

WATERCARE SERVICES LIMITED

AGENDA | Board meeting | 19/9/2014

Venue Watercare Boardroom, Level 2, 73 Remuera Road, Newmarket
 Time 09.30am

Open Public Meeting

Item	Spokesperson	Action sought at governance meeting	Supporting Material	Section Page
1. Apologies	Chair	<ul style="list-style-type: none"> Record Apologies 		
2. Minutes of Meeting	Chair	<ul style="list-style-type: none"> Approve Board Meeting Minutes <ul style="list-style-type: none"> 21 August 2014 	Minutes 21 August 2014	1 - 2
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> Corporate Planner 2014 Review Disclosure of Interests Organisational Chart 	Corporate Planner Disclosure of Interests Organisational Chart	1 2 - 3 4
4. Scorecard and Chief Executive's Report	R Jaduram	<ul style="list-style-type: none"> Note the Chief Executive's report <ul style="list-style-type: none"> Key Performance Scorecard Health and Safety Customer Services Infrastructure and Planning Operations Finance Board Correspondence Execution of Documents Working with Local Boards Statutory Planning Non Domestic Wastewater Tariff 	Chief Executive's Report	1 - 53
5. Proposed Water and Wastewater Bylaw	R Fisher	<ul style="list-style-type: none"> Note report 	Paper	1 - 69
6. General Business	Chair			-

Date of next Meeting – 22 October 2014

Location – Watercare Services, 73 Remuera Road, Newmarket

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Boardroom, Level 2, Watercare Services Limited, 73 Remuera Road, Remuera, Auckland
DATE	21 August 2014
TIME	09:00
STATUS	Open Session

	Present:	In Attendance:	Public in Attendance:
	M Allen D Clarke (Chairman) N Crauford P Drummond C Harland J Hoare S Huria T Lanigan A Delany (Board Observer)	R Chenery R Fisher D Hawkins R Jaduram T Langridge B Monk R O'Connor B Taplin G Wood D Worsnop	One member of the public
1.	Apologies <ul style="list-style-type: none"> M Ford 		
2.	Minutes of Previous Meeting <ul style="list-style-type: none"> The Board resolved that the Minutes of the public section of the Board meeting held on 31 July 2014 at 09:00, be confirmed as correct. 		
3.	Directors Corporate Governance Items <ul style="list-style-type: none"> Corporate Planner 2014 The meetings of the Health and Safety Committee will be added to the corporate planner. Disclosure of Interests The disclosure of interests was noted. Organisational Chart The organisational chart was noted. 		
4.	Chief Executive's Report <ul style="list-style-type: none"> Infrastructure Planning The Board discussed the proposed change in procurement methodology to be implemented for the Hunua 4 project, section between Campbell Crescent to the Khyber Pass reservoir. The Board was assured that there will be no diminution in probity and the proposed more sophisticated process has been thoroughly audited. The Board was advised that the Pukekohe to Clarks Beach watermain will be fully operational in October 2014. This will bring the former Franklin District Council area supply up to the Ministry of Health drinking water standards. The Mayor and the Chairman of the Local Board will be invited to an appropriate opening ceremony. Following another failure of the power supply to the Ardmore WTP, the restart process worked successfully. 		

	<ul style="list-style-type: none"> • Finance <p>The Board noted that the level of 60-day and over debtors continues to fall, as does the quantum of the average debt per account, now only \$94.</p> <p>Brian Monk spoke to the report on the Water Utility Consumer Assistance Trust (WUCAT). The Board has previously noted that the number of applicants that progress to the second stage of the process is significantly less than the number who complete the initial application form.</p> <p>A survey has been undertaken of 249 such customers which shows the primary reasons applicants do not progress to the second stage is :</p> <ul style="list-style-type: none"> ➤ people have paid the invoice ➤ the property has been sold ➤ payment arrangements have been made. <p>Only a small percentage of customers reported that the process was too difficult.</p> <p>Restrictions – Five new restrictions have been implemented and six restrictions removed as the debt had been cleared.</p> <p>The Board were advised that after numerous attempts have been made in correspondence and in person, a further two members of the Water Pressure Group have paid the long outstanding arrears. Action by way of restrictions will now be taken to recover the significant sums involved.</p> <ul style="list-style-type: none"> • Non Domestic Wastewater Tariff <p>The Board commended the work which Rebecca Chenery had undertaken in conjunction with the Non-Domestic Wastewater Tariff Project. Marlon Bridge continues to work to resolve the remaining issues with the three large industrial entities.</p>
5.	<p>Proposed Water Supply and Wastewater Bylaw</p> <ul style="list-style-type: none"> • Rob Fisher spoke to the paper. He said a similar process was required to that undertaken with the new Trade Waste Bylaw, in that Watercare will propose the bylaws to be repealed and new bylaws to be enacted. These will be recommended to Auckland Council. A Watercare appointed bylaw panel will hear any submissions from the public in February 2015. • The Board resolved to approve the formal bylaw development process to create the new water and wastewater bylaws to assist with protection of the Watercare networks.
6.	<p>Rural Water and Wastewater Upgrade Programme</p> <ul style="list-style-type: none"> • Rob Fisher spoke to the paper, noting that by the end of 2014, all water treatment plants would be compliant with the Drinking Water Standards for New Zealand. <p>Good progress is being made with the Wastewater Treatment Plants and it was to be hoped that all those requiring new consents will have them in place by the end of 2018.</p> <p>Work is underway on the regional wastewater strategy for both the northern and southern areas of Auckland.</p>
7.	<p>AMDD Provisional Trade Waste Charges 2014/15</p> <ul style="list-style-type: none"> • The Board resolved to adopt the AMDD provisional trade waste charges for 2014/15, subject to support being received from the Employers and Manufacturers Association.
8.	<p>General Business</p> <ul style="list-style-type: none"> • There was no general business. • The meeting closed at 10:20.

CERTIFIED AS A TRUE AND CORRECT RECORD

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Chairman

2014 BOARD PLANNER

	2014											
	January	February	March	April	May	June	July	August	September	October	November	December
Board Meeting		^4 Feb New market 27 Feb Jubilee	13 March New market (Workshop)	(Easter See May)	1 May Jubilee 29 May Jubilee*	27 June Jubilee	31 July New market	21 Aug New market	19 Sept New market	22 Oct Jubilee*	21 Nov New market	19 Dec New market
Health & Safety Committee		27 Feb Jubilee		(Easter See May)	1 May Jubilee 29 May Jubilee*	27 June Jubilee	31 July New market	21 Aug New market	19 Sept New market	22 Oct Jubilee*	21 Nov New market	19 Dec New market
Audit + Risk Committee Meeting		^4 Feb New market			6 May New market		^31 July New market	19 Aug New market			11 Nov New market	
Capital Projects Working Group		4 Feb New market			23 May New market				16 Sept New market			
Remuneration Committee		27 Feb Jubilee (follow s Board Meeting)			29 May Jubilee	30 June New market	30 July New market 5:30pm	21 August New market (follow s Board meeting) 1pm	19 Sept New market (follow s Board meeting) 1pm			
Statement of Intent		Approval of Draft 2014-2017 SOI	1 March Draft SOI to shareholder		Present shareholder SOI feedback at public meeting	Final 2014-2017 SOI issued to shareholder			Work on 2015-2018 Sol Key dates yet to be advised by Auckland Council			
Shareholder Interaction**		26 Feb LTP scene-setting session 27 Feb Quarterly report due to Council	4 March CCO Governance and Monitoring Committee		19 May Quarterly report due to Council	3 June Quarterly briefing to Council	9 July Joint w orkshop w ith Councillors 7 July - LTP w orkshop 25 July LTP w orkshop	15 August Quarterly report due to Council	26 Sept Draft LTP financials due		17 Nov Quarterly report due to Council	
Key Finance Decisions		27 Feb Approval of 2014/15 input to Auckland Council Annual Plan			29 May Approval of 2014/15 Budget			21 Aug Approval of 2013/14 Annual Report	26 Sept Draft LTP financials	Work on 2015/25 LTP and AMP Key dates yet to be advised by Auckland Council		
Other	Qtr Statutory Compliance Reporting				Qtr Statutory Compliance Reporting		Qtr Statutory Compliance Reporting			Qtr Statutory Compliance Reporting		

* Statutory public Board meeting - deputations invited

^ Extraordinary Audit & Risk and Board Meeting to meet shareholder half year and annual report timeline

Report to the Board of Watercare Services Limited

Subject: Disclosure of Interests

Date: 8 September 2014

Section 140 of the Companies Act 1993 requires disclosure of interests of a director to the Board. Set out below are the disclosures of interests received as at the date of this report.

<i>Director</i>	<i>Interest</i>
David Clarke	<ul style="list-style-type: none"> – Chairman, TRGG Ltd – Radiology Services – Chairman, NZ Institute of Rural Health – Chairman, Skin Institute – Director, Hawkins Watts Ltd – Director, Cranleigh Merchant Bankers – Director, FarmIQ Systems Ltd – Director, Ngai Tahu Tourism Ltd – Director, Hynds Group Ltd – Trustee, South Auckland Foundation (Middlemore/CMDHB) – Director, Health Alliance Limited – Chairman, Jucy Group Limited
Peter Drummond	<ul style="list-style-type: none"> – Chairman, Appliance Connection Ltd – Chairman, Watercare Harbour Clean Up Trust – Chairman, Variety Medical Missions South Pacific – Chairman, Ngati Whatua o Orakei Whai Maia – Chairman, Variety International Childrens Charity – Director, NARTA New Zealand Ltd – Director, NARTA International PTY Ltd – Panel member , Fire Review, Dept Internal Affairs
Catherine Harland	<ul style="list-style-type: none"> – Director, McHar Investments Ltd – Director, Interface Partners Ltd – Trustee, One Tree Hill Jubilee Educational Trust – Member, Auckland Regional Amenities Funding Board – Consultant, MartinJenkins & Associates Ltd
Susan Huria	<ul style="list-style-type: none"> – Director, Ngai Tahu Property – Director, Marsden Maritime Holdings Ltd – Director and Shareholder, Huria Anders Ltd – Director and Shareholder, Susan Huria (2003) Associates Ltd – Director and Shareholder, Te Ara Tika Properties Ltd – Director, Vermilion Design Ltd – Director, Airways Corporation of New Zealand Ltd – Chair, Veterinary Enterprises Group Limited – Trustee, First Foundation – Member, Maori Governance Centre, University of Waikato Advisory Board
Tony Lanigan	<ul style="list-style-type: none"> – Director and Shareholder, A G Lanigan & Associates (2007) Limited

	<ul style="list-style-type: none"> - Shareholder, Fletcher Building - Director, Habitat for Humanity New Zealand Limited - Director and Shareholder, Lanigan Trustee Limited - Director and Shareholder, Lanison and Associates Limited - Director and Chair, NZ Housing Foundation Limited - Director, Tamaki Makaurau Community Housing Limited - Director, NZ Transport Agency (NZTA)
Mike Allen	<ul style="list-style-type: none"> - Director, Coats PLC - Director, Guinness Peat Group - Director, Godfrey Hirst Limited - Shareholder, Innoflow - Director, Tainui Group Holdings Limited - Director, Breakwater Consulting Limited
Julia Hoare	<ul style="list-style-type: none"> - Director, AWF Group Limited - Director, New Zealand Post Limited - Director, The A2 Milk Company Limited -
Nicola Crauford	<ul style="list-style-type: none"> - Chair, Wellington Rural Fire Authority - Director, Environmental Protection Authority - Member of Electoral Authority - Cooperative Bank Limited - Senior Consultant - WorleyParsons New Zealand Ltd - Director and Shareholder - Riposte Consulting Limited - Director and Shareholder - Crauford Robertson Consulting - Director and Shareholder - Martin Crauford Limited - Director – Capacity Infrastructure Services Limited - Director – Orion New Zealand Limited

Board Observer

Alex Delany	- Employee - BNZ
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RECOMMENDATION

That the report be noted.

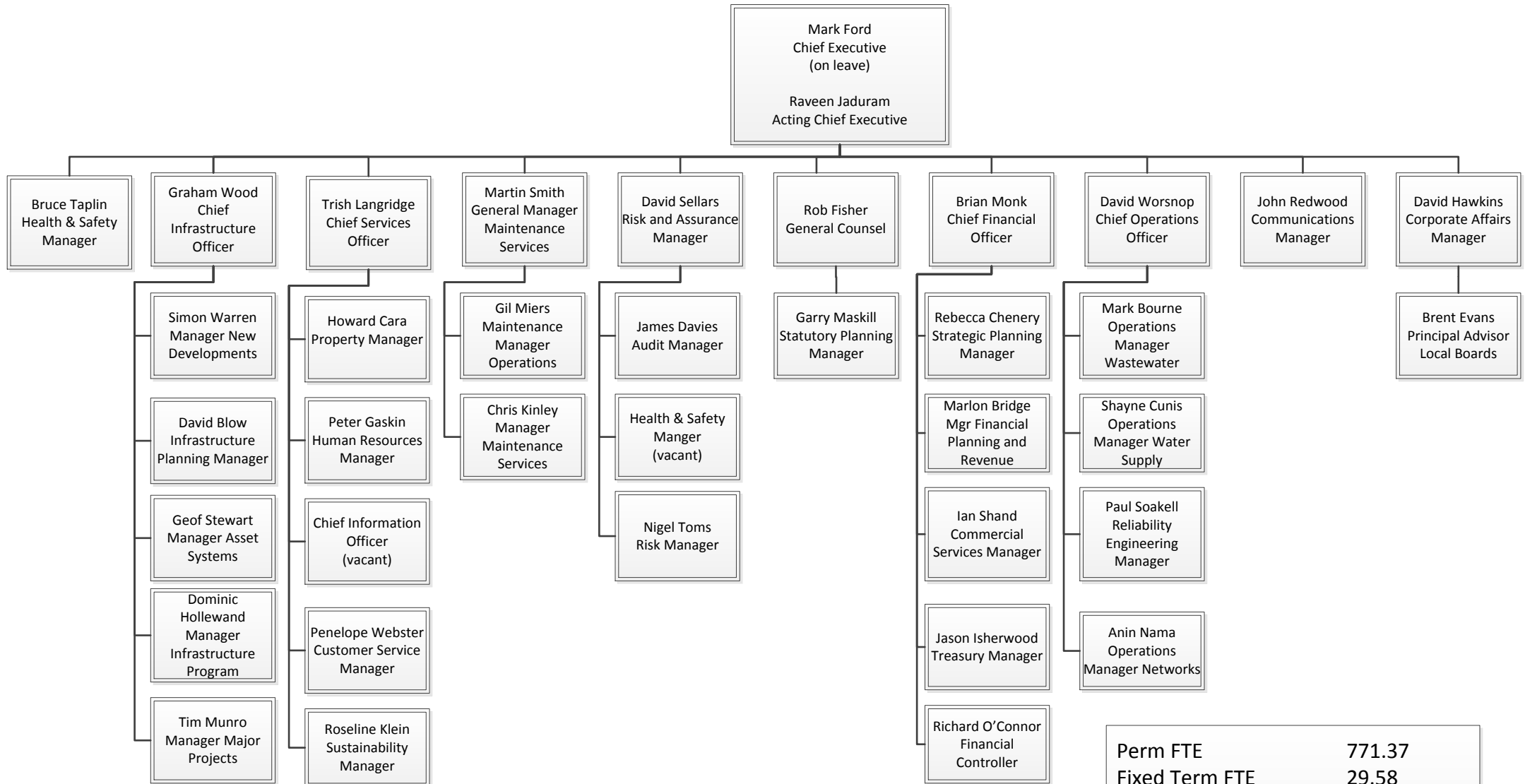
Report prepared by:

Approved by:

R Fisher
General Counsel

R Jaduram
Acting Chief Executive

Watercare Organisational Chart to Tier 3 – August 2014



Perm FTE	771.37
Fixed Term FTE	29.58
Casual FTE	5.35
LWOP FTE	6
Total FTE	806.29
Budgeted FTE 14/15	862.8

Watercare Services Limited

Subject: Chief Executive Report – August 2014

Date: 8 September 2014

1. KEY PERFORMANCE SCORECARD

Environment		Financial	(MTD)	(YTD)
Water Treatment – graded plants Metro	✓	Revenue	✓	✓
Water treatment – graded plants Rural	✓	Net surplus / deficit after tax	x ²	x ²
Unaccounted for Water	✓	Total costs	✓	✓
Effluent quality Metro plants	✓	Labour costs	✓	✓
Effluent quality Rural plants	⇄			
Dry Weather Overflows	✓			
Prosecutions	✓			
		Asset Management	(MTD)	(YTD)
		Maintenance Expenditure	✓	✓
		Capital Expenditure	✓	✓
Community (Rolling 12 months)		Staff Attendance (Rolling 12 months)	(MTD)	(YTD)
Water Quality Complaints	x ¹	Attendance	✓	✓
Water Resources		Customer Service	(MTD)	(YTD)
Drought Security Standard	✓	Grade of Service	✓	✓
Unrestricted Demand (<i>Drought Management Plan</i>)	✓			

^[1] The result for the water quality complaints measure continues to be influenced by the high number of complaints in January from the flushing of the Kumeu-Huapai transmission main and the algal bloom in the Waitakere water sources resulting in taste and odour complaints.

^[2] Net surplus after tax is unfavourable largely due to the movement in financial instruments revaluation.

2. HEALTH AND SAFETY

On a rolling 12 month basis:

- The lost-time injury frequency rate (LTIFR) was 1.87 against an SOI target of less than or equal to 5 for 12 months.
- Sick leave was 2.81%.
- Voluntary staff turnover was 12.54%, just outside the SOI maximum of 12%.
- The injury severity rate was 11.20 for the month of August against a target of less than 30 for 12 months.

The voluntary staff turnover result continues to be influenced by the higher-than-usual number of resignations received around the time that the East Tamaki office relocated to Newmarket.

3. CUSTOMER SERVICES

Telephone service exceeded the service level target with the Contact Centre answering 93.7% of calls within 20 seconds, against a KPI of 80%. The number of calls abandoned before being answered was well below the target with only 0.6% of calls abandoned, against a KPI maximum of 3%.

The August result for responding to complaints exceeded the target with 99.4% resolved within 10 working days. The 12 month rolling average result for this measure was below the target (94.8% against a target of 95%) and continues to be influenced by the large volume of complaints received in January and February. The result is anticipated to trend favourably in the following months.

The response time for correspondence to be completed within 10 working days was achieved with 99.7% responded to in the timeframe against a 95% target. Customer satisfaction with our faults response service exceeded the target this month with all three metrics exceeding 80%.

Average handling time remains higher than target, although this is not of concern given performance against other KPI's. The result is attributed to new staff within the call centre taking longer to wrap a call, the increased use of the translation service and a small number of non-domestic customers requiring in-depth explanations about their accounts.

A range of initiatives has been implemented to improve the customer experience. These continuous improvement initiatives include:

- An addition to the customer satisfaction survey to include customers who phone the Contact Centre with billing and general enquiries. Customers showed a high level of satisfaction with the Contact Centre at 87.7%.
- The Telephony system upgrade. The upgraded system is currently in development with testing due to start in September.

