

Safe and reliable services

Provide uninterrupted access to safe, clean and drinkable water

- (i) **The extent to which Watercare's drinking water supply complies with part 4 of the drinking water standards (Bacterial Compliance Criteria).**

(SOI Target 2017/18: = 100% – Achieved: 100%;
Previous year: 100%)

Watercare met this target. Water treated at all of our graded treatment plants met the Bacterial Compliance Criteria set by the Drinking Water Standards for New Zealand (DWSNZ). Compliance with DWSNZ is verified through a combination of continuous online analysers at various stages of the water treatment process and an extensive sampling and analysis programme by Watercare Laboratory Services. The results from this programme are independently assessed by a Ministry of Health-appointed drinking water assessor. The reported result is based on the grading achieved in November 2017, for the year beginning 1 July 2016 and ending 30 June 2017 inclusive. The 2017/18 result will be available after the grading in November 2018 for the year beginning 1 July 2017 and ending 30 June 2018.

- (ii) **The extent to which Watercare's drinking water supply complies with part 5 of the drinking water standards (Protozoal Compliance Criteria).**

(SOI Target 2017/18: = 100% – Achieved: 100%;
Previous year: 100%)

Watercare met this target. Water treated at all of our graded treatment plants met the Protozoal Compliance Criteria set by the Drinking Water Standards for New Zealand (DWSNZ). Compliance with DWSNZ is verified through a combination of continuous online analysers at various stages of the water treatment process and an extensive sampling and analysis programme by Watercare Laboratory Services. The results from this programme are independently assessed by a Ministry of Health-appointed drinking water assessor. The reported result is based on the grading achieved in November 2017, for the year beginning 1 July 2016 and ending 30 June 2017 inclusive. The 2017/18 result will be available after the grading in November 2018 for the year beginning 1 July 2017 and ending 30 June 2018.

- (iii) **Median response time for attendance to urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site.**

(SOI Target 2017/18: ≤ 60 mins – Achieved: 54 mins;
Previous year: 41 mins)

Watercare met this target. The median response time for our maintenance crew to attend to urgent issues was 54 minutes, which is within the target of 60 minutes or less.

- (iv) **Median response time for resolution of urgent call-outs: from the time that Watercare receives notification to the time that service personnel confirm resolution of the fault or interruption.**

(SOI Target 2017/18: ≤ 5 hours – Achieved: 3 hours;
Previous year: 3 hours)

Watercare met this target. The median response time for our maintenance crew to resolve urgent issues such as faults or interruptions was 3 hours, which is within the target of 5 hours or less.

- (v) **Median response time for attendance of non-urgent call-outs: from the time that Watercare receives notification to the time that service personnel reach the site.**

(SOI Target 2017/18: ≤ 3 days – Achieved: 3 days;
Previous year: 1 day)

Watercare met this target. The median response time for our maintenance crew to attend to non-urgent water issues was three days, which met the target of three days or fewer.

The change in time taken to attend to non-urgent call-outs is the result of an efficiency programme and technology improvements to re-prioritise fault calls so that we utilise our maintenance crews more efficiently, and at the same time continue to be responsive to urgent issues raised by customers.

- (vi) **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.**

(SOI Target 2017/18: ≤ 6 days – Achieved: 3 days;
Previous year: 2 days)

Watercare met this target. The median response time for our maintenance crew to resolve non-urgent issues was three days, which is well within the target of six days or fewer.

- (vii) **The total number of complaints received by Watercare about any of the following:**

- drinking water clarity
- drinking water taste
- drinking water odour
- drinking water pressure or flow
- continuity of supply.

Watercare's response to any of these issues are expressed per 1000 connections to the local authority's networked reticulation system.

(SOI Target 2017/18: ≤ 10 – Achieved: 4; Previous year: 6)

Watercare met this target. It relates to the volume of calls we received regarding water quality and supply issues for the year ended 30 June 2018. The number of complaints received per 1000 connections was 4, which is well within the target of 10 or fewer.

(viii) The percentage of real water loss from Watercare's networked reticulation system.

(SOI Target 2017/18: $\leq 13\%$ – Not achieved: 13.1%; Previous year: 11.9%)

Watercare substantially met this target, with water loss marginally above the specified target (13.1%). The water losses in this measure are calculated by deducting water sales volumes and allowable unbilled water usage from the total volume of water produced. These allowable uses fall into three categories: operational usage (pipeline flushing, fire-fighting etc.); meter under-recording; and unauthorised usage. The volumes attributed to these three activities are calculated by using percentages recommended by Water New Zealand.

The total volume of water produced is calculated by using readings from our Bulk Supply Points (BSP). A review over the year has identified that some BSPs are overestimating supply, which overstates real losses by as much as 0.8%. Improved checking procedures have been implemented to ensure these errors are corrected for the year 2018/19.

