

Date: Tuesday 11 March 2025
Time: 10.00am
Meeting Room: Room 1, Level 26
Venue: Te Wharau o Tāmaki - Auckland House
135 Albert Street, Auckland

**Komiti mō te Whakahaere Tikanga me te Aro ki te
Pae Tawhiti mō ngā Whakahaere ka
Whakahaerehia e te Kaunihera /
Council Controlled Organisation Direction and
Oversight Committee**

OPEN MINUTE ITEM ATTACHMENTS

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A presentation slide for Watercare Services Limited. The slide has a blue background with large, overlapping circles in various shades of blue. The text is white and centered. At the top right, there is a small Watercare logo. At the bottom right, there is a small number '1'.

Watercare Services Limited

CCO Direction and Oversight Committee | 11 March 2025

Watercare Chair, Geoff Hunt

Chief Executive, Dave Chambers

Deputy Chief Executive Officer, Jamie Sinclair

Chief Strategy and Planning Officer, Priyan Perera

Watercare

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Agenda

1. Performance overview
2. Update on financial separation
3. Development controls/network capacity
4. Group Shared Services implementation



High level business performance summary to end of January 2025

Revenue: YTD \$9m unfavourable (1.7%) due to lower than budgeted consumption volumes. Infrastructure Growth Charges (IGCs) are lower than budgeted by \$5m YTD however this is offset by new development, rental and interest incomes. IGCs continue to trend downwards.

Costs: Direct Expenditure is \$17m favourable to budget YTD. Lower Waikato District Council (WDC) project costs, professional services costs in Programme Delivery and Strategy & Planning; and Digital opex are the main drivers. These are partially offset by higher energy and chemical operating costs due to the reliance on Waikato treatment plants to ensure dam levels are maintained (Waikato 50 has been brought back into service on 23 January 2025). On track to achieve cost budget for F25 including direct cost savings of \$13m.

Capex: The capex spend year to date is \$556m compared to plan of \$721m. The full year capital programme has now been revised to \$1.17b from the original target value of \$1.21b. This could still be optimistic, although strategic property purchases and local network renewals have been brought forward. We will not short cut planning and design stages nor construction competitive procurement practices. Of the 19 capital works projects scheduled to be completed in FY25, 18 are on or under budget. Central Interceptor project remains on track.

25 SOI measures have been achieved as at end of January 2025

Key SOI measures

- ✓ Taumata Arowai Water Quality Assurance measures: In January, 7 of the 8 Taumata Arowai measures were achieved.
- ✓ Median response time for resolution of urgent callouts is 3.33 against the target of ≤ 5 hours .
- ✓ Real water loss is 12.14%, below our target of ≤13%.
- ✓ Community Trust Score is 55, against a target of ≥55 and Customer Net Satisfaction Score is 54 against a target of ≥45.
- ✓ Percentage of customer complaints resolved within ten days of notification is 99.33%, above our target of ≥95%.
- ✓ Health and safety: Every month, a minimum of one permit audit is conducted per site (target 36, one per site) : In January. 44 permit audits were conducted.

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SOI measures not achieved as at end of January 2025

- 1. Attendance at sewerage overflows** resulting from blockages or other faults was 78 minutes, above our target of 75 minutes or less. This is a rolling 12- month average. It should be noted that the resolution of faults has been achieved within the KPI timeframe (i.e. 3.12 hrs against a target of ≤ 5 hours) and we are meeting all P2 (on site within 240 minutes). There are 14 DIA measures, this is the only 1 not achieved.
- 2. Adherence to the Service Level Agreement with Council (10 working days) for Watercare to provide specialist input into resource consents (3 months rolling average):** 86.84% below our target of 90%. There has been an increase in specialist input requests coming through and with the team also looking at the capacity reviews following the Watercare constraint map release.
- 3. Leakage performance – litres/connection/day (l/c/d):** The aim is to achieve an economic level of leakage (ELL) at or close to the target of 98.2 l/c/d. As we are above that target, with the ELL being at 112.22 l/c/d, we are continuing our proactive leak detection programme, within our existing opex budget.
- 4. Taumata Arowai Water Quality Assurance Rules:** In January, Residual disinfection (chlorine) was met in 36 distribution zones, and not met in four distribution zones due to some sample results having less than 0.1 mg/L chlorine.