4. INFRASTRUCTURE AND PLANNING

Infrastructure capital expenditure for August was \$23 million which is in line with forecast. This has resulted in the year to date spend being 88% of budget. Two of the more difficult projects, North Franklin water supply and Mangere Digester No.8 are now in the commissioning phase and construction has been completed. Despite the North Franklin scheme being a month late, the water portfolio is progressing well with Hunua No.4 and the St. Heliers Bay watermain both remaining on programme and the majority of the work at Waikato and Ardmore being complete.

The current wastewater portfolio is larger and more diverse. Expenditure is 35% higher in wastewater for the financial year. Nine projects are showing greater than 10% cost savings and the group is concentrating on realising these savings at year end whilst maintaining the timely delivery of project benefits.

Court mediation with the appellants against the Central interceptor construction consent are scheduled from September 11th to 16th and the joint design team are developing detailed proposals for each group. Notice of Requirement and Resource Consents for the Northern Interceptor are scheduled to be lodged in early 2015. The Mangere Biological Nutrient Removal scheme earthworks are mostly complete and the project is now moving to other early works packages. The Rosedale Expansion project Principal Engineering Advisor role is under evaluation following tender and the we are looking at acceleration options for the upgrade of the Pukekohe trunk sewer.

We are continuing to support the Long Term Planning activity and Housing Project. Options for servicing the growth related to the Southern Initiative have been developed.

Infrastructure Growth Charge revenue is significantly ahead of budget.

A Capital Expenditure Dashboard Report of all capital expenditure projects over \$2 million is shown as Appendix C.

5. OPERATIONS

Rainfall for the month was as follows:

Waitakere Ranges	92% of average
Hunua Ranges	67% of average
Northern Non-metropolitan	120% of average
Southern Non-metropolitan	84% of average

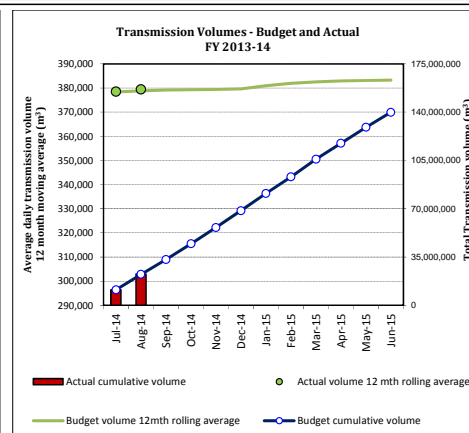
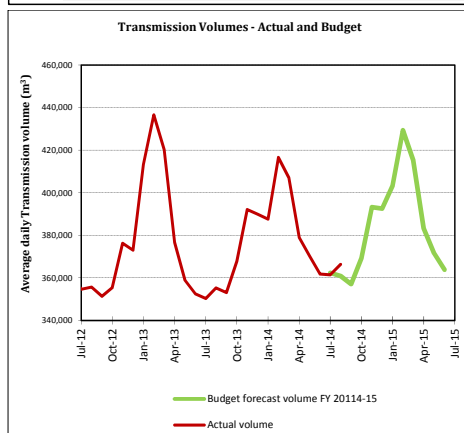
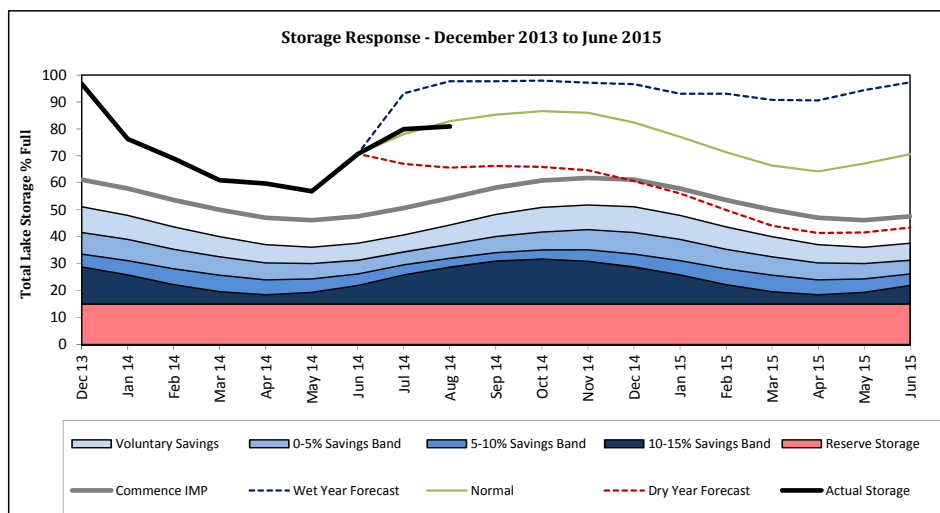
Metropolitan total system storage increased in August from 80.0% to 80.9%. This is below the average storage for the end of August (88.8%). While tracking below the budgeted normal storage response, it is above the budget dry weather response.

The equatorial Pacific Ocean is ENSO-neutral, with a range of atmospheric and oceanic factors yet to couple and initiate an event. International guidance indicates El Niño development over the next three months is possible (55% chance). However, as we progress towards the summer, chances for El Niño increase to about 70%, with all signals indicating a likely weak to moderate event.

For September 2014, mean sea level pressures are likely to be slightly lower than normal across New Zealand. This circulation pattern is expected to produce more frequent northerly-quarter winds than normal. Temperatures are likely to be average or above average for all regions of New Zealand, including Auckland. Rainfall is likely to be normal for all regions of New Zealand.

The rolling twelve month result for the water quality complaints measure continues to be influenced by the high number of complaints in January from the flushing of the Kumeu-Huapai transmission main and the algal bloom in the Waitakere water sources resulting in taste and odour complaints. There have not been any subsequent significant events that contribute to the result being outside the KPI maximum. The result is expended to trend towards the target over the coming months.

Year to date transmission system losses, adjusted for operational use, are 0.25%.



6. FINANCE

Financial Performance

	Current Month			Year to Date			Full Year
	Actual	Budget	Var	Actual	Budget	Var	Budget
Figures (\$millions)							
Revenue	42.43	40.12	2.31	85.68	80.16	5.53	499.58
Operating Expenses	16.50	17.34	0.84	33.16	34.36	1.21	201.59
Depreciation	17.00	17.26	0.26	34.60	34.55	(0.05)	210.44
Interest expense	6.23	6.51	0.29	12.35	12.98	0.63	80.57
Total Contribution	2.71	(0.99)	3.69	5.58	(1.73)	7.31	6.98
Financial instruments revaluation - loss/(gain)	16.55	-	(16.55)	25.50	-	(25.50)	-
Non-operating costs/(income)	0.44	0.54	0.10	1.09	1.06	(0.03)	7.00
Operating Surplus / (Deficit) Before Tax	(14.28)	(1.52)	(12.76)	(21.01)	(2.79)	(18.22)	(0.02)
Deferred Tax - Expense/(Credit)	(0.66)	(1.22)	(0.56)	(5.88)	(2.38)	3.50	4.51
Net Surplus / (Deficit) After Tax	(13.62)	(0.30)	(13.32)	(15.13)	(0.41)	(14.72)	(4.54)
FFO Ratio				3.31	2.76		2.94
Operating EBITDAF	25.93	22.79	3.15	52.53	45.79	6.73	297.99
EBITDA	8.94	22.25	(13.31)	25.94	44.73	(18.80)	290.99
EBIT	(8.06)	4.99	(13.05)	(8.66)	10.18	(18.85)	80.55

Month – Total Contribution of \$2.71m - favourable variance to budget of \$3.69m

Total revenue was favourable \$2.31m to budget largely due to IGC revenue favourable \$1.40m at \$4.30m and vested asset income favourable \$0.22m. Water and wastewater revenue was favourable \$0.46m due to favourable volumes.

Operating expenses were \$0.84m favourable to budget with favourable variances for net labour, planned maintenance and professional services partially offset by unfavourable variances for unplanned maintenance and energy costs.

Depreciation was favourable to budget \$0.26m.

Interest expense was \$0.29m favourable to budget.

Year to date – Total Contribution of \$5.58m - favourable variance of \$7.31m

Year to date revenue is \$5.53m favourable to budget primarily due to IGC revenue favourable \$3.25m and vested asset income favourable \$1.02m. Water and wastewater revenue is \$0.38m favourable to budget with year to date water volumes 0.38% over budget.

Operating expenses are \$1.21m favourable to budget with favourable variances for net labour, planned maintenance, professional services and general overheads partially offset by energy costs and other asset operating costs.

Interest expense is \$0.63m favourable to budget.

Depreciation is consistent with budget.

Financial Position

\$million	Actual Jul-14	Actual Aug-14	Monthly Movement	Budget Aug-14	Var from Budget
Non Current Assets	8,312.9	8,323.0	10.0	8,310.7	12.2
Current Assets	76.4	77.4	1.0	71.0	6.3
Total Assets	8,389.3	8,400.3	11.1	8,381.8	18.5
Other Liabilities	181.4	198.7	17.3	166.8	31.9
Deferred Tax Liability	960.0	959.3	(0.8)	953.1	6.3
Borrowings - Short Term	431.3	435.4	4.2	405.5	29.9
Borrowings - Long Term	1,035.0	1,038.8	3.8	1,088.3	(49.4)
Shareholders Funds	5,781.6	5,768.0	(13.5)	5,768.1	(0.1)
Total Liabilities and Shareholders Funds	8,389.3	8,400.3	11.1	8,381.8	18.6

The major movements in the Statement of Financial Position as at 31 August 2014 compared with 31 July 2014 were the increase in non-current assets (\$10.0m) reflecting capital expenditure net of depreciation in the month; an increase in borrowings (\$8.0m) largely funding capital expenditure and the movement in derivative financial instruments.

Compared with budget the material variances were largely in respect of derivative financial instruments (other liabilities), non-current assets and net debt. Net debt at \$1,474m was \$19.5m below budget.

Receivables

Receivables before provision for doubtful debts totalled \$33.5m at August month end compared with \$30.5m at the end of July. The Auckland Council component of total debt was \$0.58m, compared with \$0.57m at July and disputed trade waste accounts at the end of August totalled \$0.97m compared with \$0.97m last month. Total 60+ day debt has decreased by \$76k during the month.

Total receivables – month-on-month comparison

Net Debt	0-30 days <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Receivables excluding Council and disputed trade waste	\$27,519,287 <i>\$24,546,256</i>	\$2,899,128 <i>\$2,767,508</i>	\$1,556,741 <i>\$1,673,802</i>	\$31,975,156 <i>\$28,987,565</i>
Auckland Council Group	\$550,717 <i>\$575,157</i>	\$92,122 <i>\$13,090</i>	-\$58,292 <i>-\$17,550</i>	\$584,546 <i>\$570,697</i>
Disputed trade waste	\$0.00 <i>\$67,135</i>	\$67,135 <i>\$81,879</i>	\$903,724 <i>\$821,845</i>	\$970,859 <i>\$970,859</i>
Total receivables	\$28,070,004 <i>\$25,188,548</i>	\$3,058,385 <i>\$2,862,477</i>	\$2,402,173 <i>\$2,478,096</i>	\$33,530,561 <i>\$30,529,121</i>

Receivables excluding Auckland Council and disputed trade waste accounts totalled \$31.9m for August, compared with \$28.9m at July month end. The increase in receivables primarily reflects the increase in current amount owing. Total 60+ debt has decreased by \$117k. The average debt per account increased from \$94 to \$99.

Total receivables – excluding Auckland Council and disputed trade waste

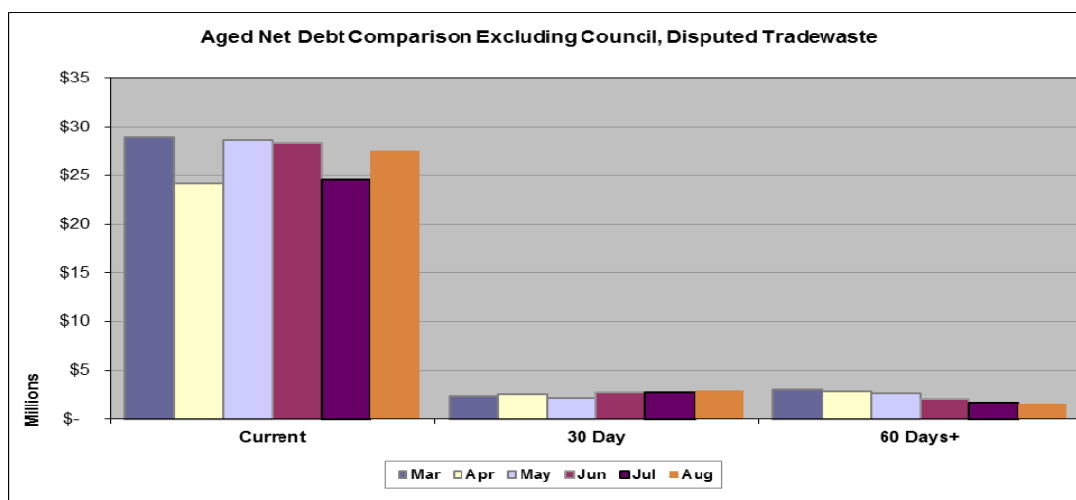
	0-30 days <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Net Debt	\$27,519,287 \$24,546,256	\$2,899,128 \$2,767,508	\$1,556,741 \$1,673,802	\$31,975,156 \$28,987,565
# of accounts	300,441 287,259	37,191 37,698	36,299 34,729	323,560 308,639
Average Debt	\$92 \$85	\$78 \$73	\$43 \$48	\$99 \$94
Percentage	86.1% 84.7%	9.1% 9.5%	4.9% 5.8%	100.0% 100.0%

Non-Residential Net Debt	Current month <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Totals	\$11,329,817 \$11,660,084	\$2,033,382 \$1,724,822	\$152,311 \$218,718	\$13,515,509 \$13,603,625
# of accounts	21,077 20,605	3,488 3,483	5,711 5,615	25,840 25,017
Average Debt	\$538 \$566	\$583 \$495	\$27 \$39	\$523 \$544
Percentage	83.8% 85.7%	15.0% 12.7%	1.1% 1.6%	100.0% 100.0%

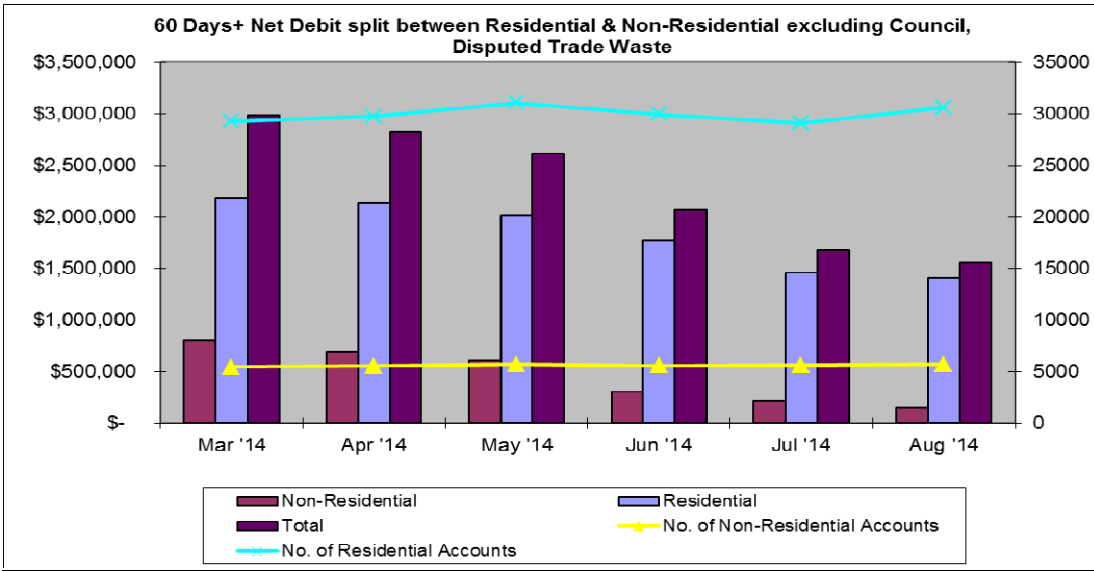
Residential Net Debt	Current month <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Totals	\$16,189,470 \$12,886,172	\$865,746 \$1,042,685	\$1,404,431 \$1,455,084	\$18,459,647 \$15,383,941
# of accounts	279,364 266,654	33,703 34,215	30,588 29,114	297,720 283,622
Average Debt	\$58 \$48	\$26 \$30	\$46 \$50	\$62 \$54
Percentage	87.7% 83.8%	4.7% 6.8%	7.6% 9.5%	100.0% 100.0%

The change in age of debt (excluding Council, disputed trade waste and disputed IGC) over the last six months is shown below.

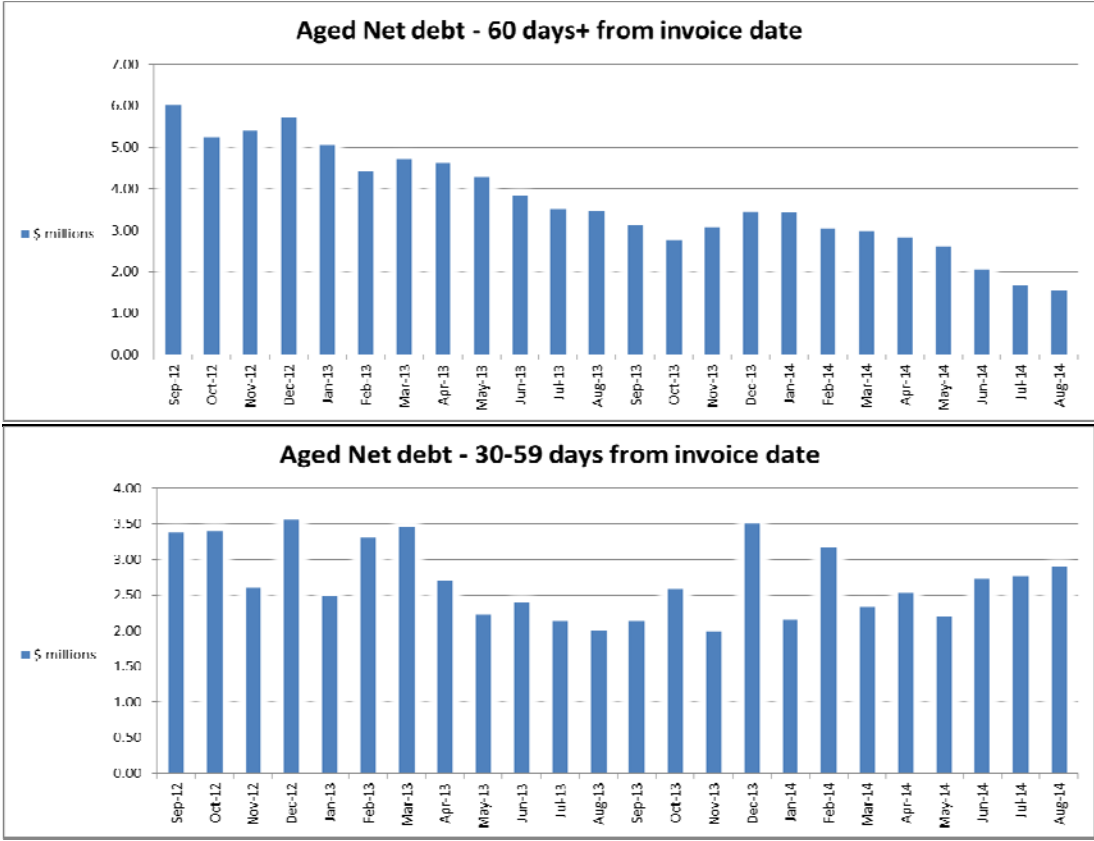
Age of debt comparison – March 2014 to August 2014



The split of 60 days+ receivables between residential and commercial is shown below:



The trends of 60 days +debt and 30-59 days debt are shown below:



Water Utility Consumer Assistance Trust (WUCAT)

The following tables summarise the results of the Trust:

Aug 2014

WUCAT Summary		
Financial year	Board approved applications	\$ Value
Jun-12	33	29
Jun-13	172	196
Jun-14	123	114
Jun-15	32	30
Total	360	368

WUCAT Summary last 3 meetings		
Month	Board approved applications	\$ Value
Jun-14	12	10
Jul-14	18	19
Aug-14	14	11
Total	44	40

A total of 360 applicants have successfully completed the budget adviser review process and these applicants have had \$368k of hardship relief approved by the Trust. This has resulted in an actual write-off of \$284k as payment plans have been completed. For various reasons 38 applicants did not fully complete their agreed payment plans and they have foregone \$36k of approved hardship relief. A further 44 applicants continue with their payment arrangements with \$48k of approved hardship write-offs to be granted when they successfully complete their plan.