(ix) Gross per-capita consumption* of water per day per resident.

(SOI Target 2017/18: 268 +/- 2.5% – Not achieved: 278; Previous year: 273)

Watercare did not meet this target. The gross per-capita consumption was 278 litres per day this year, against a target of 268 litres per day (+/- 2.5%). The increase in gross per-capita consumption can be attributed to the long, hot and dry weather and, consequently, a prolonged period of high water demand from customers in our network as well as consumers who normally depend on rainwater tanks for their water supply. Consumption increased by 5% from late spring to early autumn during the 2017/18 year compared to the same period in 2016/17.

We acknowledge that we need to increase our focus on implementing our water efficiency strategy to make a meaningful impact and ensure we meet the targets in the coming years.

Internally, we are working to streamline the delivery of the water efficiency programme to domestic and non-domestic customers, and develop tools to understand localised demand and its causes. Due to the lag in population data collection (up-to-date Census data is available every five years) and the pace of growth in Auckland, it is difficult to calculate per-capita consumption accurately.

* Gross per-capita consumption includes both residential and commercial water consumption.

Provide reliable wastewater services and manage discharges to maintain or improve the health of the environment

(i) The number of dry-weather overflows from Watercare's sewerage system, expressed per 1000 sewerage connections to that sewerage system.

(SOI Target 2017/18: ≤ 10 – Achieved: 0.3; Previous year: 0.4)

Watercare met this target. The number of wastewater overflows from our retail network during dry weather is a measure of the network's capability to meet current demand. The result for the year was 0.3 dry-weather overflows per 1000 connections, which is well under the target of 10 or fewer.

The dry-weather overflows recorded in 2017/18 were a result of third-party occurrences like blockages and incorrect disposal of fats, oils and grease down the wastewater network.

(ii) Compliance with 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.

(SOI Target 2017/18: a) ≤ 2 , b) ≤ 2 , c) ≤ 2 , d) = 0.

Achieved: a) = 0, b) = 0, c) = 0, d) = 0;

Previous year: a) = 0, b) = 0, c) = 0, d) = 0)

Watercare met this target. There were no abatement, infringement or enforcement notices or convictions for the 2017/18 year.

(iii) Attendance at sewage 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.

(SOI Target 2017/18: ≤ 60 mins – Achieved: 48 mins; Previous year: 50 mins)

Watercare met this target. The median response time for our maintenance crew to attend to wastewater overflows or blockages was 48 minutes, which is within the target of 60 minutes or less.

- (iv) **Attendance at sewage 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.**

(SOI Target 2017/18: ≤ 5 hours – Achieved: 3 hours;
Previous year: 3 hours)

Watercare met this target. The median response time for our maintenance crew to resolve wastewater overflows or blockages was 3 hours, which is within the target of 5 hours or less.

- (v) **The total number of complaints received by Watercare about any of the following:**

a) sewage odour

b) sewerage system faults

c) sewerage system blockages

Watercare's response to issues with its sewerage system expressed per 1000 connections to the Watercare sewerage system.

(SOI Target 2017/18: ≤ 50 – Achieved: 19;
Previous year: 24)

Watercare met this target. It relates to the volume of calls we received regarding wastewater odours, overflows, broken pipes and other network issues for the year ended 30 June 2018. The number of complaints received per 1000 connections was 19, which is well within the target of 50 or fewer.

- (vi) **Average number of wet-weather overflows per discharge location.**

(SOI Target 2017/18: ≤ 2 – Achieved: 1.7;
Previous year: 3.4)

Watercare met this target. The average number of wet-weather overflows for the transmission network per discharge location was 1.7, which is within the target of two or fewer overflows.

Health, safety and well-being

- (i) **Lost-time injury frequency rate (LTIFR) per million hours worked.**

(SOI Target 2017/18: ≤ 5 – Achieved: 3.5;
Previous year: 2.4)

Watercare met this target. We recorded an LTIFR of 3.5, which is within the target of five or fewer. Although there has been an increase in our LTIFR since 2016/17, there were no injuries of a serious nature during the year.

We continued to focus on increased reporting and providing training to staff to improve health and safety

understanding and capability across the business. We refined our 'permit to work' system and ran a pilot programme to trial it. Training for the roll-out of the revised system is under way across various areas of the business.

Our focus for the next year is on integrating wellness into health and safety. We aim to establish our wellness committee, determine its focus areas and deliver a tailored wellness programme in 2018/19.

- (ii) **Total recordable injury frequency rate (TRIFR) per million hours worked.**

(SOI Target 2017/18: ≤ 20 – Achieved: 8.2;
Previous year: 13.2)

Watercare met this target, achieving a TRIFR of 8, against a target of 20 or fewer injuries for every million hours worked per year. This rate is significantly lower than the TRIFR for 2016/17 and in general, it has been steadily decreasing over the past three years. This can be attributed to the increased reporting that has enabled more learnings and better behaviours, resulting in fewer injuries at work.

