington Water Committee
Private Bag 31912
LOWER HUTT

29 February 2024

Nick Leggett
Chair
Wellington Water Limited
Private Bag 39804
WELLINGTON

Kia ora Nick

Letter of Expectation 2024 - 2027

This letter sets out the priorities and expectations of the six shareholding councils and Mana Whenua of Wellington Water Limited (WWL) for the period 2024-2027.

We expect these to be reflected in the development of WWL's draft Statement of Intent for the Wellington Water Committee's consideration. These priorities were developed at a Committee workshop on 9 February 2024 and have been informed by subsequent discussions with Councils and Mana Whenua.

Context

The path of water reform over the last few years has been dynamic and uncertain. Now, a change of Government has seen the repeal of the Labour Government's legislation. The National-led coalition Government's policy, *Local Water Done Well*, returns the responsibility for water services to each Council.

Progression towards a new entity to deliver our water services is now further away than it was at this time last year.

For shareholding Councils, this raises two key considerations:

1. The responsibility for developing a regional or sub-regional position on the form and function of a new water services entity will sit more clearly locally. Work is under way regionally to develop an appropriate vehicle for this work.

This responsibility will sit outside the WWL governance arrangements but will require the active cooperation of the company especially in the provision of information and operational expertise.

2. The focus in the short to medium term must be on WWL managing assets and delivering three water services efficiently and effectively with emphasis as outlined below.

Te Mana o te Wai – the korowai for water services

Te Mana o te Wai prioritises the health and wellbeing of water first. The second priority is the health needs of people and the third is the ability of people and communities to provide for their social, economic, and cultural wellbeing.

We expect WWL to give effect to Te Mana o te Wai in planning, regulatory and operational areas working in partnership with Mana Whenua.

Key Expectations of Wellington Water Limited for 2024-25

1. Improve efficiency, effectiveness, transparency, and oversight by working with shareholders to produce a single framework that encompasses:
 - i. A reporting and performance management scheme including key performance indicators, but also broader productivity indicators that provide confidence that WWL is delivering value for money and competitive tension.
 - ii. A simplified, reduced traffic management regime within existing Codes of Practice.
 - iii. A capital programme planning and management framework, and associated reporting that; is clearly linked to Council Long Term and Annual Works Plans, enables Councils to comply with LGA audit requirements, and provides for Councils to reprioritise investment to support growth and other priorities as appropriate.
 - iv. High level, pragmatic benchmarking to be reported to the Wellington Water Committee to provide value for money assurance of service delivery.

The framework must be common, rather than specific to each of the six shareholders.

2. Provide assurance that WWL has an absolute focus on delivery, value for money and sustainable operational improvements.
3. WWL will review its contracting arrangements around maintenance and capital works and provide assurance that the procurement model is best practice and is delivering the best value for shareholding Councils.
4. Compliance with all regulatory requirements with clear, no surprises advice to shareholders around the risk of non-compliance where appropriate. This is especially relevant – but not limited - to the performance of wastewater treatment plants.
5. WWL will work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils.
6. Where smart investment can produce asset management improvements that can benefit a new water services model, these will be costed and reported back to the Wellington Water Committee.
7. For the next year, drinking water investments and maintenance should be oriented around mitigating the risk of an acute water shortage for the summer of 2025 and beyond.
8. The shareholding Councils endorse the five existing priority areas for WWL:

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

9. WWL must ensure that local Mana Whenua priorities are understood and are incorporated into operations.

This letter is communicated at a time where our assets are failing at a rate faster than ever, with obvious and high-profile consequences across the region. The need for WWL and its shareholders to work together in pursuit of these expectations has never been greater.

The shareholding Councils look forward to receiving a concise draft of the Wellington Water Ltd Statement of Intent no later than 1 April 2024.

Staff are available to provide further details if required. Please contact wendy.walker@porirua.govt.nz should you have any queries.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Campbell Barry', with a stylized flourish at the end.

Campbell Barry
Chair
Wellington Water Committee

Department of Internal Affairs measures

The DIA has the power to make rules specifying non-financial performance measures (the Rules) for local authorities. These Rules are consistent across the country, and therefore across all of our councils. Each council is responsible for setting targets for each Rule, and then Wellington Water reports against the targets throughout the year.

In 2021 as part of our advice on council 2021-31 LTPs, we provided our councils with a set of recommended targets based on investment levels and the state of the assets. The level of uptake across our councils on this advice was limited, and overall, most council DIA targets have remained unchanged for many years.