The results of the last 3 WUCAT meetings are that 44 applicants have successfully completed the budget process and had \$40k of hardship relief approved by the Trust.

The Watercare Utility Consumer Assistance Trust Annual Report for the year ending 30 June 2014 is attached as Appendix D.

Restrictions

During August, 1,025 reminder notices were sent to customers warning that water restriction may be actioned if payment was not received and nine cards were sent to customers warning of possible restriction of their water supply in 48 hours. As a result 7 new water restrictions were applied during August and 3 meters were unrestricted as a result of payment being received.

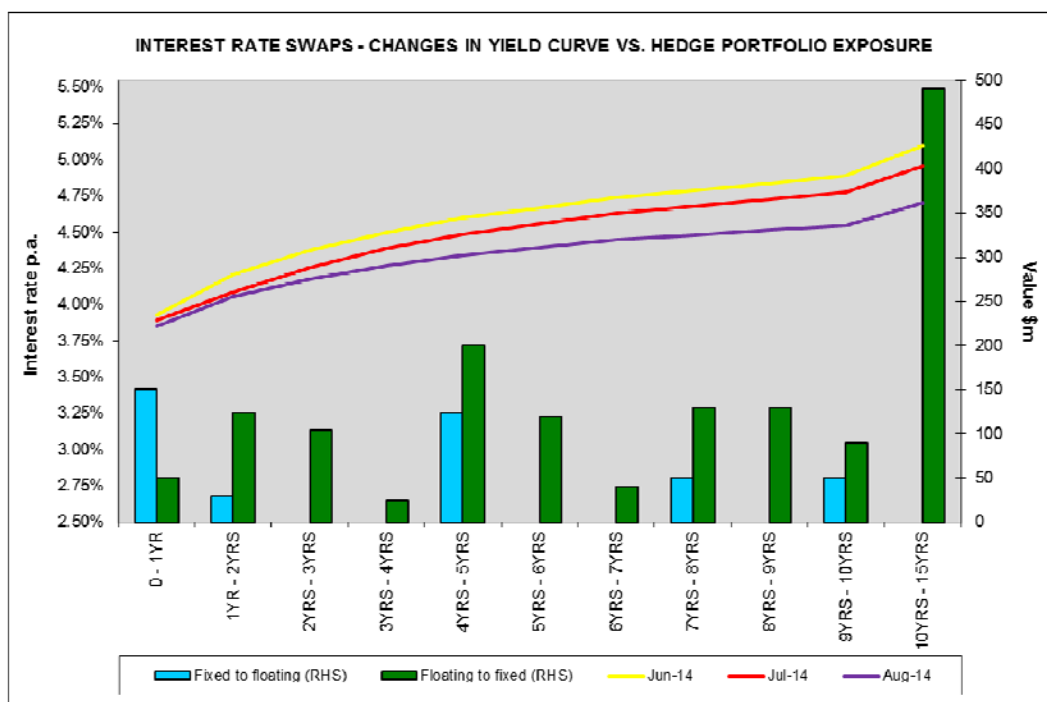
The table below summarises the restrictions carried out by Watercare Services Limited.

	Commercial	Residential	Total
Inherited 1 Nov 2010	0	4	4
Restricted	33	33	66
Derestricted	-30	-23	-53
Restrictions Remaining	3	14	17

The following restrictions remain in place:

- Five residential restrictions remain in place on vacant properties. Communications are ongoing with the customers and if the properties are tenanted in future resolution will be required.
- A further nine residential restrictions remain in place on occupied properties and communication continues with these customers.
- Three commercial properties remain restricted at the end of August and communication continues with these customers. One of these commercial properties is currently vacant.

Treasury



Interest Analysis \$million	Current Month			Year to date		
	Actual	Budget	Var	Actual	Budget	Var
Interest as per Statement of Financial Performance	6.23	6.51	0.29	12.35	12.98	0.63
Capitalised Interest	1.21	1.33	0.12	2.40	2.60	0.21
Gross Interest	7.44	7.84	0.40	14.75	15.58	0.83
Less Interest Income	0.00	0.00	(0.00)	0.01	0.00	(0.01)
Net Interest	7.44	7.84	0.41	14.73	15.58	0.85

For the month and year to date net interest was favourable with budget \$0.41m largely due to lower debt and interest rates to budget.

Capital Expenditure

Capital expenditure for the month was \$24.9m against a budget of \$27.3m.

Summary Capital Expenditure (\$millions)	Month August 14			Year to Date			Full Year	
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget
Infrastructure Wastewater Projects	10.9	10.8	(0.1)	19.4	22.6	3.2	143.7	142.1
Infrastructure Water Projects	10.6	11.2	0.6	20.2	22.8	2.6	112.3	115.9
Operations	1.4	2.1	0.7	1.5	4.3	2.8	28.1	31.8
Maintenance Services	0.1	0.0	(0.1)	0.1	0.0	(0.1)	0.2	0.0
Information Services	0.3	0.7	0.4	0.4	2.4	2.0	12.1	12.0
Other Projects	1.6	2.5	0.9	3.6	5.1	1.5	26.9	27.4
TOTAL	24.9	27.3	2.4	45.2	57.2	12.0	323.3	329.2
Includes:								
Water Projects Capitalised Interest	0.8	0.9	0.1	1.5	1.7	0.2	8.8	9.0
Wastewater Projects Capitalised Interest	0.5	0.5	0.0	0.9	0.9	(0.0)	6.1	6.0
Total Capitalised Interest	1.2	1.3	0.1	2.4	2.6	0.2	14.8	15.0

7. BOARD CORRESPONDENCE

There was no board correspondence during the month.

8. EXECUTION OF DOCUMENTS

There were nine documents executed during August in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to deeds, instruments and other documents. These included the registration of five easements, approval of a licence agreement, approval of two land transfer agreements and approval of a licence to occupy.

There were four capex approvals totaling \$3.798m signed in accordance with the delegated authority provided to the Acting Chief Executive by the Board in relation to capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – August 2014		
C-11474a	Sunnynook Rd Area Wastewater Network Upgrade - Stage 2	\$3,302,000
C-11994A	Capex Extension - Great North Rd and Elizabeth St Wastewater Network Upgrade	\$75,000
C-12317-02-04	Emergency Watermain Renewal - Queen St, CBD	\$288,558
C-12406	Real Estate Management Solution	\$133,310

9. WORKING WITH LOCAL BOARDS

Local Board members received information on the new non-domestic wastewater tariff, including 'quick facts' to assist with responses to any public feedback.

Information was provided to the Otara-Papatoetoe Local Board in response to their place making project in the Otara lake and catchment waterways. Watercare has investment of

\$20 million planned for upgrades to the wastewater network in this catchment which will significantly reduce wastewater overflows and allow for future growth.

Information on a constructed wastewater overflow in Keith Hay Park was sent to the Puketapapa Local Board Chair and will be followed up with regular reporting and updates on future network monitoring and upgrades.

The Mt Albert and Mt Roskill local boards received information on local watermain upgrades in streets adjacent to Dominion Road. Coordination is also underway with Auckland Transport in preparation for roading upgrades.

There has been a lot of local interest in the upgrade of the “mushroom” vents on top of the reservoir in Mt Victoria. The Local Councillors and Local Board have been kept up to date with planning and progress. Information on a watermain leak in Lake Road has also been shared with Devonport Takapuna politicians as operational and planning requirements meant the repair could not be undertaken immediately.

A briefing on local water and wastewater network upgrades was shared with the Infrastructure Portfolio team of the Whau Local Board. This was followed with a full workshop briefing to discuss planned major projects for the North West areas of Auckland.

Representatives of the Franklin Local Board attended the community liaison meeting for the Kawakawa Bay Wastewater Treatment Plant. These meetings are a condition of the Resource Consent.

Watercare also responded to project feedback from Hibiscus and Bays Local Board via the Mairangi Bay Business Association and installed signage about access to local shops. Good feedback was received on Watercare’s response.

10. STATUTORY PLANNING

Auckland Proposed Unitary Plan

The Proposed Auckland Unitary Plan sets out the policy and rule framework that will apply to Watercare’s operations when the Plan becomes operative (noting that some provisions already have “legal effect”). As drafted, there are significant implications for Watercare, both in terms of the maintenance, repair, and upgrading of existing infrastructure and the installation of new infrastructure. The main areas of concern are the sections on: freshwater allocation and takes, overlays (in particular natural resource, historic heritage, and cultural heritage), and the Mana Whenua provisions. These sections pose significant challenges for Watercare and have the potential to result in significant costs and delays for projects and operations. Even in areas where Watercare is supportive of the policy direction of the Plan, there are a significant number of matters that are problematic or create uncertainty which in turn imposes regulatory risk.

As previously reported, Watercare did not lodge a formal submission on the Proposed Auckland Unitary Plan (except on Watercare’s designations) on the basis that Council has agreed to fully involve Watercare in the hearing process as part of the Council team. Watercare and Auckland Transport are now members of the Unitary Plan Steering Committee and are now involved in the Auckland Council’s case teams on the Unitary Plan

and are supporting the process of developing the Council's position papers and developing its case. The Independent Hearing Panel (IHP) has starting conducting pre-hearing meetings, and the full hearings are likely to start in October. The initial focus is on the Regional Policy Statement section of the Proposed Plan. Key areas of interest for Watercare at the Regional Policy Statement level are growth and significant infrastructure.

Auckland Council Operative Plan Changes

There are two main plan changes of significant interest to Watercare: Clevedon and Kingseat.

- **Clevedon:** Watercare appealed the decision version of the plan change in respect of an activity status date that is set out in the plan. The plan provides that in 2017 an application for subdivision consent will change from a prohibited activity to a non-complying activity if there is no public wastewater system. *A consent order on the wastewater issue has been prepared and is being circulated for parties. This consent order will settle Watercare's appeal and s274 interest in the KHEL (formerly Hattaway) appeal. Watercare has accepted this change on the basis that our intention is to have an agreed wastewater servicing strategy in 2015.*
- **Kingseat:** Some parties have appealed the Kingseat decision. Court assisted mediations were held on 30 January and 21 March 2014. The feasibility study related to the use of the existing wastewater treatment plant on the former Kingseat Hospital site (this study was jointly funded by two landowners and Watercare) is now complete. The study indicated that there is little benefit in utilising the existing Kingseat Hospital Wastewater Treatment Plant. A workshop was held with the two landowners to discuss the study findings, and they have accepted that new plant is required. *Watercare looked into some alternatives strategies for wastewater servicing (in particular discharges locations). Watercare presented the alternatives to iwi on two occasions and is still awaiting feedback. The Council has requested one final reporting date, and following that the matter will proceed to an Environment Court hearing. Council has also been working on resolving stormwater issues and there will be a meeting of parties in early September to discuss progress.*
- There are three additional Plan Changes that have emerged as being of interest to Watercare. These are all private plan changes.
 - **Snells-Algies:** There are two private plan changes in this area seeking to rezone land that is out of Watercare's service area. Watercare cannot legally service this area until the wastewater treatment plant resource consent renewal application has been granted by Council and Watercare replaces the ocean outfall pipe. This pipe is in extremely poor condition and is at risk of failure. A programme is in place to replace this pipe, but it is likely to take five years. Watercare has made submissions on both of these private plan changes. *There has been no further activity on these plan changes.*

- **Puhinui Gateway:** This is a private plan change to rezone a tract of land outside the current Metropolitan Urban Limit (MUL) for industrial purposes. This area is currently outside of Watercare’s service area. There are significant issues associated with providing water supply and wastewater services. *Council is now undertaking a comprehensive master planning process to understand the full infrastructure requirements for the remaining land area between the MUL and the coast. Watercare is part of the oversight committee for the development of the Master Plan. Watercare has undertaken further modelling of this network and determined that there is capacity in the Southwestern Interceptor to accommodate flows from the Plan Change 35 area, provided that the industrial development is logistics type companies with low level water usage requirements.*

Mana Whenua Forum

The next Forum meeting is in November 2014. The Forum Chairman and three Forum members along with Watercare staff recently visited wastewater treatment plants in Te Aroha, Tauranga, Te Puke, Makatu, Rotorua, Taupo, Tokoroa, Cambridge and Ngaruawahia to investigate the pros and cons of wetland and land based discharges of treated wastewater. The plants visited were small to medium in size. A report will be prepared by Forum and Watercare representatives with the aim of increasing knowledge of the options available when we upgrade the treatment plants that serve Auckland’s rural townships.

11. NON DOMESTIC WASTEWATER TARIFF

The new non-domestic wastewater tariff was successfully implemented in Hansen over the weekend of 1-3 August. To date the volume of customer enquiries about the new tariff has been very low with a total of 156 telephone calls and 29 written interactions during August. It is anticipated that there will be increased demand on the Contact Centre from non-domestic customers throughout September and October.

.....
R Jaduram
ACTING CHIEF EXECUTIVE

PERFORMANCE AGAINST STATEMENT OF INTENT TARGETS - AUGUST 2014

Performance Measure	2014/15			2015/16	2016/17	2017/18	Outcome
	Target	YTD Result	Status	Target	Target	Target	Auckland Plan Target
MEASURE							
Safe and Reliable Water							
Percentage compliance with MoH drinking water standards for graded plants(excluding minor or technical non-compliance)	100%	Projected result: target will be achieved	✓	100%	100%	100%	
Percentage of metropolitan water treatment plants achieving Grade A	100%	Projected result: target will be achieved	✓	100%	100%	100%	
Percentage of metropolitan water supply reticulation achieving Grade a	100%	Projected result: target will be achieved	✓	100%	100%	100%	
Percentage of non-metropolitan water treatment plants achieving Grade A	50% (5 non-metro water treatment plants out of 10 non-metro water treatment plants) Note: 4 non-metro WTPs will be decommissioned bringing the total from 14 to 10	Projected result: target will be achieved (Projected result: 7 non-metro water treatment plants out of 14 non-metro water treatment plants = 50%)	✓	50% (5 non-metro water treatment plants out of 10 non-metro water treatment plants)	50% (100% by 2020)	50% (100% by 2020)	
Percentage of non-metropolitan water supply reticulation achieving Grade a	50%	Projected result: target will be achieved (Projected result: 70% of non-metropolitan water supply reticulation will achieve Grade A)	✓	50% (100% by 2020)	50% (100% by 2020)	50% (100% by 2020)	
Percentage of unplanned water shutdowns restored within five hours	≥95%	98%	✓	≥95%	≥95%	≥95%	
Number of unplanned water interruptions per 1000 connected properties	≤10	7.8	✓	<10	<10	<10	
Healthy Waterways							
Number of dry weather sewer overflows per 100km of wastewater pipe length per year	≤5	1.88	✓	≤5	≤5	≤5	
Average number of wet weather overflows per discharge location in priority receiving environments in areas serviced by the separated networks.	The Auckland-Wide Wastewater Network Discharge Consent application lodged and consent operational.	The Auckland-wide Wastewater Network Discharge consent was granted in June 2014	✓				Reduce wet weather overflows to an average of no more than 2 events per discharge location per annum, where the stormwater and wastewater system are separated, by 2040 (with priority given to bathing beaches and other sensitive receiving environments by 2030)
Number of sewer bursts and chokes per 1000 properties	≤10	8.4	✓	<10	<10	<10	
Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for Metropolitan areas	100%	100%	✓	100%	100%	100%	
Percentage of wastewater discharged that is compliant with consent discharge requirements (excluding minor or technical non-compliance) for non-Metropolitan areas	35%	Projected result: target will be achieved (Projected result: 64% of all wastewater discharged from non-metro plants will be compliant with discharge consent conditions)	✓	65% (100% by 2020)	65% (100% by 2020)	65% (100% by 2020)	
Number of successful RMA prosecutions against Watercare	0	0	✓	0	0	0	
Health, Safety and Well-being							
Lost-time injury frequency rate per million hours worked	≤5	1.87	✓	≤5	≤5	≤5	
Level of ACC workplace management practices accreditation	Tertiary	Tertiary	✓	Tertiary	Tertiary	Tertiary	
Percentage of total hours absent due to illness	≤2.5%	2.81	✓	≤2.5%	≤2.5%	≤2.5%	
Percentage of voluntary leavers relative to number of permanent staff	≤12%	12.54%	✗	≤12%	≤12%	≤12%	
Customer Satisfaction							
Percentage of customers surveyed satisfied with Watercare's delivery of water and wastewater services	80%	88.4%	✓	80%	80%	80%	
Percentage of calls answered within 20 seconds	80%	82.1%	✓	80%	80%	80%	
Number of water quality complaints (taste, odour, appearance) per 1,000 water supply connections	≤5	5.9	✗	<5	<5	<5	
Percentage of complaints and being "resolved and closed" within 10 working days	≥95%	94.8%	↔	95%	95%	95%	
Sustainable Environment							
Per capita consumption (litres/person/day) Target for 2025 = 255 l/person/day Baseline in 2004 = 298 l/person/day	278 ±5%	270	✓	275 ±5%	275 ±5%	275 ±5%	Reduce gross per capita water consumption from 2004 levels by 15% by 2025
Percentage of annual potable water network losses (real losses) measured as total network volume	≤13%	11.30%	✓	≤13%	≤13%	≤13%	Reduce maximum annual potable water network losses to less than 12% of total network volume by 2040
Effective Asset Management							
Percentage of actual capital expenditure relative to budget	≥85%	91%	✓	>85%	>85%	>85%	
Sound Financial Management							
Minimum funds flow from operations to interest cover (FFO) before any price adjustment	≥2.5	3.31	✓	≥2.5	≥2.5	≥2.5	
Percentage of expenditure on water supply services relative to the average household income	≤1.5%	0.90%	✓	≤1.5%	≤1.5%	≤1.5%	

Key Financial Indicators

Financial performance	YTD	Page Ref
Total Revenue	●	A1
Operating Costs	●	A1
Interest expense	●	A1
Depreciation	●	A1
Net Contribution	●	A1
Financial position		
Net Borrowings	●	A5
Cashflow		
Operating cashflow	●	A2
Investing cashflow	●	A2
Treasury policy	Compliance	Page Ref
Committed facilities (liquidity risk)	●	A6
Fixed interest rate risk	●	A6
Credit risk	●	A7
Funding risk	●	A7, A8
Foreign exchange risk	●	A8

Key to Financial performance, Financial position and cashflow measures

- Favourable variance - actual result on or above budget for total revenue, net contribution, operating cash flow and actual result below budget for operating expenses, interest, depreciation, net borrowings and investing cash flow
- Unfavourable variance - actual result below budget for total revenue, net contribution, operating cash flow and actual result above budget for operating expenses, interest, depreciation, net borrowings and investing cash flow

Key to Treasury policy compliance

- Full compliance
- Non compliance

Commentary on red traffic lights

- Depreciation is over budget due to additional accelerated depreciation resulting from the shortening of useful lives on assets identified for disposal.
- Investing cash flow is above budget due to timing of capex payments.