- (iii) **Percentage of voluntary leavers relative to the number of permanent staff.**

(SOI Target 2017/18: $\leq 12\%$ – Not Achieved: 13.8%;
Previous year: 12.1%)

Watercare did not meet this target. Voluntary staff turnover for 2017/18 was 13.8%, against a target of 12% or less. The increase in staff turnover reflects the overall trends in the labour market. Our growing economy has meant that employers are competing for the same pool of talent and this has challenged retention across all industries. It is worth noting that the national average rate for attrition based on the Institute of Human Resources' most recent survey is 18.8%.

Customer satisfaction

- (i) **Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services.**

(SOI Target 2017/18: $\geq 80\%$ – Achieved: 83%;
Previous year: 84%)

Watercare met this target. We used an automated feedback programme (Voice of the Customer) to survey customers after they interact with Watercare. We consider customers as being satisfied if they rate their overall experience between 7 and 10 on a scale of 0–10. For 2017/18, 4238 customers rated us between 7 and 10 out of 5079 respondents, which equates to 83%.

(ii) Percentage of complaints ‘resolved and closed’ within 10 working days.

(SOI Target 2017/18: $\geq 95\%$ – Achieved: 98%;
Previous year: 98%)

Watercare met this target. In 2017/18, 848 complaints were received and of these complaints, 98% (833) were resolved within the stipulated 10-day period, against a target of 95% or more. The overall number of complaints increased by 20% this year compared to the result of 709 in 2016/17, and can be attributed to the introduction of more digital channels for customers to engage with us. However, our resolution rate remained high at 98%.

For the purpose of this measure, a ‘complaint’ relates to transactional complaints such as price increases, account maintenance, employee behaviour, payments and refunds. It excludes calls received about drinking water quality and wastewater issues as these have been reported separately above.

(iii) Percentage of the 19 iwi groups throughout Auckland that Watercare has entered into a Memorandum of Understanding (MoU) with.

(SOI Target 2017/18: 88% – Not Achieved: 32%;
Previous year: 16%)

Watercare did not meet this target. However, over the year our relationships have strengthened and the number of MoUs signed has doubled. We signed MoUs with six iwi groups in 2016/17, which equates to 32% against a target of 88%.

Our focus has been on maintaining and enhancing our relationship with iwi groups. Kanohi ki te kanohi (face to face) kōrero (discussions) have taken place over the year. Our chief executive, company secretary and Poutiaki Tikanga Māori (principal advisor) represent Watercare at these discussions. The iwi mentioned are represented by the chair of the respective iwi rūpū (group) and/or senior governance representatives.

It is important to note that from a cultural perspective the kanohi ki te kanohi, rangatira ki te rangatira (face to face, leader to leader) hui have importance and, over time, the signing of a relationship agreement may occur.

Early engagement and collaboration with mana whenua has led to a number of major projects receiving resource consents without formal submissions made by any of the 19 tribal authorities.

These projects include:

- the Central Interceptor
- the new outfall from the Army Bay Wastewater Treatment Plant
- the new wastewater treatment plant at Snell’s Beach to cater for the growth at Warkworth.

- the proposed application to increase discharge of treated wastewater from a new plant to be constructed at Pukekohe. Nine marae on the Waikato River came together to form Te Taniwha O Waikato (“Te Taniwha”), which supported the application.

Financial responsibility

(i) Minimum funds flow from operations (FFO) to interest cover ratio before any price adjustment.

(SOI Target 2017/18: ≥ 2.5 – Achieved: 4.2;
Previous year: 3.9)

Watercare met this target. The funds from operations (FFO) to interest cover ratio for the year ending 30 June 2018 was 4.2. Funds from operations were boosted by higher-than-budgeted revenue, while interest expense benefited from a combination of lower-than-budgeted new borrowings and lower-than-projected cost of funds.

(ii) Percentage of household expenditure on water supply services relative to the average household income.

(SOI Target 2017/18: $\leq 1.5\%$ – Achieved: 0.9%;
Previous year: 0.9%)

Watercare met this target. The average monthly household water and wastewater bill from us was \$78.22 for the period 1 July 2017 to 30 June 2018 inclusive. Statistics New Zealand’s current (2017) average monthly household income in Auckland is \$9,172.80. This means that the average household water bill represents 0.9% of the average household income. This is well within the stipulated target to keep the average monthly household water bill below or equal to 1.5% of the average monthly household income.

To provide a meaningful comparison, a litre of retail bottled water costs approximately \$2.00, whereas 1000 litres of tap water supplied by Watercare cost \$1.48 in 2017/18.