The first two performance measures, relating to Safety of Drinking Water, refer to compliance with Part 4 and Part 5 of the Drinking Water Standards for New Zealand which were revoked as of 13 November 2022. Taumata Arowai has taken over as the Water Services regulator for New Zealand and has set new measures. Reporting is now done directly to the regulator on a monthly basis. The DIA rules have not been updated to reflect the change in regulation, so we report compliance with the closest approximation of these rules under the new framework.

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p>(1) Performance measure 1 (safety of drinking water)</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria).</p>	Compliant	Compliant*	Compliant	Compliant*	Compliant	Compliant*
Part 2: Sub-part 1 - Water supply	<p>(1) Performance measure 1 (safety of drinking water)</p> <p>The extent to which the local authority's drinking water supply complies with:</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria).</p>	Compliant	Compliant	Compliant	Compliant*	Compliant	Compliant*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p>(2) Performance measure 2 (maintenance of the reticulation network)</p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p> <p>¹ Calculated as a regional mean value</p>	+/- 0.25%	< 20% ¹	< 20% ¹	< 30%	< 17% ¹	< 20% ¹
Part 2: Sub-part 1 - Water supply	<p>(3) Performance measure 3 (fault response times)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site,</p>	≤ 90 min	≤ 90 min	≤ 60 min	< 75% attendance in < 1 hour	≤ 60 min	≤ 90 min
Part 2: Sub-part 1 - Water supply	<p>(3) Performance measure 3 (fault response times)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p>	≤ 8 hours	≤ 8 hours	≤ 4 hour	< 90% resolution in 8 hours	4 hours	8 hours

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.						
Part 2: Sub-part 1 - Water supply	<p>(3) Performance measure 3 (fault response times)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site</p>	≤ 72 hours	≤ 20 working days	≤ 36 hours	≥ 75% attendance in < 2 working days	≤ 36 hours	≤ 72 hours
Part 2: Sub-part 1 - Water supply	<p>(3) Performance measure 3 (fault response times)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption</p>	≤ 20 days	≤ 20 working days	≤ 15 days	≥ 75% resolved in < 5 working days	5 days	20 working days

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Part 2: Sub-part 1 - Water supply	<p>(4) Performance measure 4 (customer satisfaction)</p> <p>The total number of complaints received by the local authority about any of the following:</p> <p>(a) drinking water clarity</p> <p>(a) drinking water taste</p> <p>(b) drinking water odour</p> <p>(c) drinking water pressure or flow</p> <p>(d) continuity of supply, and</p> <p>(e) the local authority's response to any of these issues</p> <p>expressed per 1000 connections to the local authority's networked reticulation system</p>	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections (Except (e))	< 75 per 1000 connections (Except (e))	< 20 complaints per 1000 connections	< 20 complaints per 1000 connections
Part 2: Sub-part 1 - Water supply	<p>(5) Performance measure 5 (demand management)</p> <p>The average consumption of drinking water per day per resident within the territorial authority district</p>	375L	320L	415L	400L	365L	385L
Sub-part 2 – Sewerage and the treatment and	<p>(1) Performance measure 1 (system and adequacy)</p> <p>The number of dry weather sewerage overflows from the territorial authority's</p>	N/A	< 20 per 1000 connections	< 20 per 1000 connections	< 10 per 1000 connections	Zero	< 20 per 1000 connections

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
disposal of sewage	sewerage system expressed per 1000 sewerage connections to that sewerage system.						
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	< 2	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(b) infringement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its</p>	N/A	Nil	Nil	Nil	Nil	Nil

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
disposal of sewage	sewerage system measured by the number of: (c) enforcement orders received by the territorial authority in relation to those resource consents						
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(2) Performance measure 2 (discharge compliance) Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (d) convictions received by the territorial authority in relation to those resource consents	N/A	Nil	Nil	Nil	Nil	Nil
Sub-part 2 – Sewerage and the treatment and disposal of sewage	(3) Performance measure 3 (fault response times) Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	N/A	≤ 60 min	≤ 60 min	≥ 70% resolved in < 1 hour	≤ 1 hour	≤ 90 min