WATERCARE SERVICES LIMITED

Management Report

Aug-14

Table of Contents

Section A : Management Report		Page
1	Financial Results	
	• Statement of Financial Performance	A1
	• Statement of Cash Flows	A2
	• Statement of Financial Performance by Business Unit	A3
	• Divisional Contribution Variance	A4
	• Statement of Financial Position	A5
2	Treasury Management	
	• Treasury Risks & Interest Rate Performance	A6
	• Counterparty Exposures, Debt Concentration & Covenant Compliance	A7
	• Foreign Exchange & Commercial Paper Maturity	A8

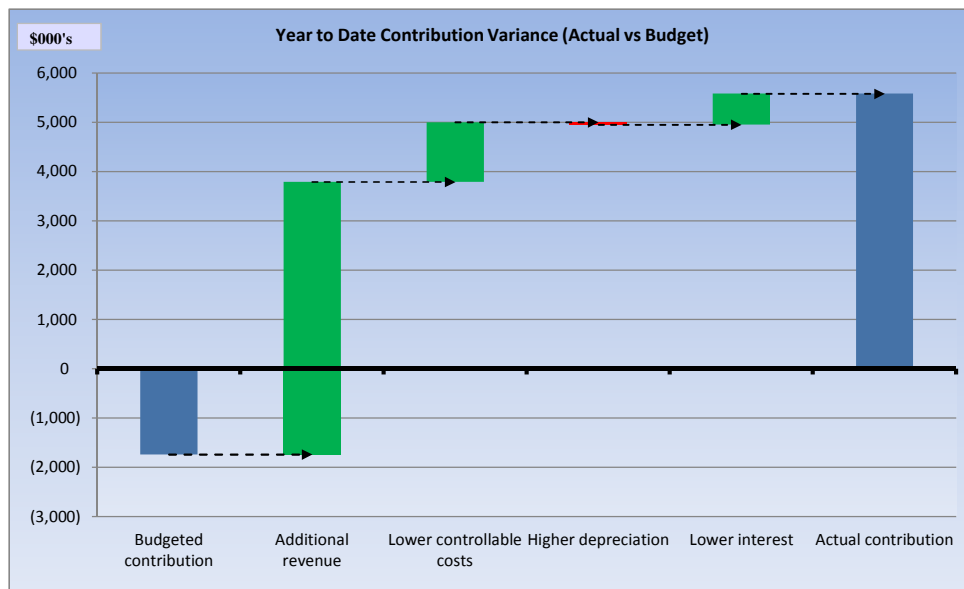
WATERCARE SERVICES LIMITED
STATEMENT OF FINANCIAL PERFORMANCE

Aug-14
(\$000's)

	Current Month				Year to Date				Full Year
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Budget
Wastewater Revenue	23,979	23,580	399	✓	47,731	47,088	643	✓	289,578
Water Revenue	11,162	10,987	175	✓	22,017	22,000	17	✓	137,059
Laboratory Revenue	462	458	4	✓	927	908	19	✓	6,100
Infrastructure Growth Charge Revenue	4,298	2,900	1,398	✓	9,051	5,800	3,251	✓	34,100
Other Revenue	2,529	2,199	330	✓	5,957	4,360	1,597	✓	32,744
Total Revenue	42,430	40,123	2,307	✓	85,683	80,157	5,527	✓	499,581
Labour	5,759	5,956	197	✓	11,499	11,936	437	✓	71,622
Contract Labour	407	503	96	✓	1,006	1,095	89	✓	4,341
Oncosts	277	300	22	✓	523	599	76	✓	3,674
Labour Recoveries	(3,221)	(2,951)	270	✓	(6,147)	(5,925)	222	✓	(35,778)
Net Labour	3,222	3,808	585	✓	6,881	7,704	823	✓	43,860
Materials & Cost of Sales	131	168	36	✓	378	339	(39)	✗	2,074
Planned Maintenance	1,151	1,557	406	✓	2,191	2,588	397	✓	16,275
Unplanned Maintenance	2,850	2,606	(244)	✗	5,378	5,315	(63)	✗	31,105
Asset Operating Costs - Chemicals	949	942	(7)	✗	1,917	1,848	(69)	✗	11,099
Asset Operating Costs - Energy	1,534	1,429	(105)	✗	3,138	2,858	(280)	✗	17,143
Operating Costs - Other	3,386	3,297	(89)	✗	6,755	6,542	(213)	✗	38,652
Depreciation and Amortisation	16,999	17,258	259	✓	34,599	34,550	(49)	✗	210,440
Asset Operating Costs	26,869	27,089	220	✓	53,978	53,701	(277)	✗	324,714
Communications	139	130	(10)	✗	250	258	8	✓	1,625
Professional Services	785	1,055	270	✓	1,688	2,056	368	✓	12,149
Interest	6,226	6,514	288	✓	12,350	12,978	627	✓	80,573
General Overheads	2,351	2,347	(4)	✗	4,580	4,856	277	✓	27,610
Overheads	9,501	10,046	544	✓	18,867	20,148	1,280	✓	121,957
Total Expenses	39,724	41,110	1,386	✓	80,104	81,892	1,788	✓	492,605
Total Contribution/(Loss)	2,706	(987)	3,693	✓	5,579	(1,735)	7,315	✓	6,976
Gain/Loss on Disposal of Fixed Assets & other Costs	439	538	99	✓	1,092	1,060	(32)	✗	7,000
Financial Instruments Revaluation (Gain)/Loss	16,553	-	(16,553)	✗	25,500	-	(25,500)	✗	-
Non Operating (costs)/Revenue	16,991	538	(16,454)	✗	26,592	1,060	(25,532)	✗	7,000
Net Surplus / (Deficit) before Tax	(14,286)	(1,525)	(12,761)	✗	(21,013)	(2,795)	(18,218)	✗	(24)
Income Tax Expense/(benefit)	-	-	-	-	-	-	-	-	-
Deferred Tax	(663)	(1,221)	(558)	✗	(5,882)	(2,384)	3,498	✓	4,512
Net Surplus / (Deficit) after Tax	(13,623)	(304)	(13,319)	✗	(15,131)	(411)	(14,720)	✗	(4,536)

Key: Financial performance result

- ✓ Favourable variance - actual income on or above budget and actual expenditure on or below budget
- ✗ Unfavourable variance - actual income below budget and actual expenditure above budget



WATERCARE SERVICES LIMITED
STATEMENT OF CASH FLOWS

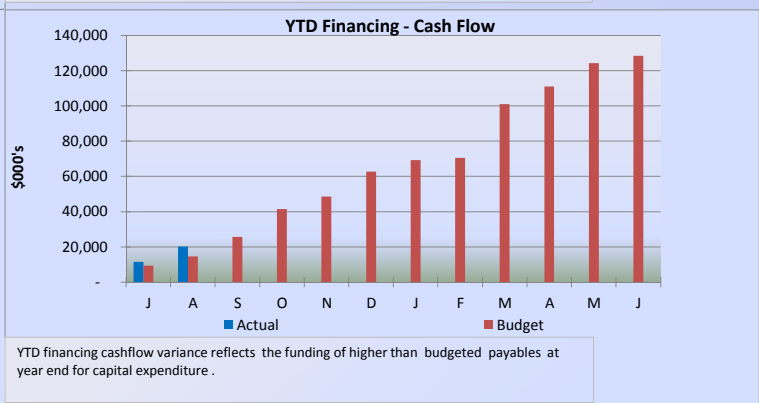
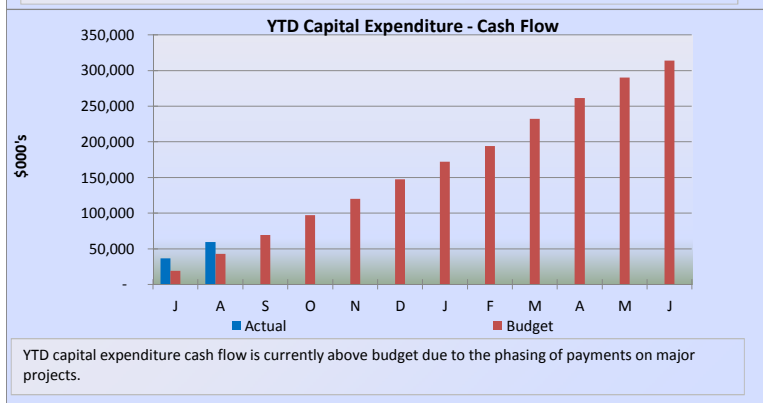
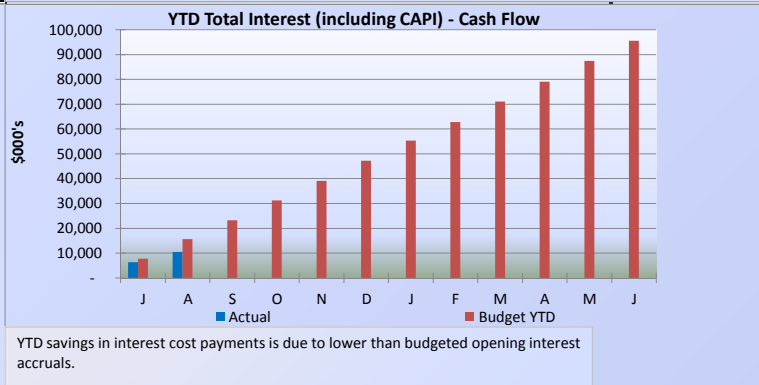
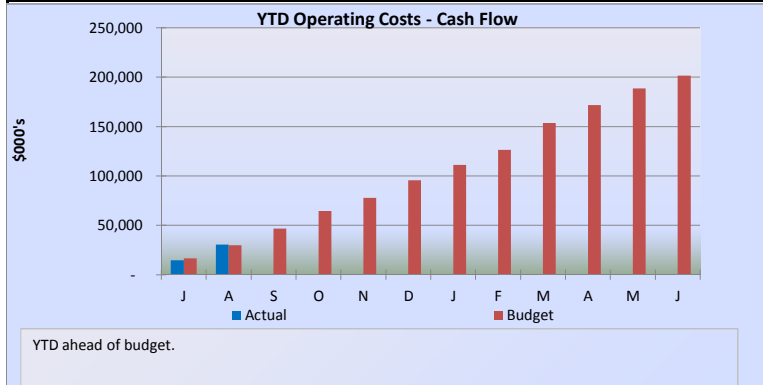
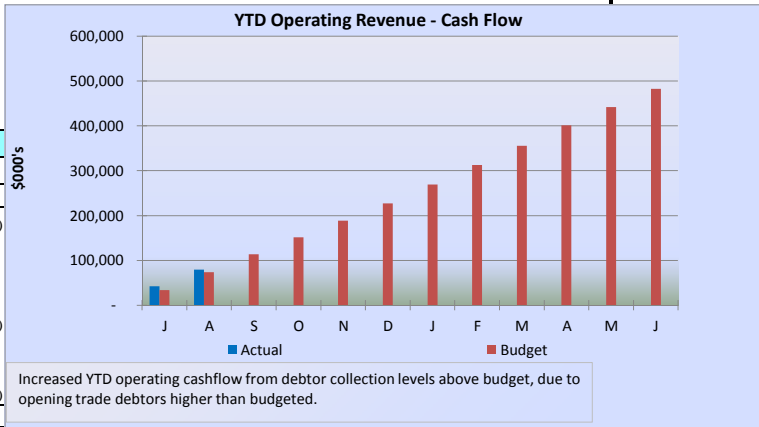
Aug-14

(\$000's)

NZ \$000s	Current Month				Year to Date				Full Year
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Budget
Operating Cash flow:									
Operating Revenue	37,213	39,880	(2,667)	✘	79,754	73,877	5,877	✔	482,908
Operating Costs	(16,063)	(13,425)	(2,638)	✘	(30,547)	(29,894)	(653)	✘	(201,686)
Interest Paid	(5,106)	(6,514)	1,408	✔	(8,079)	(12,978)	4,899	✔	(80,573)
OPERATING CASH FLOW	16,044	19,941	(3,897)	✘	41,128	31,005	10,123	✔	200,649
Investing Cash flow:									
Capital Expenditure	(22,805)	(23,803)	998	✔	(59,412)	(42,959)	(16,453)	✘	(314,079)
Capitalised Interest (CAPI)	(1,214)	(1,328)	114	✔	(2,396)	(2,602)	206	✔	(15,012)
INVESTING CASH FLOW	(24,019)	(25,131)	1,112	✔	(61,808)	(45,561)	(16,247)	✘	(329,091)
Financing Cash flow:									
Bonds/Term Debt Issued/(Repaid)	-	-	-		-	-	-	↔	(150,000)
Short Term Advances/(Repaid)	4,000	-	4,000	✔	6,000	-	6,000	✔	-
Commercial Paper Issued/(Repaid)	4,917	4,917	-	↔	14,784	14,784	-	↔	29,464
Auckland Council Borrowings/(Repaid)	(294)	273	(567)	✘	(588)	(228)	(360)	✘	248,978
FINANCING CASH FLOW	8,623	5,190	3,433	✔	20,196	14,556	5,640	✔	128,442
Net Increase (Decrease) in Cash and Cash Equivalents	648	0	648	✔	(484)	(0)	(484)	✘	-
Opening Cash Balance/(Overdraft)	(1,035)	-	(1,035)	✘	97	-	97	✔	-
Ending Cash Balance/(Overdraft)	(387)	0	(387)	✘	(387)	(0)	(387)	✘	-

Key: Financial performance result
 ✔ Favourable variance - actual income above budget or actual expenditure below budget
 ✘ Unfavourable variance - actual income below budget or actual expenditure above budget

	Reconciliation Operating Cashflow (\$000's)				
	Current Month		Year to Date		Full Year
	Actual	Budget	Actual	Budget	Budget
Net Surplus (Deficit) After Tax	(13,623)	(304)	(15,131)	(411)	(4,536)
Add back non cash items:					
Depreciation and amortisation	16,999	17,258	34,599	34,550	210,440
Financial instruments revaluation	16,553	-	25,500	-	-
Vested assets revenue	(1,602)	(1,383)	(3,790)	(2,767)	(16,600)
Other non-operating exp/(inc)	463	538	873	1,060	7,000
Income Tax Expense/(Benefit)	(663)	(1,221)	(5,882)	(2,384)	4,512
Movements in Working Capital	(2,082)	5,053	4,959	957	(167)
OPERATING CASH FLOW	16,044	19,941	41,128	31,005	200,649



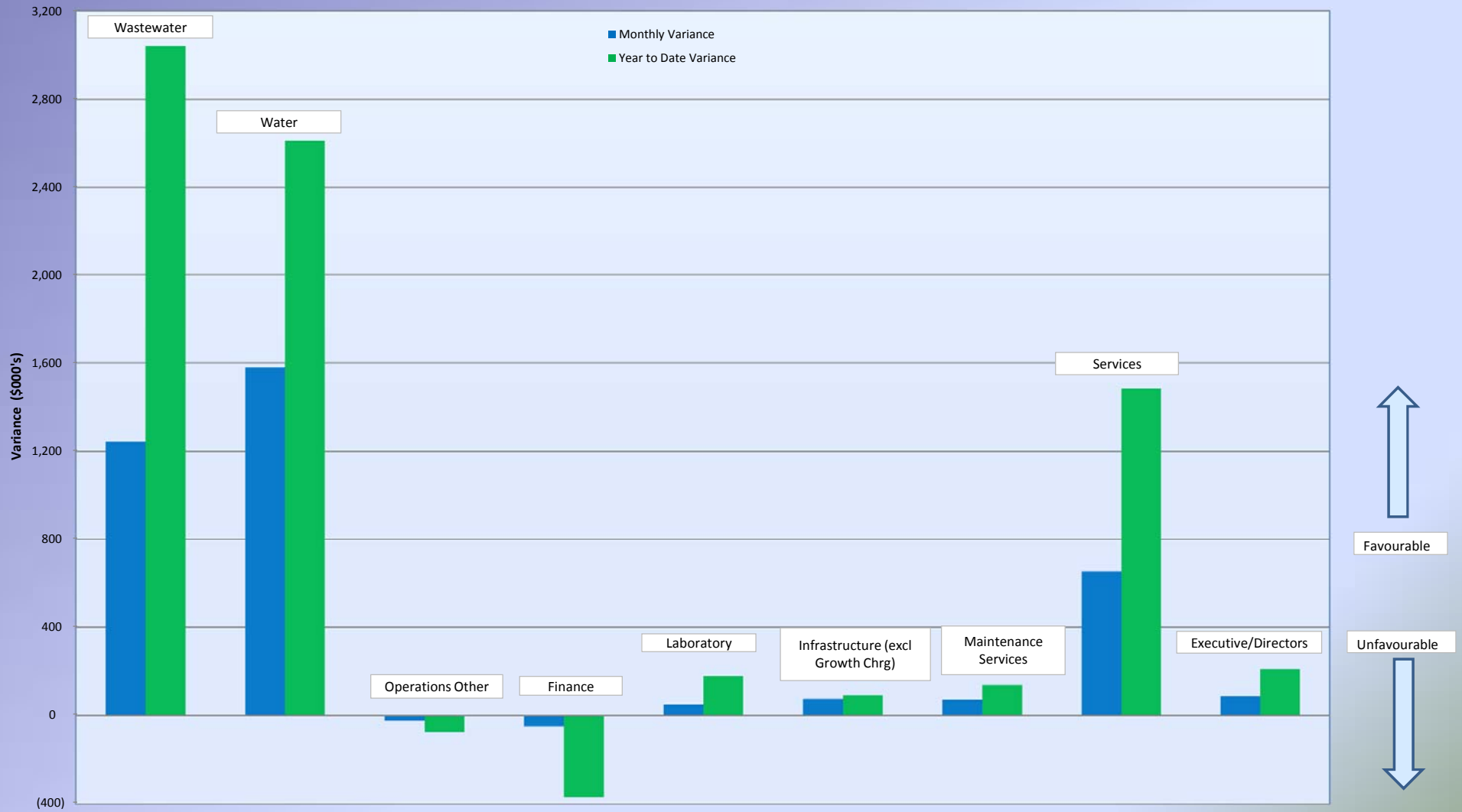
WATERCARE SERVICES LIMITED
STATEMENT OF FINANCIAL PERFORMANCE BY BUSINESS UNIT

Aug-14
(\$000's)

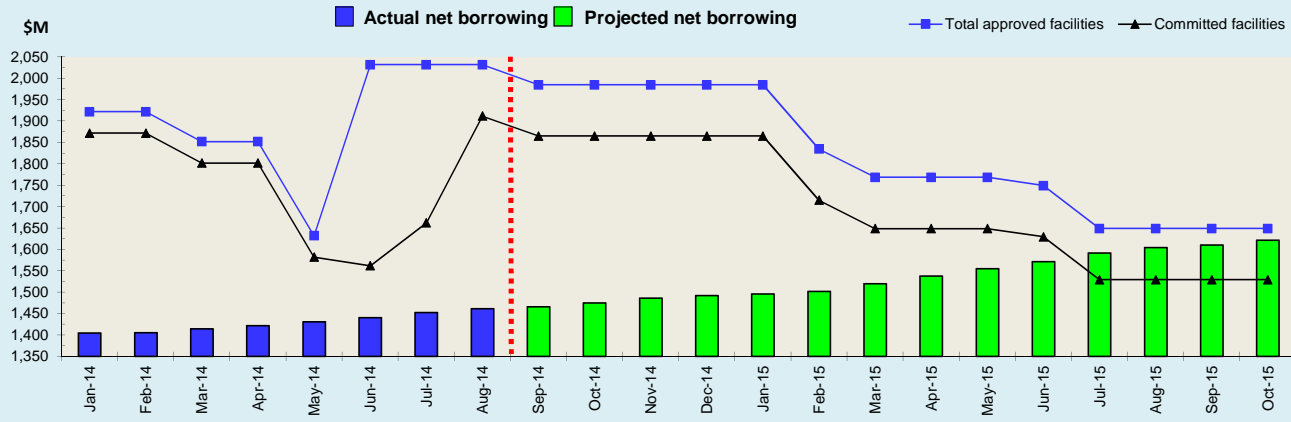
	Current Month						Year to Date						Full Year		
	Actual			Budget			Actual			Budget			Budget		
	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total
Wastewater Revenue	-	23,979	23,979	-	23,580	23,580	-	47,731	47,731	-	47,088	47,088	-	289,578	289,578
Water Revenue	11,162	-	11,162	10,987	-	10,987	22,017	-	22,017	22,000	-	22,000	137,059	-	137,059
Laboratory Revenue	146	316	462	144	313	458	292	634	927	287	621	908	1,960	4,141	6,100
Infrastructure Growth Charge Revenue	3,009	1,289	4,298	2,030	870	2,900	6,336	2,715	9,051	4,060	1,740	5,800	23,870	10,230	34,100
Other Revenue	794	1,736	2,529	619	1,579	2,199	1,836	4,121	5,957	1,182	3,178	4,360	9,104	23,640	32,744
Total Revenue	15,110	27,320	42,430	13,781	26,342	40,123	30,481	55,202	85,683	27,529	52,628	80,157	171,993	327,588	499,581
Labour	2,163	3,596	5,759	2,180	3,776	5,956	4,302	7,197	11,499	4,366	7,570	11,936	26,767	44,855	71,622
Contract Labour	128	279	407	157	346	503	318	688	1,006	343	752	1,095	1,370	2,971	4,341
Oncosts	103	174	277	109	191	300	194	329	523	218	381	599	1,363	2,312	3,674
Labour Recoveries	(1,169)	(2,052)	(3,221)	(1,076)	(1,876)	(2,951)	(2,233)	(3,912)	(6,146)	(2,160)	(3,765)	(5,925)	(12,793)	(22,985)	(35,778)
Net Labour	1,225	1,997	3,222	1,371	2,437	3,808	2,581	4,302	6,882	2,767	4,938	7,705	16,708	27,152	43,860
Materials & Cost of Sales	41	90	131	53	115	168	121	257	378	107	232	339	665	1,409	2,074
Planned Maintenance	472	680	1,152	527	1,030	1,557	806	1,385	2,191	927	1,661	2,588	5,566	10,710	16,275
Unplanned Maintenance	1,389	1,461	2,850	1,140	1,466	2,606	2,660	2,718	5,378	2,343	2,971	5,315	15,410	15,696	31,105
Asset Operating Costs - Chemicals	336	614	950	279	663	942	707	1,210	1,917	550	1,298	1,848	3,958	7,141	11,099
Asset Operating Costs - Energy	459	1,075	1,534	333	1,096	1,429	1,091	2,047	3,138	638	2,220	2,858	4,798	12,345	17,143
Operating Costs - Other	1,309	2,078	3,387	1,362	1,935	3,297	2,732	4,023	6,755	2,707	3,835	6,542	16,180	22,473	38,652
Depreciation and Amortisation	7,207	9,792	16,999	7,616	9,642	17,258	14,980	19,619	34,599	15,617	18,933	34,550	91,429	119,011	210,440
Total Asset Operating Costs	11,172	15,700	26,870	11,257	15,831	27,088	22,976	31,002	53,978	22,783	30,918	53,700	137,340	187,374	324,714
Communications	55	84	139	46	84	130	101	149	250	92	165	258	587	1,037	1,625
Professional Services	310	475	785	403	652	1,055	663	1,025	1,688	775	1,282	2,056	5,079	7,070	12,149
Interest	(135)	6,362	6,226	33	6,481	6,514	152	12,198	12,350	21	12,956	12,977	4,663	75,910	80,573
General Overheads	839	1,511	2,350	830	1,517	2,347	1,589	2,990	4,580	1,703	3,153	4,856	9,904	17,706	27,610
Overheads	1,069	8,432	9,501	1,313	8,733	10,046	2,504	16,363	18,867	2,591	17,557	20,147	20,233	101,723	121,957
Total Expenses	13,507	26,219	39,724	13,993	27,117	41,110	28,181	51,923	80,104	28,247	53,644	81,891	174,946	317,659	492,605
Total Contribution/(Loss)	1,603	1,101	2,706	(212)	(775)	(987)	2,300	3,279	5,579	(719)	(1,016)	(1,735)	(2,953)	9,929	6,976

WATERCARE SERVICES LIMITED
DIVISIONAL CONTRIBUTION VARIANCE

Aug-14



WATERCARE SERVICES LIMITED						Aug-14
STATEMENT OF FINANCIAL POSITION						(\$000's)
June 2014 Actual	July Actual		August			June 2015 Budget
			Actual	Budget	Variance	
Non-Current Assets						
7,988,872	7,998,495	Property, Plant and Equipment	8,058,463	8,050,365	8,098	8,425,067
456,588	466,340	Construction/Work-in-progress	427,782	436,470	(8,688)	462,776
(210,329)	(226,404)	Provision for Depreciation	(242,098)	(251,526)	9,428	(49,978)
8,235,131	8,238,431	Total Property, Plant and Equipment	8,244,147	8,235,309	8,838	8,837,865
39,784	40,787	Intangible Assets	44,206	41,374	2,832	44,837
24,208	24,171	Prepaid Expenses	24,134	24,184	(50)	23,815
3,459	4,150	Inventories	4,197	4,211	(14)	4,211
5,698	5,390	Derivative Financial Instruments	6,286	5,664	622	5,664
8,308,280	8,312,929	Total Non-Current Assets	8,322,970	8,310,742	12,228	8,916,392
Current Assets						
97	-	Cash and Cash Equivalents	-	-	-	-
48,187	47,383	Trade and Other Receivables	45,317	44,020	1,297	42,760
19,452	20,518	Unbilled Revenue Accrual	23,881	18,916	4,965	18,459
4,146	4,043	Prepaid Expenses	3,760	3,337	423	698
4,500	3,935	Inventories	3,941	3,684	257	3,684
556	509	Derivative Financial Instruments	464	1,084	(620)	1,084
76,938	76,388	Total Current Assets	77,363	71,041	6,322	66,685
8,385,218	8,389,317	Total Assets	8,400,333	8,381,783	18,550	8,983,077
Non-Current Liabilities						
30,000	30,000	Bonds (18/05/16)	30,000	30,000	-	-
75,000	75,000	Bonds (26/10/18)	75,000	75,000	-	75,000
50,931	50,909	Bonds (26/10/18)	50,887	50,890	(3)	50,667
150,000	150,000	Term Loan (13/10/16)	150,000	150,000	-	150,000
5,000	7,000	Bank Revolving Credit Facility	11,000	35,000	(24,000)	35,000
722,339	722,140	Auckland Council Loan	721,941	747,378	(25,437)	1,114,650
1,033,270	1,035,049	Total debt non-current	1,038,828	1,088,268	(49,440)	1,425,317
13,120	13,120	Other Accrued Expenses	13,120	13,006	114	-
1,201	1,201	Provision for Staff Benefits	1,201	1,087	114	13,255
63,490	72,018	Derivative Financial Instruments	89,443	62,576	26,867	62,576
965,231	960,012	Deferred Tax Liability	959,349	953,062	6,287	1,085,179
2,076,312	2,081,400	Total Non-Current Liabilities	2,101,941	2,117,999	(16,058)	2,586,327
Current Liabilities						
-	1,036	Bank Overdraft	387	-	387	-
133,811	143,678	Commercial Paper	148,595	119,036	29,559	119,036
-	-	Bonds (15/05/14)	0	-	-	-
250	250	Bonds (26/10/18)	250	250	-	264
150,000	150,000	Bonds (16/02/15)	150,000	150,000	-	-
-	-	Bonds (18/05/16)	-	-	-	30,000
-	-	Bank Revolving Credit facility	-	-	-	-
136,396	136,300	Auckland Council Loan	136,205	136,205	-	18,918
420,457	431,264	Total debt current	435,437	405,491	29,946	168,218
28,281	19,353	Trade and Other Payables	18,159	20,922	(2,763)	31,323
12,681	17,629	Interest Accrued	16,316	15,762	554	13,805
56,920	50,340	Other Accrued Expenses	52,519	47,013	5,506	55,121
6,382	6,585	Provision for Staff Benefits	6,859	5,135	1,724	5,483
928	937	Other Provisions	934	1,152	(218)	1,152
150	213	Derivative Financial Instruments	193	194	(1)	194
525,799	526,321	Total Current Liabilities	530,417	495,669	34,748	275,296
Equity						
260,693	260,693	Authorised & Issued Capital	260,693	260,693	-	260,693
3,779,111	3,779,111	Capital Contribution Reserve	3,779,111	3,779,111	-	3,779,111
1,666,754	1,666,425	Revaluation Reserve	1,666,301	1,641,392	24,909	1,998,856
84,968	76,876	Retained Earnings	77,001	87,330	(10,329)	87,330
(8,419)	(1,509)	Current Year Earnings after Tax	(15,131)	(411)	(14,720)	(4,536)
5,783,107	5,781,596	Total Shareholders' Funds	5,767,975	5,768,115	(140)	6,121,454
8,385,218	8,389,317	Total Shareholders' Funds and Liabilities	8,400,333	8,381,783	18,550	8,983,077



Interest rates

		Actual YTD	Benchmark YTD	Year end forecast
Weighted averages (excl. fees and margins)	*	5.00%	4.75%	5.06%
Weighted averages (incl. fees and margins)		6.28%	N/A	6.24%

Debt (\$m)

	Actual	Budget	Variance
Short-term borrowings	435.4	405.5	29.9
Long-term borrowings	1,038.8	1,088.3	(49.5)
Total gross debt	1,474.2	1,493.8	(19.6)
Less cash & deposits	-	-	-
Total net borrowing	1,474.2	1,493.8	(19.6)

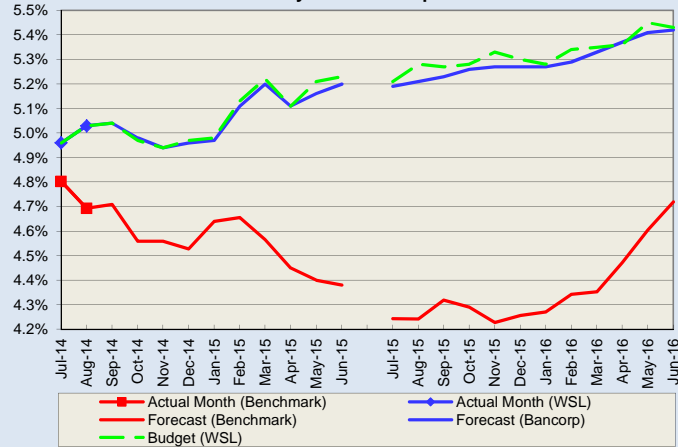
Committed facilities

- Westpac Term Loan facility \$150 million
- ANZ CP Standby facility \$100 million
- BNZ CP Standby facility \$100 million
- Westpac Revolving Credit facility \$60 million
- Medium term notes \$305 million
- Auckland Council \$1197 million
- Total committed facilities as at 31 August \$1,912 million**

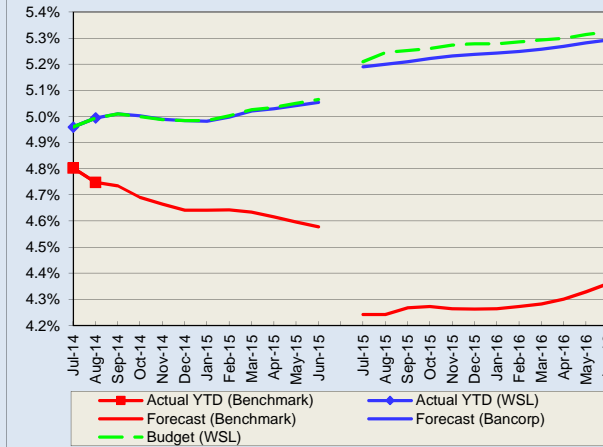
Additional approved facilities

- Approved new funding from Auckland Council \$70 million
- Approved CP issuance, over and above CP Standby facility \$50 million
- Total approved facilities as at 31 August \$2,032 million**

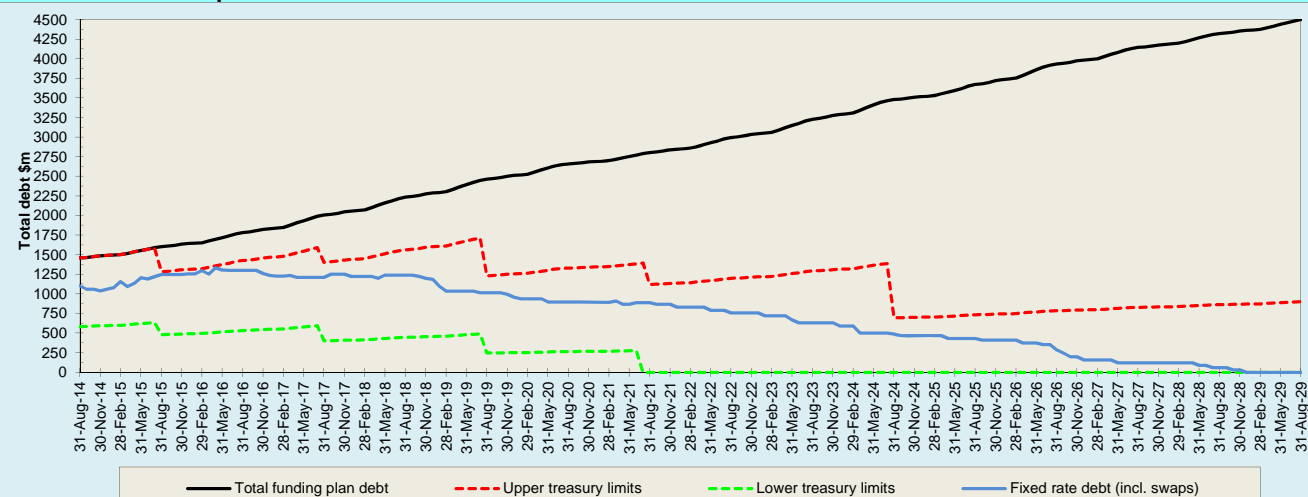
Monthly interest rate performance



Year to date interest rate performance



Forecast total debt profile



**COUNTERPARTY EXPOSURES, DEBT CONCENTRATION &
COVENANT COMPLIANCE**

Aug-14

Counterparty exposures	S&P credit rating Short / long term	Face value	Credit exposures	Limit	Limit	
		\$000	\$000	\$000	OK /	exceeded
Obligations of registered banks						
ANZ Bank	A1+ / AA-	670,903	138,390	200,000	Limit OK	✓
Bank of New Zealand	A1+ / AA-	691,781	130,078	200,000	Limit OK	✓
ASB Institutional	A1+ / AA-	115,000	12,750	200,000	Limit OK	✓
Westpac Institutional Bank	A1+ / AA-	436,190	134,519	200,000	Limit OK	✓
		1,913,874	415,737	N/A		

Note: Credit exposures are direct exposures plus 3% of the face value of interest rate contracts per annum & 10% of foreign currency contracts.

Debt concentration \$000

Committed debt facilities	Maturity	0-12 months	12-24 months	24-36 months	36-48 months	48-60 months	> 60 months	Total
ANZ CP Standby facility	1/07/15	100,000						100,000
Westpac Revolving Credit facility	30/11/15		60,000					60,000
Westpac Term Loan facility	13/10/16			150,000				150,000
BNZ CP Standby facility	1/07/17			100,000				100,000
Medium-term notes	Various	150,000	30,000			125,000		305,000
Auckland Council	Various	132,616	41,692	54,668	78,368	82,243	807,243	1,196,830
Total committed debt facilities		382,616	131,692	304,668	78,368	207,243	807,243	1,911,830
Approved new funding from Auckland Council							69,716	69,716
Approved CP issuance, over and above CP Standby							50,000	50,000
Total committed and approved debt facilities		382,616	131,692	304,668	78,368	207,243	926,959	2,031,546
Treasury policy - total committed debt facilities		<= 500,000	<= 500,000	<= 500,000	<= 500,000	<= 500,000		
Treasury policy compliance		✓	✓	✓	✓	✓		

Drawn bank facilities	Maturity	0-6 months	6-12 months	12-18 months	18-24 months	24-30 months	> 30 months	Total
ANZ CP Standby facility (\$100m)	1/07/15							0
Westpac Revolving Credit facility (\$60m)	30/11/15			11,000				11,000
Westpac Term Loan facility (\$150m)	13/10/16					150,000		150,000
BNZ CP Standby facility (\$100m)	1/07/17							0
		0	0	11,000	0	150,000	0	161,000
Treasury policy for bank facilities		<= 250,000	<= 250,000	<= 250,000	<= 250,000	<= 250,000	<= 250,000	
Treasury policy compliance		✓	✓	✓	✓	✓	✓	
Other facilities								
BNZ overdraft	On demand	2,000						2,000
		2,000	0	0	0	0	0	2,000

Counterparty exposure in relation to borrowing facilities	Westpac	BNZ	ANZ				
Term loan facility	150,000						
Revolving credit facility	60,000						
CP standby facility		100,000	100,000				
	210,000	100,000	100,000				
Treasury policy	<= 500,000	<= 500,000	<= 500,000				
Treasury policy compliance	✓	✓	✓				

Compliance with financial covenants and ratios under the Negative Pledge Deed and Guarantee Facility Deed

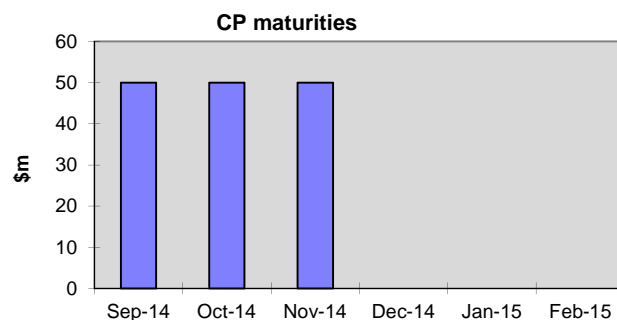
Covenant / ratio	Benchmark/target measure	Outcome	Compliance
Security interests / total tangible assets - maximum	5%	0.00%	✓
Total liabilities / total tangible assets - maximum	60%	31.50%	✓
Total liabilities (including contingent) / total tangible assets - maximum	65%	31.51%	✓
Shareholders funds - minimum (\$000)	500,000	5,767,975	✓
EBITDA : funding costs ratio - minimum	1.75	3.95	✓
Funds from operations : interest cover ratio - minimum	2.00	3.31	✓
Total tangible assets of borrowing group / total tangible assets - minimum	90%	100.00%	✓
Loans, guarantees etc to related companies / total tangible assets - maximum	5%	0.00%	✓
External debt maturing in less than 5 years - minimum	50%	100.00%	✓

Foreign currency exposures (NZ\$000) including hedging for chemical purchases	USD	AUD	Total
Total exposure to be hedged	3,533	341	3,874
Foreign exchange hedging	3,533	341	3,874
Percentage cover	100%	100%	100%
Treasury policy	100%	100%	100%
Treasury policy compliance	✓	✓	✓

Hedging for chemical purchases (US\$000)	Dec-14	Mar-15	Jun-15	Sep-15	Total
Chemicals forward foreign exchange hedging	750	250	500	250	1,750
Treasury policy					<= 5,000
Treasury policy compliance					✓

Commercial paper maturities

Issue #	\$000	BKBM	Interest rate	Bid cover (x)	Term (days)	Maturity date
269	50,000	3.570%	3.685%	2.68	91	22-Sep-14
270	50,000	3.700%	3.810%	2.40	92	30-Oct-14
271	50,000	3.690%	3.800%	2.04	92	25-Nov-14
	150,000		3.765%			



Note: BKBM is the banks' mid-rate for bank bills of a similar term on the CP issue date.