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p>(3) Performance measure 3 (fault response times)</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority’s sewerage system, the following median response times measured:</p> <p>(b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.</p>	N/A	≤ 6 hours	≤ 6 hours	≥ 75% resolved in < 4 hours	≤ 6 hours	8 hours
Sub-part 2 – Sewerage and the treatment and disposal of sewage	<p>(4) Performance measure 4 (customer satisfaction)</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour</p> <p>(b) sewerage system faults</p> <p>(c) sewerage system blockages, and</p> <p>(d) the territorial authority’s response to issues with its sewerage system,</p> <p>expressed per 1000 connections to the territorial authority’s sewerage system</p>	N/A	< 30 total	< 30 complaints per 1000 connections	< 60 per 1000 connections	< 30 complaints per 1000 connections	< 30 complaints per 1000 connections

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 3 – Stormwater drainage	<p>(1) Performance measure 1 (system adequacy)</p> <p>(a) The number of flooding events that occur in a territorial authority district</p>	N/A	2	Zero	0**	2	2
Sub-part 3 – Stormwater drainage	<p>(1) Performance measure 1 (system adequacy)</p> <p>(b) For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.)</p> <p>The regional consistency for habitable floors affected in a flooding event is 10 per event, however as the DIA measure is per 1000 properties connected, we have calculated this based on connections in 2020/21.</p>	N/A	0.57	Zero	0**	0.13	0.24
Sub-part 3 – Stormwater drainage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(a) abatement notices received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
Sub-part 3 – Stormwater drainage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(b) infringement notices</p> <p>received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:</p> <p>(c) enforcement orders</p> <p>received by the territorial authority in relation to those resource consents</p>	N/A	Nil	Nil	Nil	Nil	Nil*
Sub-part 3 – Stormwater drainage	<p>(2) Performance measure 2 (discharge compliance)</p> <p>Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of</p> <p>(d) convictions</p>	N/A	Nil	Nil	Nil	Nil	Nil*

DIA Part/Sub Part	Measures	Targets					
		GWRC	PCC	UHCC	SWDC	WCC	HCC
	received by the territorial authority in relation to those resource consents						
Sub-part 3 – Stormwater drainage	<p>(3) Performance measure 3 (response times)</p> <p>The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.</p>	N/A	≤ 8 Hours	≤ 60 minutes	95% within 5 hours	≤ 60 minutes	8 hours
Sub-part 3 – Stormwater drainage	<p>(4) Performance measure 4 (customer satisfaction)</p> <p>The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.</p>	N/A	< 20 per 1000 connections	< 20 per 1000 connections	Zero**	< 20 per 1000 connections	< 20 per 1000 connections

*These targets are worded significantly differently in the councils' LTP, but are measuring substantially the same level of service

**SWDC does not have a stormwater system as defined by the DIA

Governance and shareholder information

Wellington Water Committee

The Wellington Water Committee is a joint committee of our councils under the Local Government Act 2002 and provides governance oversight of Wellington Water.

It does this by considering the company’s Half-Year and Annual Reports, monitoring performance, recommending directors for appointment, and providing recommendations to shareholders on proposals.

Each shareholder holds an equal percentage of the voting shares (‘A’ shares) of Wellington Water.

The Wellington Water Committee writes an annual Letter of Expectations to Wellington Water’s Board of Directors, which outlines key priorities and areas of focus. It is used to guide the development of our Statement of Intent. The Committee comprises:

Wellington Water Committee		
	Mayor Campbell Barry	Wellington Water Committee Chair Hutt City Council
	Ros Connelly	Wellington Water Committee Deputy Chair Greater Wellington Regional Council
	Mayor Anita Baker	Porirua City Council
	Mayor Tory Whanau	Wellington City Council
	Mayor Wayne Guppy	Upper Hutt City Council
	Deputy Mayor Melissa Sadler-Futter	South Wairarapa District Council

The Wellington Water Committee has space for three appointments of iwi partners. Lee Rauhina-August is the representative of Taranaki Whānui ki te Upoko o te Ika, Andrea Rutene is the representative of Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua and Helmut Modlik is the representative of Te Rūnanga o Toa Rangatira.

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

Information to be provided to shareholders

In each year, Wellington Water will comply with the reporting requirements of 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, 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 Local Government Act 2002); and
- Within three months after the end of each financial year, 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 Local Government Act 2002). Note that the LGA has been amended to temporarily extend the timeframe for this financial year to 30 November 2022 (s67(5)(b)).

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 management services agreements and the shareholders' agreements with client councils.

Equity value of the shareholders' investment

The total shareholders' equity is estimated to be valued at \$1 million as at 31 December 2022. 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.

Ratio of consolidated shareholders' funds to total assets

The ownership of infrastructural assets is retained by the shareholders (or other clients). The business returns all benefits to shareholders; the ratio of shareholders' funds to assets is provided in Appendix 4.