	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Beyond Feb-15	Total
Outstanding CP	50,000	50,000	50,000	0	0	0	0	150,000
Uncommitted short-term debt								0
	50,000	50,000	50,000	0	0	0	0	150,000

Treasury policy for maximum amount of CP outstanding **<= 250,000**
 Treasury policy compliance ✓

Undrawn committed standby facilities	1 month	1-2 months	2-3 months	3-4 months	4-5 months	5-6 months	6-7 months	> 7 months
Undrawn committed standby facility - CP facility	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
50% of CP and other short-term debt repayable within 60 days	50,000	50,000	25,000	0	0			
Treasury policy: Undrawn standby facilities >= 50% of outstanding CP and other uncommitted short-term debt repayable within 60 days								
Treasury policy compliance	✓	✓	✓	✓	✓	✓		

B Pages Summary

Indicator	Detailed Indicators	Result MTD	Result 12 Mth Rolling	Page Ref
Drinking water compliance		●	●	B1
Wastewater Treatment - Mangere		●	●	B2
Wastewater Treatment - Rosedale		●	●	B3
Managed Assets	1. Unplanned maintenance	●	●	B4
	2. Inventory management	●	●	B5
Cost Minimisation		●	●	B7
Network Statistics	1. 3 days notice of planned shutdowns	●	●	B10
	2. Response to wastewater blockages within one hour	●	●	B10
	3. Unplanned water shutdowns restored within five hours	●	●	B10
	4. Water interruption frequency	●	●	B10
	5. Sewer breaks and chokes interruption frequency	●	●	B10
	6. Number of dry weather overflows	●	●	B10
	7. Water quality complaints	●	●	B10
Customer Service Statistics	1. Grade of service	●	●	B11
	2. Abandonment rate and call volumes	●	●	B11
	3. Average handling time	●	●	B11
	4. Customer correspondence and resolution within 10 days	●	●	B11
	5. Customer complaints and resolution within 10 days	●	●	B11
	6. Customer experience survey - Contact Centre	●	●	B11
	7. Customer experience survey - Maintenance	●	●	B11

WATERCARE SERVICES LIMITED

Management Report

Aug-14

Table of Contents

Section B	Page
1 Results by Area (non-financial)	
● Drinking Water	B1
● Wastewater Treatment - Mangere	B2
● Wastewater Treatment - Rosedale	B3
● Managed Assets - Unplanned Maintenance	B4
- Inventory Management	B5
● Cost Minimisation - Costs per cubic metre	B7
2 Statistics	
● Monthly Statistics Update	B9
● Networks Statistics	B10
● Customer Services Statistics	B11
● Performance Against Statement of Intent Measures	B12
● Public Perception	B13

Confidential

Management Report WATERCARE SERVICES LIMITED
Goal 1: World Class Service

Aug-14

Water Quality

Transgressions of Maximum Acceptable Values - Annual Compliance 2015 (Financial Year to Date)

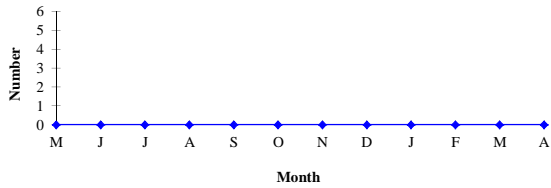
WTPs	Compliance in Month	Year to date Transgressions
E.coli	19/19	0
Protozoa	19/19	0
Priority 2 Determinands	4/4	0

* Priority 2 Determinands are those of public health significance that are present at concentrations that exceed 50% of the Maximum Acceptable Value. Fluoride has been assigned to Ardmore, Huia, Waitakere, and Waikato WTPs.

Water Supply Zone	Compliance in Month	Year to date Transgressions
E.coli	41/41	0
Priority 2 Determinands *	7/7	0
Turbidity	41/41	0

* Priority 2 Determinands are those of public health significance that are present at concentrations that exceed 50% of the Maximum Acceptable Value. Trihalomethanes have been assigned to Te Henga, Oratia, Helensville/Parakai, Warkworth and Wellsford. Nitrate has been assigned to Bombay. Fluoride and Boron are assigned to Clarks/Waiiau as it is naturally occurring in the groundwater

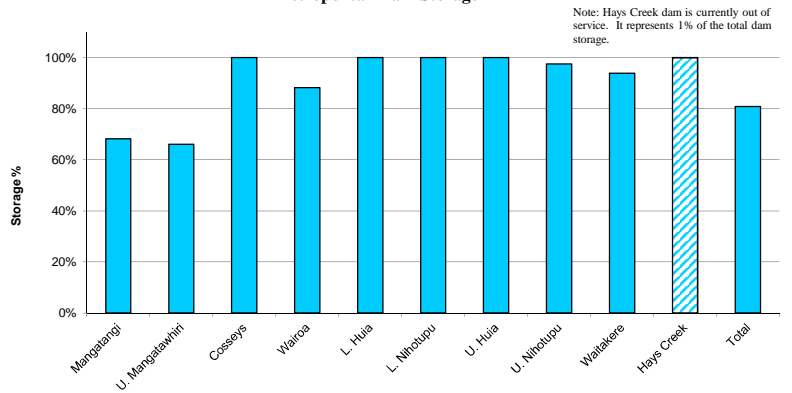
Unplanned Loss of Supply at Bulk Meters



	Month Actual	Rolling 12 month Actual
Number	0	0
Hours	0	0

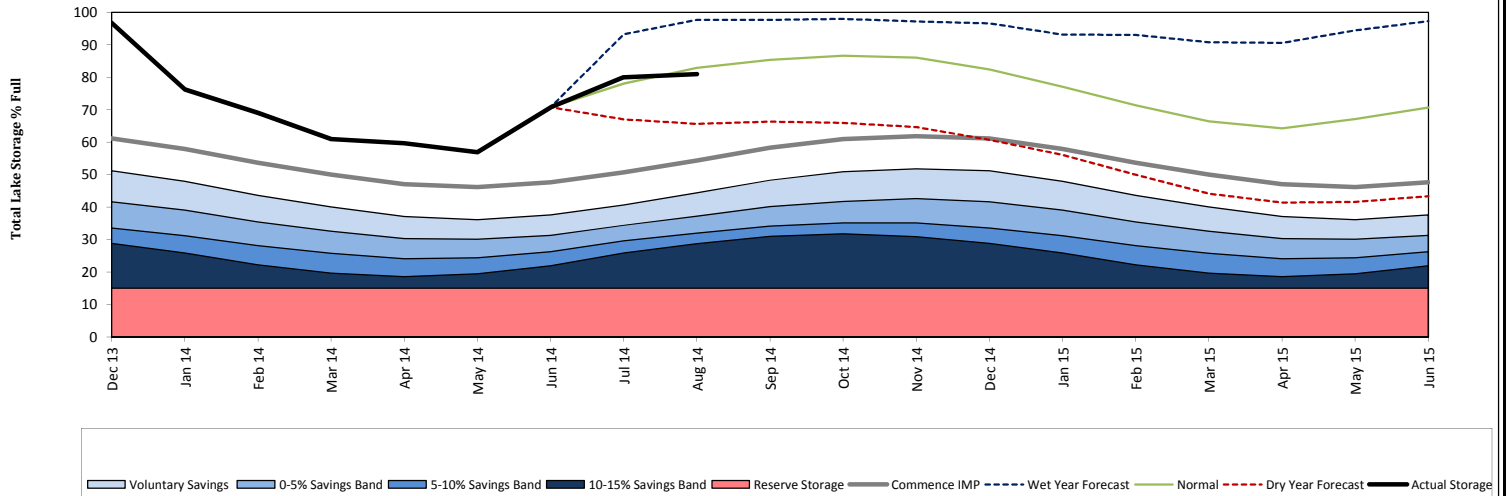
Note:
There has been no unplanned loss of supply at Bulk Meters for the last 12 months.

Metropolitan Dam Storage

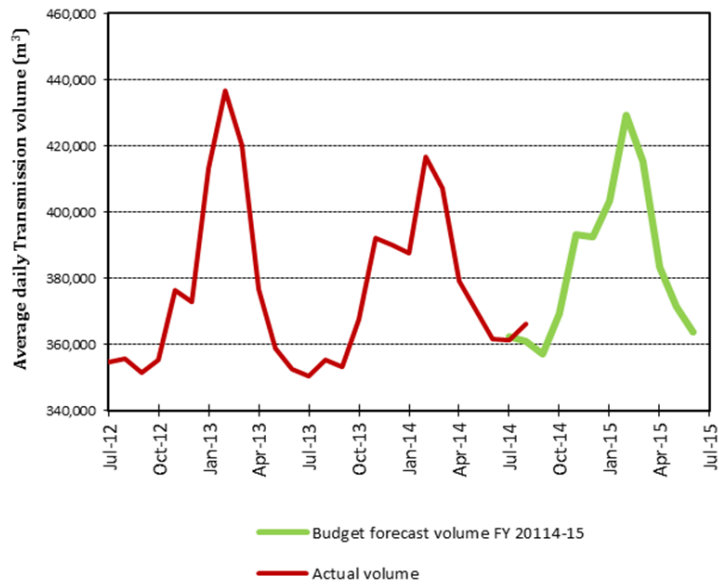


Water Quality

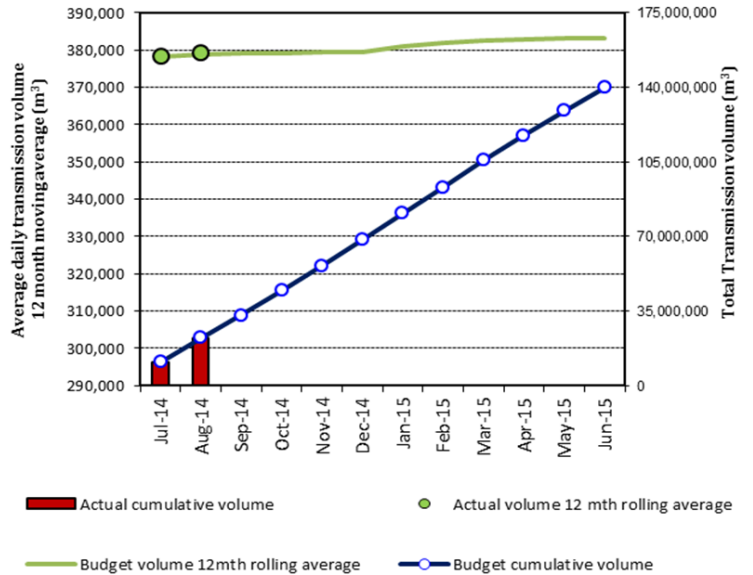
Storage Response - December 2012 to June 2014



Transmission Volumes - Actual and Budget



Transmission Volumes - Budget and Actual
 FY 2013-14



Management Report WATERCARE SERVICES LIMITED Aug-14
Wastewater Treatment - Mangere

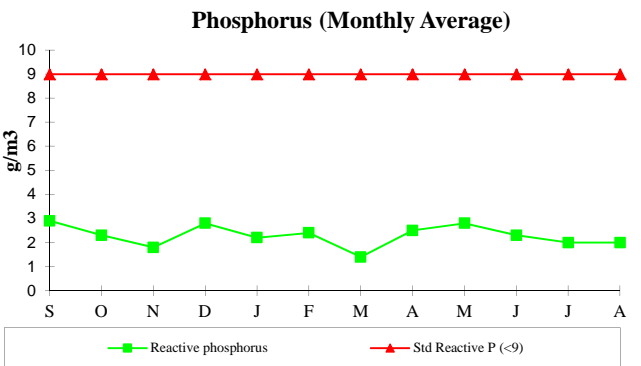
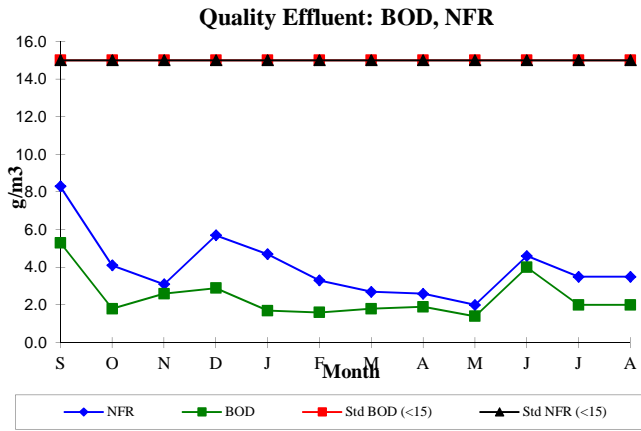
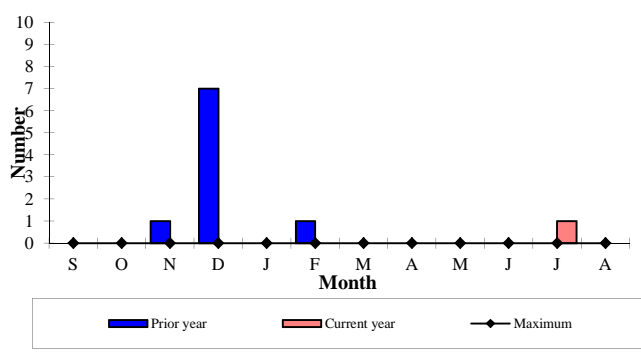


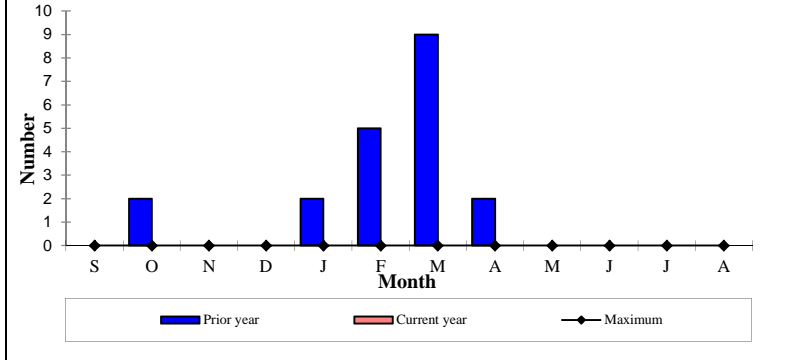
Table 2 Compliance	Consent compliance	Aug-14	Table 2 Standard
Plant load			
Monthly average			
BOD (g/m ³)	✓	2.0	< 15
NFR (g/m ³)	✓	3.5	< 15
Nutrients (g/m³)			
Monthly Mean			
Reactive phosphorus	✓	2.0	< 9
Total nitrogen (Apr-Nov)	✓	9.6	< 35
Total nitrogen (Dec-Mar)		N/A	< 9.5
Disinfection			
% duration receiving 35 milliWatt-sec/cm ² of UV do	✓	100.00%	>= 99%
Monthly mean (% saturation)			
Dissolved oxygen	✓	93.20%	> 80%
Breaches of resource consent conditions	✓	0	0

Comment:

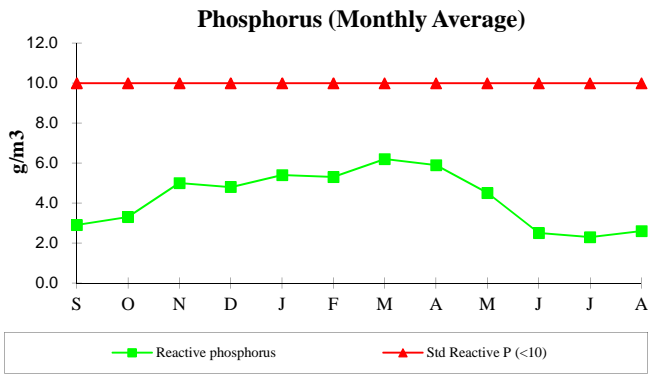
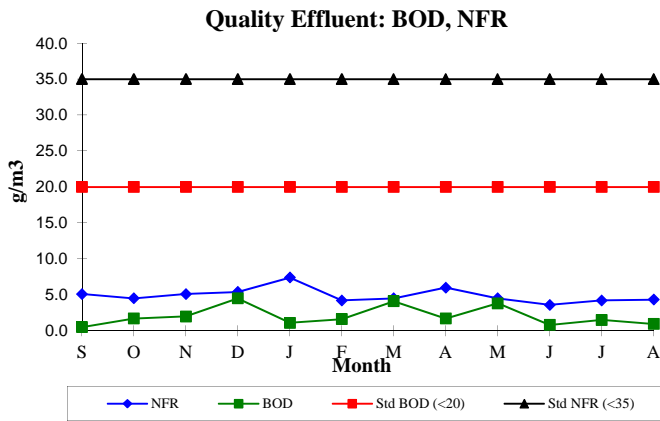
✗ Midge Complaints



✓ WTP Odour Complaints

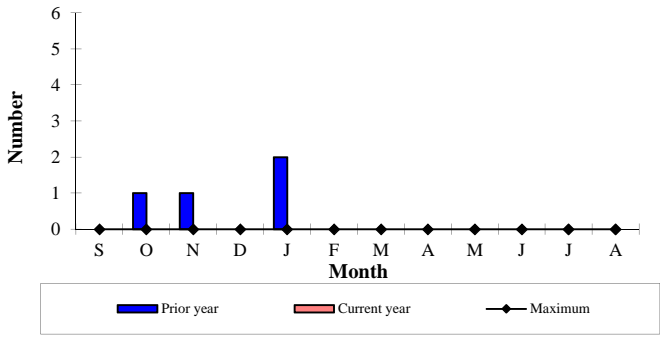


Management Report WATERCARE SERVICES LIMITE Aug-14
Wastewater Treatment - Rosedale

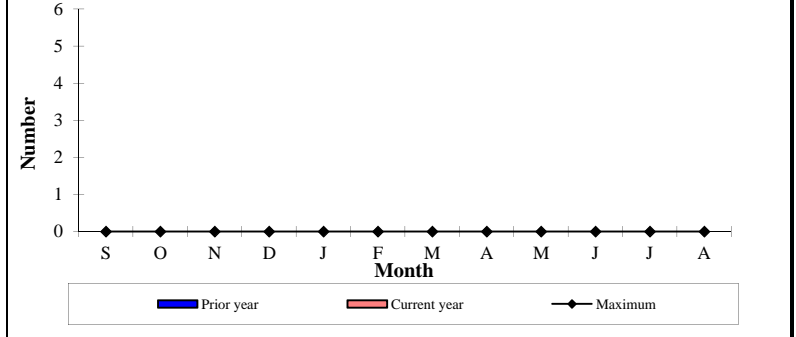


Compliance	Consent compliance	Aug-14	Table 2 Standard
Plant load			
Monthly average			
BOD (g/m3)	✓	0.9	< 20
NFR (g/m3)	✓	4.3	< 35
Nutrients (g/m3)			
Monthly Mean			
Reactive phosphorus	✓	2.6	< 10
Total nitrogen	✓	11.0	< 30
Ammonia	✓	6.3	< 10
Bacteriological			
Monthly median			
Enterococci (#/100ml)	✓	1.6	< 100
Faecal Coliforms (#/100ml)	✓	1.6	< 1000
Bacteriological			
Monthly 95% Percentile			
Enterococci (#/100ml)	✓	37	< 1000
Faecal Coliforms (#/100ml)	✓	43	< 10000
Bacteriological			
95 Percentile over three discreet months			
Enterococci (#/100ml)	✓	44	< 1000
Faecal Coliforms (#/100ml)	✓	66	< 10000

✓ **Midge Complaints (YTD)**



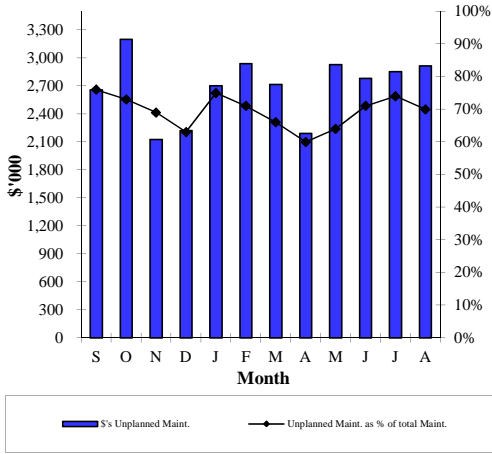
✓ **WTP Odour Complaints (YTD)**



There have been no odour complaints made for over two years

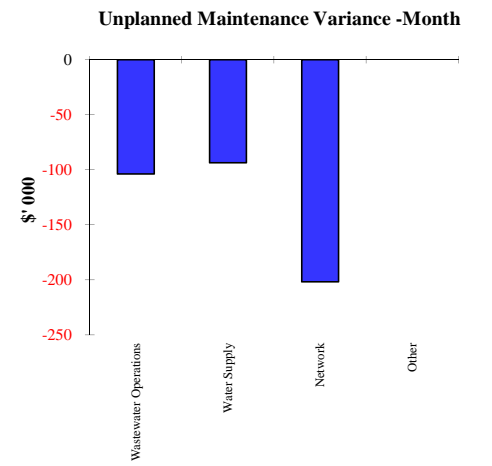
Managed Assets

Unplanned Maintenance



	Result	Month			Year to Date		
		Actual	Budget	Var	Actual	Budget	Var
Unplanned Maintenance	✘	2,917	2,518	(399)	5,770	5,139	(632)
% of Total Maintenance	✘	70%	62%	-8%	72%	67%	-5%

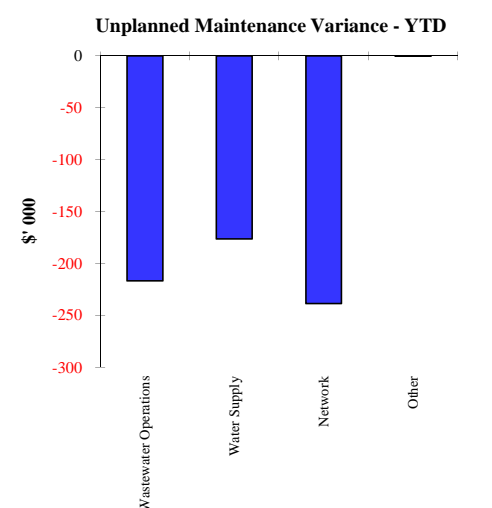
Unplanned maintenance as a % of Total Maintenance is unfavourable to budget mainly due to high volume of jobs in Networks Southern and a few large jobs in Rosedale.



	Result	Month		
		Actual	Budget	Variance
Wastewater Operations	✘	619	515	(104)
Water Supply	✘	252	159	(93)
Network	✘	2,046	1,844	(202)
Other	✔	0	0	0

Wastewater Operations: Higher than budget due to the Rosedale digester foaming issue and building roof repair.
Water Operations: Higher than budget due to various faults in Waikato WTP and Transmissions.

Networks: Higher than budget due to high volume of jobs and Capex jobs incorrectly charged in Networks Southern.



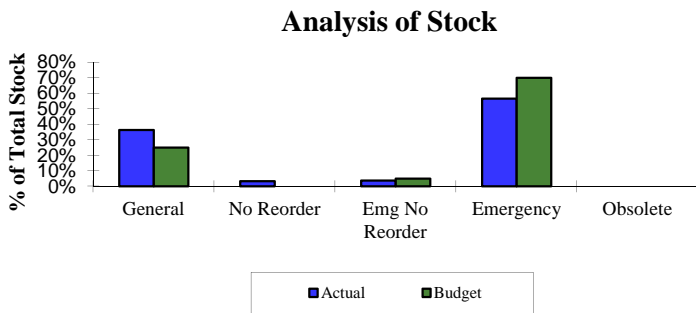
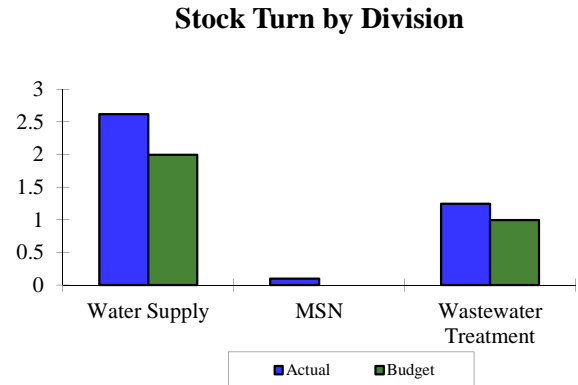
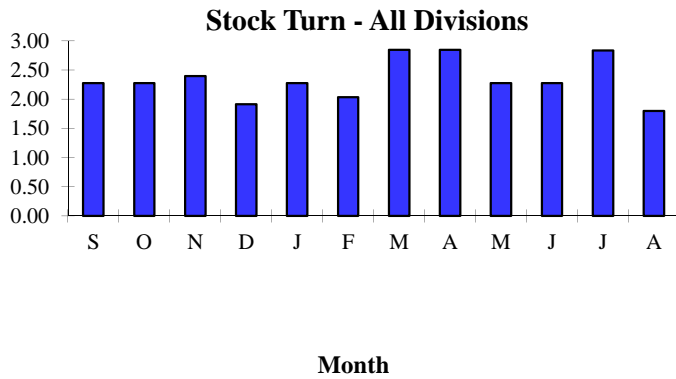
	Result	Year to Date		
		Actual	Budget	Variance
Wastewater Operations	✘	1,227	1,011	(217)
Water Supply	✘	493	317	(176)
Network	↔	4,050	3,811	(239)
Other	✘	0	0	(0)

Wastewater Operations: Higher than budget due to the repair of underground water leaks in Mangere

Water Operations: Higher than budget due to a significant repair in Ardmore, Huia and Waikato.

Networks: Consistent with budget

✔ **Inventory Management**



Comment:

The total closing value for Aug 14 was \$7.1m

Definitions:
 General - Non category specific item
 No Reorder - Will not trigger Material Requisition Plan
 Emergency - Stock which is held in case of breakdowns
 Emergency No Reorder - As above but will not be reordered once exhausted
 Obsolete - Stock that is no longer required by the business

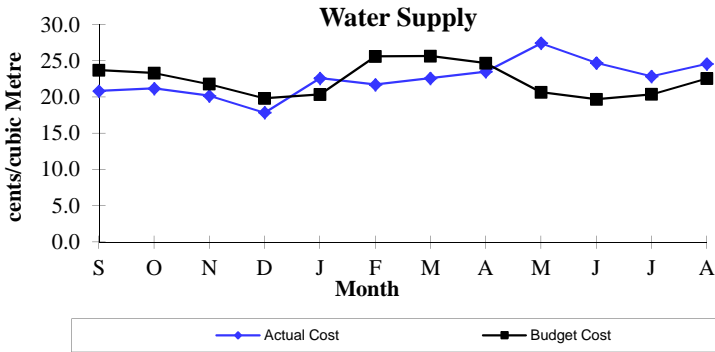
Management Report

Cost Minimisation

WATERCARE SERVICES LIMITED

Aug-14

Water Supply

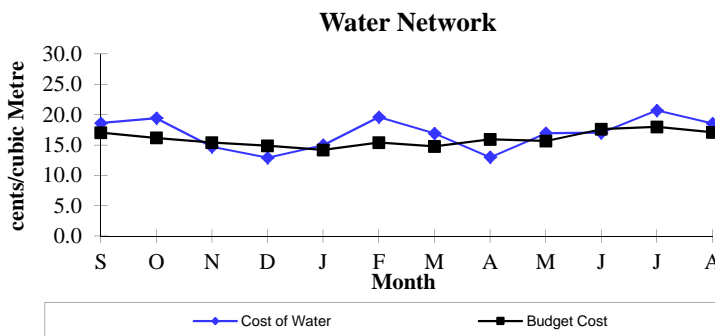


This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
24.6	22.5	(2.1)	23.7	21.5	(2.3)

Comment:

This month unit cost is consistent with budget.

Water Networks

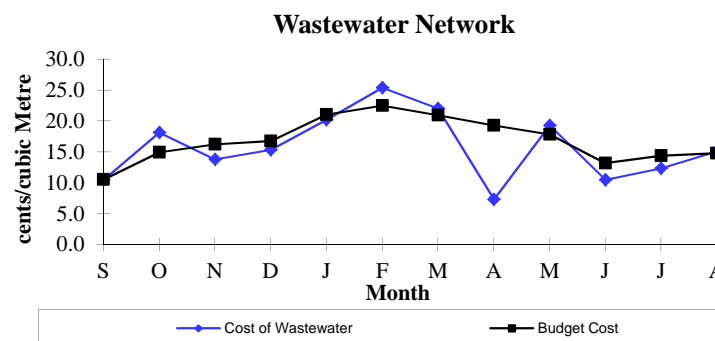


This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
18.6	17.1	(1.5)	19.6	17.5	(2.1)

Comment:

This month the reticulation cost of water is consistent with budget.

Wastewater Networks

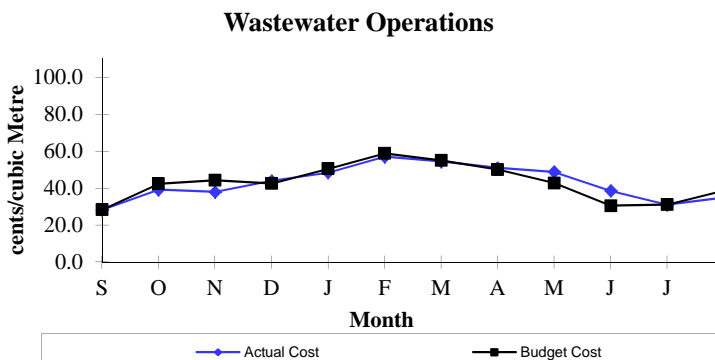


This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
15.1	14.8	(0.3)	13.6	14.5	0.9

Comment:

The reticulation unit cost of wastewater is consistent with budget.

Wastewater



This Month			YTD Cumulative average		
Actual	Budget	Variance	Actual	Budget	Variance
34.9	38.7	3.8	32.9	34.7	1.9

Comment:

This month unit cost of Wastewater is consistent with budget.

Management Report

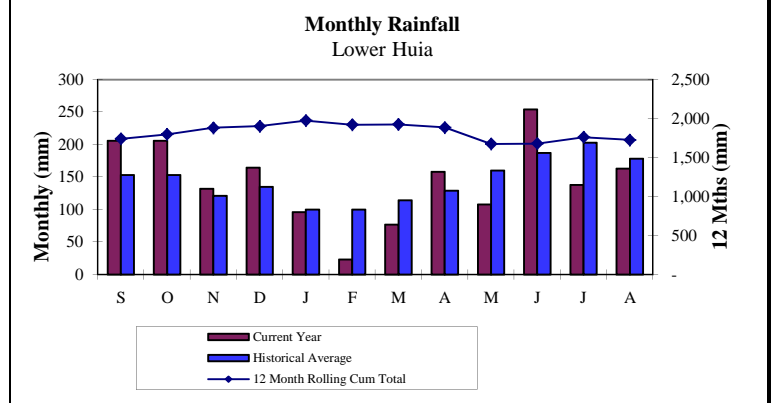
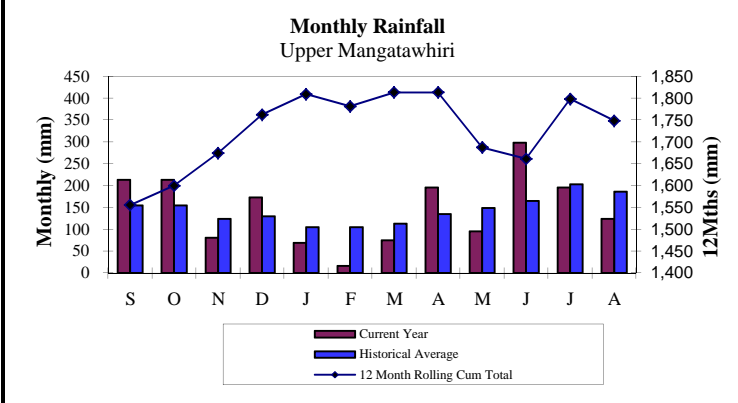
Monthly Statistics Update

WATERCARE SERVICES LIMITED

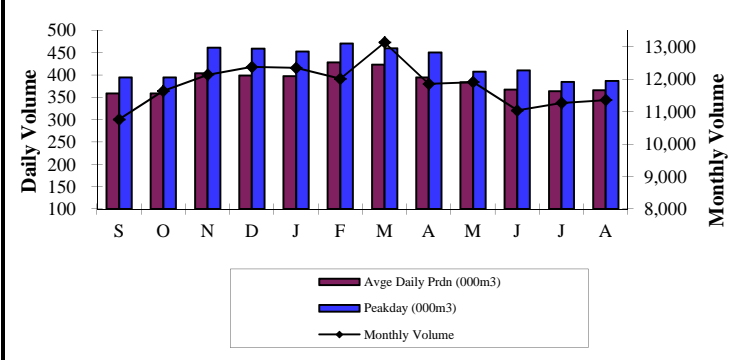
Aug-14

Rainfall

Rainfall	Current Month	12 Mth Cumulative Rolling	Rainfall	Current Month	12 Mth Cumulative Rolling
Actual - Upper Mangatawhiri	124 mm	1749 mm	Actual - Lower Huia	163 mm	1725 mm

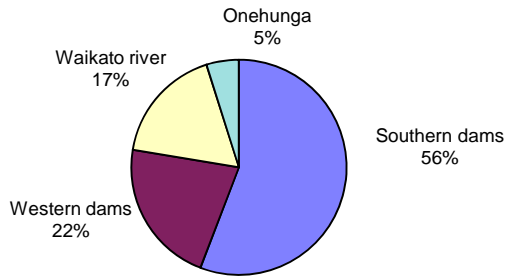


Water Production - Metropolitan Supply



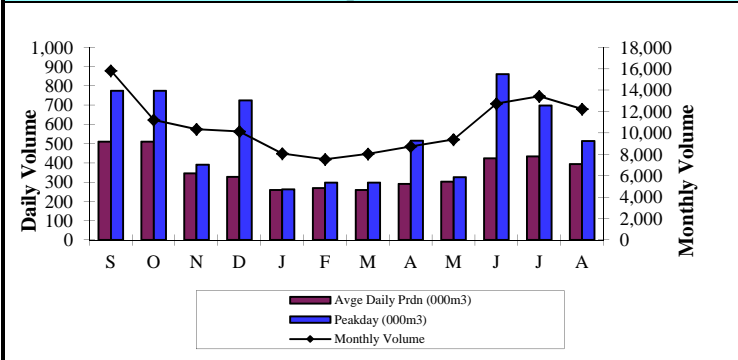
	Current Month	12 Month Rolling Ave
Monthly Volume (000m³)	11,359	11,822
Average Daily Production	366	387
Peak Day	387	428

Treated water volumes for the month



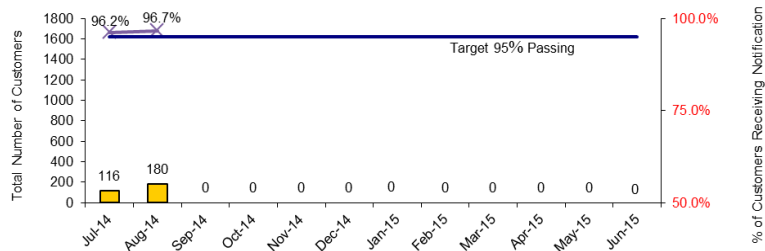
Treated water volumes (000m ³)	Current Month		Year to Date	
Southern dams	6,344	56%	12,540	9%
Western dams	2,473	22%	4,965	4%
Waikato river	1,990	18%	4,084	3%
Onehunga aquifer	553	5%	1,041	1%
Total	11,360	100%	22,630	16%

Wastewater Treatment - Metropolitan Treatment



	Current Month	12 Month Cumulative Ave
Monthly Volume (000m³)	12,238	10,656
Average Daily Production	395	361
Peak Day Mangere	515	537

3 Days Notice of Planned Shut Down

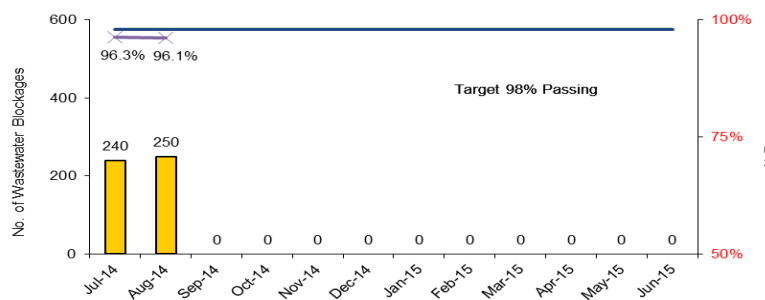


Strategic Performance Objective 23 b

Maintain good customer relationships - 100% of customers received at least 3 days notice of planned shutdowns