Board of Directors of Wellington Water

All directors must be independent and are 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, unless agreed by the Wellington Water Committee.

The Board is responsible for the direction and control of Wellington Water Limited. The Chair of the Board reports to the Wellington Water Committee. The Board approves strategy, ensures legal compliance, and monitors Wellington Water's performance, risks, and viability.

The Board's approach to the governance of the company is to establish with management (and in consultation with shareholders) clear strategic outcomes that drive performance. The Board is mindful of the significant investment by its shareholder councils in its operations, and of the need to preserve, grow, and demonstrate shareholder value and regional prosperity through the provision of its three waters services.

The Board will ensure that the company focuses on the priorities set out in the shareholders' Letter of Expectations. More broadly, it will ensure the company is mindful of the councils' strategic priorities set out in their long-term plans and focuses on those that are relevant to the company's objective to provide leadership to the region. The Board is also mindful of its relationship with the Wellington Water Committee and how both the Board and the Wellington Water Committee influence the company in different ways.

Our Board supports and empowers our management team to deliver and report on performance using a 'no surprises' approach, by creating an environment of trust where information is freely available, decision-making is transparent, and strategic conversations provide insights and guidance for the company. Consistent with a high-performance organisation, Board members challenge management (and other Board members) to keep a healthy culture of inquiry and openness.

Board of Directors	Appointed to
	<p>Nick Leggett (Chair) 1 September 2025</p>
	<p>Leanne Southey 30 June 2025</p>
	<p>Mahina Puketapu 1 September 2025</p>



Bill Bayfield

1 September 2025



Pat Dougherty

1 September 2025

Wellington Water Limited

Wellington Water is a council-controlled organisation as defined by section 6 of the Local Government Act 2002. Wellington Water is also covered by the Companies Act 1993 and governed by law and best practice. The Shareholders' and Partnership Agreement relating to Wellington Water outlines the way the shareholders manage their shareholdings in Wellington Water and their respective relationships with each other.

The principal objectives of Wellington Water as set out in our Constitution are to:

- Manage drinking-water, wastewater, and stormwater services in the greater Wellington region for local authority shareholders;
- Achieve the objectives of its shareholders;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the company operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

We employ around 400 staff and provide drinking water, stormwater, and wastewater services to customers on behalf of our shareholders.

To do this, we manage annual expenditure of approximately \$510 million (based on the 2024/25 budget) to maintain and develop water assets with a replacement value upwards of \$12.3 billion. We also provide investment advice on the future development of the three waters assets and services.

Each shareholding client council owns its own three waters assets (pipes, pump stations, reservoirs, and treatment plants), and decides on the level of service it will purchase from us, the policies it will adopt, and the investments it will make (after considering our advice) in consultation with its community.

We operate under the Companies Act 1993 and the Local Government Act 2002 and comply with the Health Act 1956, requirements of the Drinking Water Regulator Taumata Arowai under the Water Services Act, and other legislation such as the Resource Management Act 1991, the Wellington Regional Water Board Act 1972 and the Health and Safety at Work Act 2015.



- Six client councils jointly own Wellington Water Limited.
- Each council owns its three waters assets.
- The Wellington Water Committee represents the councils.

↕ Service level agreements, pricing and policies ↕

Wellington Water Limited

- **Network Strategy and Planning:** asset planning, information management, education.
- **Network Development and Delivery:** project design, work programme management.
- **Customer Operations:** network operations, service delivery, customer service.
- **Network Management:** treatment facilities, quality control, innovation.
- **Business Services:** financial, procurement, business support, communications, planning, performance.
- **Regulatory Services:** legal, regulation, risk, assurance.
- **Chief Executive Office:** company strategy, leadership.

Senior Leadership Team		
	Tonia Haskell	Chief Executive
	Julie Alexander	Group Manager Network Strategy and Planning
	Susannah Cullen	Group Manager Network Development and Delivery
	Jeremy McKibbin	Group Manager Network Management
	Mark Ford	Group Manager Business Services

Vacant	Group Manager Customer Operations
 Charles Barker	Director of Regulatory Services

Prospective financial statements

Wellington Water receives annual management fees from its six client councils. These cover operating expenses such as employee costs, vehicle costs, directors' fees, and depreciation.

Funding is also received for the council work programme. This work programme (capex and opex) is managed by Wellington Water employees. The planned spend in the next three years is \$944 million on three waters capital projects and \$403 million on three waters infrastructure maintenance and operation.

Wellington Water adopts a 'no surprises' approach. Regular forecasting and ongoing communication with our client and shareholder representatives enable us to achieve this.

The summary financials below support the delivery of our three customer outcomes: safe and healthy water; respectful of the environment; and resilient networks that support our economy.

The financials in this SOI are draft and include a number of assumptions that are subject to change. Final council approved budgets were not available at the time of publishing.

Prospective Statement of Comprehensive Revenue and Expenses

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Council work programme	485,403	407,363	457,005
Management & advisory services	22,814	22,814	22,814
Other revenue	1,600	1,600	1,200
Total revenue	509,817	431,777	481,019
Council capex expenditure	(348,740)	(275,096)	(323,184)
Council opex expenditure	(136,663)	(132,266)	(133,821)
Salaries and wages	(51,062)	(53,346)	(55,479)
Direct costs charged to capex programme	27,542	29,101	30,265
Direct costs charged to opex programme	18,191	18,654	19,400
Superannuation	(1,609)	(1,681)	(1,748)
Directors' fees	(210)	(210)	(210)
Audit - financial statements	(303)	(315)	(328)
Operating leases	(2,450)	(2,548)	(2,650)
Other personnel costs	(2,201)	(2,145)	(2,221)
Other expenditure	(13,758)	(11,664)	(9,130)
Depreciation and amortisation	(2,270)	(2,165)	(1,913)
Total expenses	(513,533)	(433,681)	(481,019)
Surplus/(deficit) before tax	(3,716)	(1,904)	-
Attributable to:			
Wellington City Council	(1,487)	(762)	-
Hutt City Council	(743)	(381)	-
Upper Hutt City Council	(297)	(152)	-
Porirua City Council	(446)	(228)	-
Greater Wellington Regional Council	(557)	(286)	-
South Wairarapa District Council	(186)	(95)	-
Total comprehensive revenue and expenses	(3,716)	(1,904)	-

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

Prospective Statement of Changes in Equity

	Retained Earnings \$000	Issued Capital \$000	Total \$000
Balance at 1 July 2024	7,644	1,000	8,644
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(3,716)	-	(3,716)
Projected balance at 30 June 2025	3,928	1,000	4,928
Balance at 1 July 2025	3,928	1,000	4,928
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(1,904)	-	(1,904)
Projected balance at 30 June 2026	2,024	1,000	3,024
Balance at 1 July 2026	2,024	1,000	3,024
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	-	-	-
Projected balance at 30 June 2027	2,024	1,000	3,024

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Prospective Statement of Financial Position

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Cash and cash equivalents	39,885	38,874	39,515
Receivables and prepayments	56,646	47,975	53,447
Total current assets	96,531	86,849	92,962
Intangible assets	124	132	132
Property, plant and equipment, vehicles	3,971	3,070	2,429
Total non-current assets	4,095	3,202	2,561
Total assets	100,626	90,051	95,523
Payables and provisions	92,837	83,961	89,310
Employee entitlements	2,836	3,041	3,163
Total current liabilities	95,673	87,002	92,473
Employee entitlements	25	25	25
Total non-current liabilities	25	25	25
Total liabilities	95,698	87,027	92,498
Net assets	4,928	3,024	3,024
Issued capital	1,000	1,000	1,000
Retained earnings	3,928	2,024	2,024
Total equity	4,928	3,024	3,024
Shareholder equity ratio	5%	3%	3%

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Prospective Statement of Cash Flows

	Budget 2025 \$000	Projection 2026 \$000	Projection 2027 \$000
Receipts from customers	514,570	430,177	479,819
Interest received	1,600	1,600	1,200
Employees and suppliers	(511,263)	(431,516)	(479,106)
Net cash flow from operating activities	4,907	261	1,913
Purchase of intangibles	(165)	(165)	(165)
Purchase of property, plant and equipment, vehicles	(1,407)	(1,107)	(1,107)
Net cash flow from investing activities	(1,572)	(1,272)	(1,272)
Net cash flow from financing activities	-	-	-
Net cash flow	3,335	(1,011)	641
Add: cash at the beginning of the year	36,550	39,885	38,874
Cash at the end of the year	39,885	38,874	39,515
Comprising:			
Cash at bank and on hand	39,885	38,874	39,515

The financials in this SOI are draft and include a number of assumptions which are subject to change. Final council approved budgets were not available at the time of publishing.