Comments: Target achieved at 96.7%

Response to Wastewater Blockages within One Hour

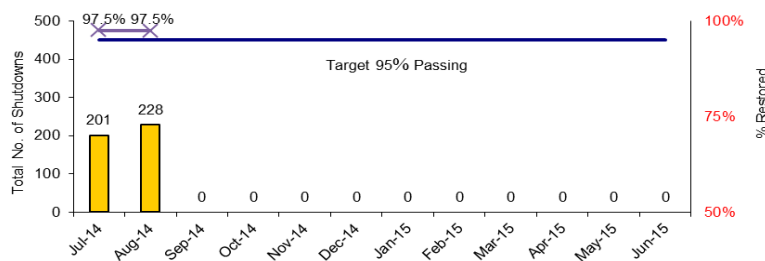


Strategic Performance Objective 25 b

Restore Service Capacity - 98% of Wastewater Blockages Responded to within one to two hours

Comments: Not achieved at 96%
Investigations are underway with the Maintenance Contractors to identify the reasons for the target not being achieved. Across the region, 13 jobs failed to meet the target response time

Unplanned Water Shutdowns Restored within 5 hours

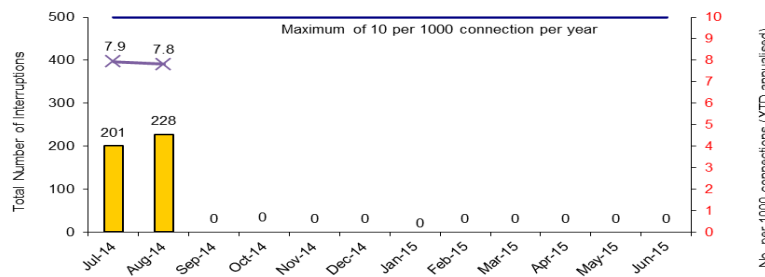


Strategic Performance Objective 25 a

Restore Service Capacity - 95% of unplanned water shutdowns were restored within 5 hours

Comments: Achieved at 97.5%

Water Interruption Frequency

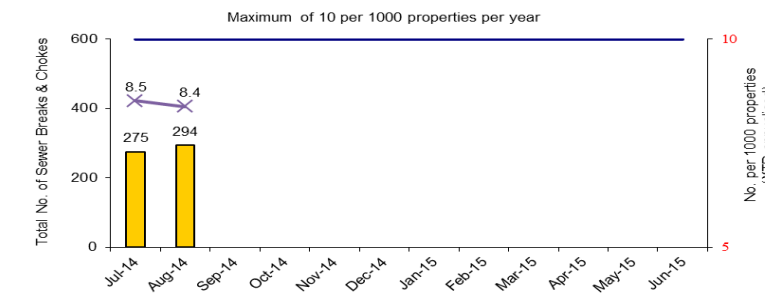


Strategic Performance Objective 24 a

Maintain Service Capacity - 10.0 water interruptions per 1000 connections per year

Comments: Achieved at 7.8 interruptions

Sewer Breaks and Chokes Interruption Frequency

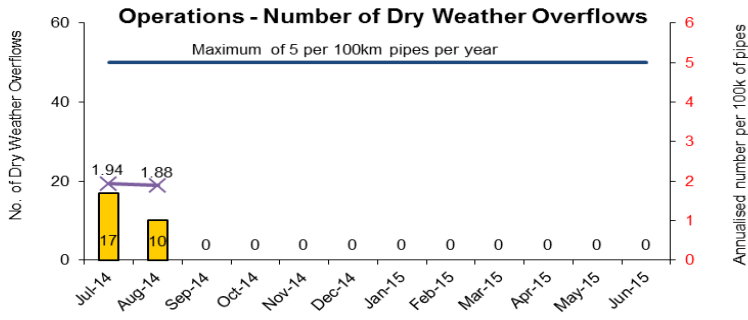


Strategic Performance Objective 24 b

Maintain Service Capacity - frequency of sewer breaks and chokes (unplanned interruptions) at 10.0 per 1000 properties per year

Comments: Achieved at 8.4

Operations - Number of Dry Weather Overflows

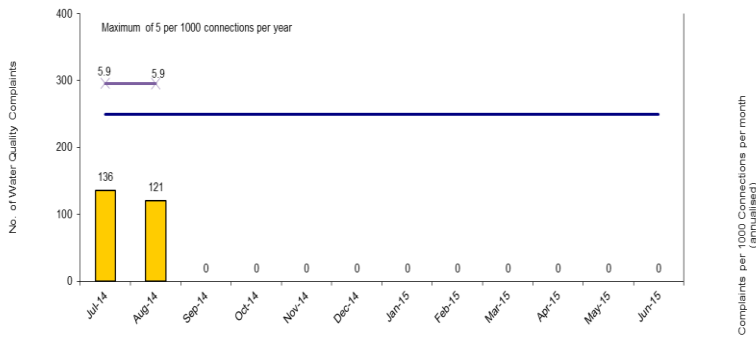


Key Performance Scorecard

Dry Weather Overflows not to exceed 5 per 100km of pipes

Comments: Target met

Water Quality Complaints



Water Quality Complaints not to exceed 5 per 1,000 customers per year

Comments: Not achieved

The result for the water quality complaints measure continues to be influenced by the high number of complaints in January from the flushing of the Kumeu-Huapai transmission main and the algal bloom in the Waitakere water sources resulting in taste and odour complaints. There have not been any subsequent significant events that contribute to the result being outside the KPI maximum. The result is expended to trend towards the target over the coming months

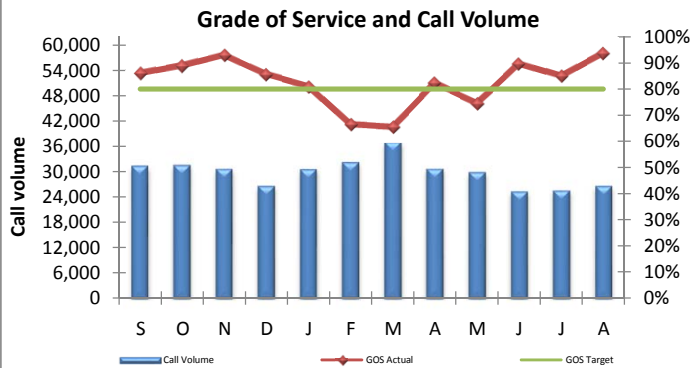
Management Report

Customer Service

August-2014

93.7%

Grade of Service and Call Volumes



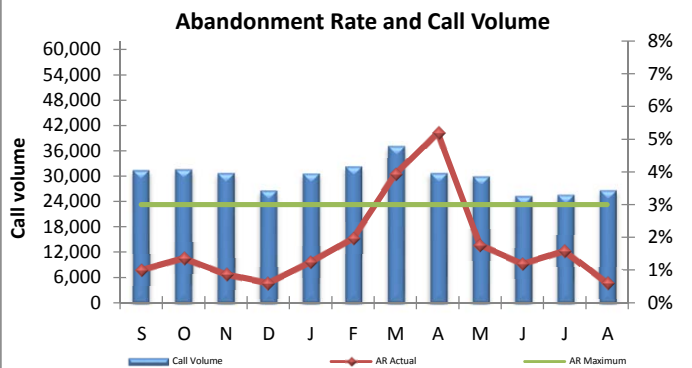
Grade of Service					
Target	Actual	Variance	12 Months	Variance	Calls
80.0%	93.7%	13.7%	82.1%	2.1%	26,643

Comments:
The Grade of Service target was exceeded with 93.7% of telephone calls answered within 20 seconds, against a target of 80%. Call Volume was similar to the previous month but lower than expected with only minor impact from the changes in the Non-Domestic wastewater

Notes:
The call volume excludes calls received outside of Watercare contact centre business hours
The call volume includes calls offered less any calls abandoned within 10 seconds.

0.6%

Abandonment Rate and Call Volumes



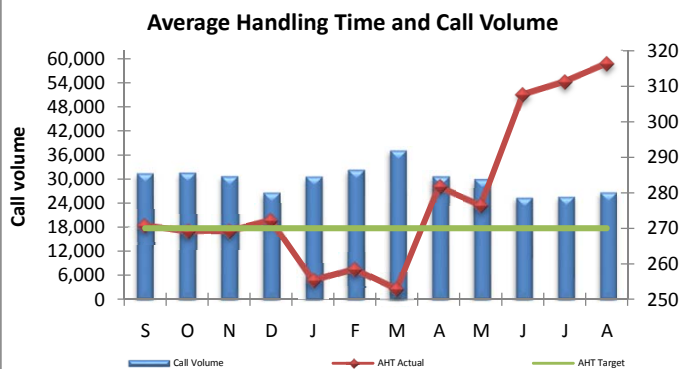
Abandonment Rate					
Maximum	Actual	Variance	12 Months	Variance	Calls
3.0%	0.6%	2.4%	2.1%	0.9%	26,643

Comments:
The number of calls abandoned before the Contact Centre answered was very low at 0.6%. This is a positive result when considered alongside the average handle time which is higher than the target but has not affected customers calling Watercare

Notes:
The call volume excludes calls received outside of Watercare contact centre business hours
The call volume includes calls offered less any calls abandoned within 10 seconds.

316.4 s

Average Handling Time (AHT) and Call Volumes



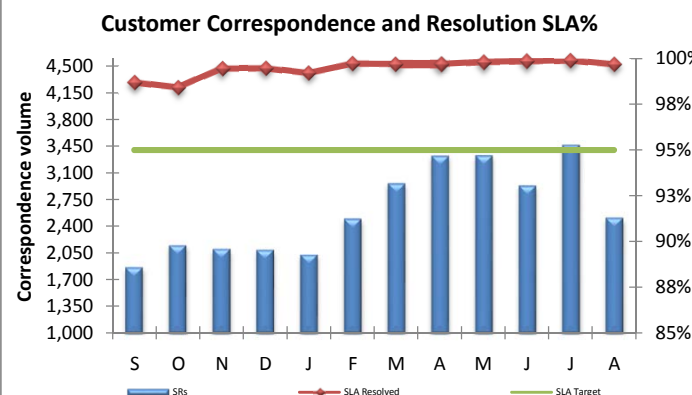
Average Handling Time					
Target	Actual	Variance	12 Months	Variance	Calls
270.0	316.4	46.4	280.3	10.3	26,643

Comments:
The average handle time increased again in August to be 46.4 seconds higher than the target of 270 seconds. The increase in the average handle time is attributed to new staff working in the Call Centre, the increased use of translation services, combined with Non-Domestic customer enquiries.

Notes:
Figures for Jan, Feb and Mar and understated due to a system error
The AHT includes 30 seconds of post call administration time per call

99.7%

Customer Correspondence and Resolution within 10 days



Correspondence SLA					
Target	Actual	Variance	12 Months	Variance	SRs
95.0%	99.7%	4.7%	99.7%	4.7%	2,510

Comments:
Both the month and rolling 12 month targets were exceeded. The number of correspondence items received has reduced this month with lower demand in requests for information and enquires relating to billing, new connections and special readings.

Key:
SLA - Service Level Agreement
SRs - Customer Correspondence (Service Requests)

Management Report

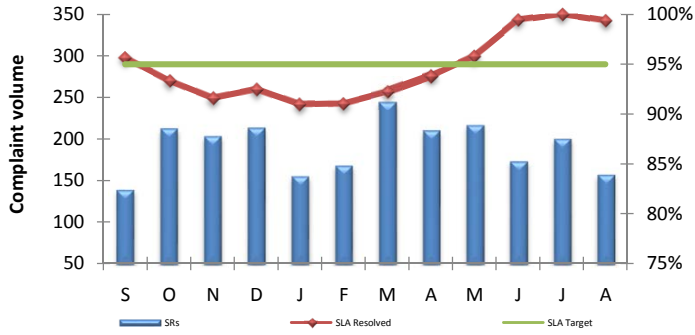
Customer Service

August-2014

100.0%

Customer Complaints and Resolution within 10 days

Customer Complaints and Resolution SLA%



Complaints SLA

Target	Actual	Variance	12 Months	Variance	SRs
95.0%	99.4%	4.4%	94.8%	0.2%	200

Comments:

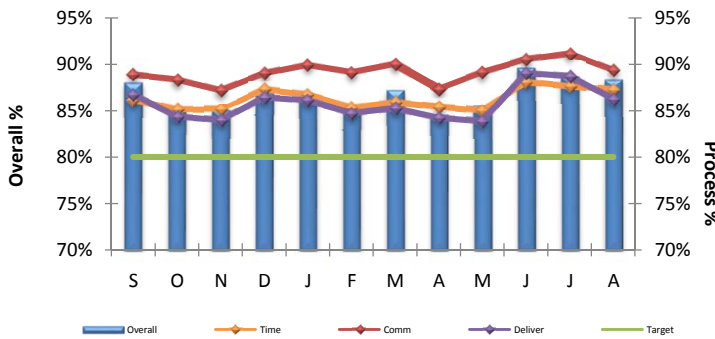
This month there was a drop in complaints and 99.4% were resolved in 10 working days. The revised complaints management process implemented from late May has abated the number of second complaints which has reduced the overall volume of complaints. Some of the underlying reasons for complaints have been addressed through continuous improvement initiatives

Key:

SLA - Service Level Agreement
SRs - Customer Complaints (Service requests)

88.4%

Customer Experience Survey - Contact Centre



By Category

Time	Comm	Deliver	Overall	Target	Variance
87.2%	89.4%	86.3%	88.4%	80.0%	8.4%

Overall

Comments:

The customer survey showed that customers are satisfied with the service they received from the Contact Centre when logging faults. The target of 80% was exceeded in each of the target areas giving a combined total of 88.4%.

Results provided by research conducted by TNS.

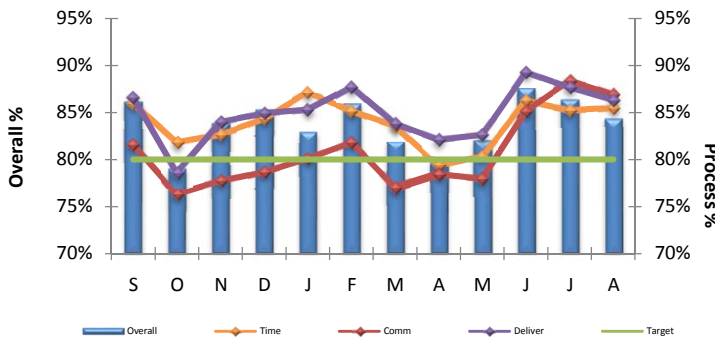
This is for fault related calls only.

Key:

Time: Don't waste my time
Comm: Communicate with me
Deliver: Deliver to me

84.5%

Customer Experience Survey - Maintenance



By Category

Time	Comm	Deliver	Overall	Target	Variance
85.5%	86.9%	86.3%	84.5%	80.0%	4.5%

Overall

Comments:

The customer survey showed that customers are satisfied with the service they received from the maintenance teams when responding to faults. The target of 80% was exceeded in each of the target areas.

Results provided by research conducted by TNS.

This is for fault related maintenance only.

Key:

Time: Don't waste my time
Comm: Communicate with me
Deliver: Deliver to me

Date	Outlet/Publication	Headline	Opening text	Hit sentence	Positive	Neutral	Negative
1/08/2014	Trenchless Australia	Silverdale set to (micro)tunnel forward	The small village of Silverdale in Auckland, New Zealand, will soon receive a new microtunnel machine. Construction company McConnell Dowell's new microtunnel boring machine (MTBM) will arrive in New Zealand in the next few weeks to settle in Silverdale, where it will make its way underground from the existing Watercare Pump Station off Millwater Parkway Orewa to a new series of subdivisions north of Grand Drive.			✓	
1/08/2014	New Zealand Property Investor	Your mortgage. Land prices are out of whack	There's no shortage of sections in the wider Auckland region but we need to use them more efficiently, says John Bolton.	Development contributions alone are around \$31,000 per site including Watercare levies.			✓
2/08/2014	Dominion Post	Plans firm for sprawling industrial site	Plans firm for sprawling industrial site. The sale of Lochinver Station near Taupo to a Chinese company will help free up capital for Stevenson Group to build a huge industrial development in South Auckland worth hundreds of millions of dollars.	If it is ratified, Franklin said, the next stage would be to nail down infrastructure agreements with Watercare, councils and roading providers.		✓	
2/08/2014	Christchurch Press	Plans firm for sprawling industrial site	Plans firm for sprawling industrial site. The sale of Lochinver Station near Taupo to a Chinese company will help free up capital for Stevenson Group to build a huge industrial development in South Auckland worth hundreds of millions of dollars.	If it is ratified, Franklin said, the next stage would be to nail down infrastructure agreements with Watercare, councils and roading providers.		✓	
2/08/2014	New Zealand Herald	Top agent bridges sales and leasing	Bayleys' PaulHain takes the individual title at Real Estate Institute's annual awards.	Some of Hain's bigger leasing transactions included: Watercare Service's leasing of the 7000sqm ² space for 12 years in a new building at 73RemueraRd, Newmarket in Auckland—with New Zealand Lotteries Commission committing to 1938sqm in the building on a nine-year lease.		✓	
2/08/2014	NBR (online)	Top agent bridges sales and leasing	Bayleys' PaulHain takes the individual title at Real Estate Institute's annual awards.	Some of Hain's bigger leasing transactions included: Watercare Service's leasing of the 7000sqm ² space for 12 years in a new building at 73RemueraRd, Newmarket in Auckland—with New Zealand Lotteries Commission committing to 1938sqm in the building on a nine-year lease.		✓	
3/08/2014	Interest.co.nz	Bernard Hickey says Auckland is growing consents far too slowly	He says Len Brown needs to push back the NIMBYs or face Wellington nationalising Auckland's building consenting and unitary plan process.	This month Watercare increased its connection fee for new developments by 23.5% to \$12,075 per connection. There appears a lack of political will in Auckland to fight the battles on the ground to encourage Auckland to grow both up and out.		✓	
5/08/2014	North Shore Times	Water meter costs upset pensioner.	Hauraki resident Sheila Hammond is sick and tired of paying for water she doesn't use. Hammond lives in a 1960s brick and tile unit and shares a water meter with two other units.	Many of her elderly friends face the same situation, and she's repeatedly contacted Watercare Services about the issue. Watercare Services spokesman John Redwood, says Watercare maintains 455 shared water meters on the North Shore. "That's more than we'd like, they're not ideal, but the long and the short of it is there's nothing we can do."		✓	
5/08/2014	Carbon News	Wastewater system earns environment award	Watercare's Kawakawa Bay wastewater system has received one of three Environment and Sustainability Awards for large projects presented by IPENZ, Auckland Branch at the prestigious Arthur Mead Awards function.		✓		
5/08/2014	The Post Newspaper	Hard water not an easy question	Franklin residents, particularly in the west of the region, have long complained about their water supplies, suggesting particles in the water cause marks on the glass, scale build-up on kettles and even discolouration of their washing.	Some local residents are adamant that reticulated services, particularly in Waiuku are causing severe build up on their kitchen appliances, but John Redwood, Communications Manager for Watercare Services Limited, says the 'hardness' of local water is well within established guidelines.		✓	
5/08/2014	Manukau Courier	Councillor upset at snub on living wage issue	Councillor Cathy Casey has levelled her anger at mayor Len Brown, saying it was his fault the living wage did not pass through the Auckland Council last year.	The council group, which includes the council-controlled organisations such as Auckland Transport and Watercare, has 1387 staff earning more than \$100,000 – or 14.1 per cent of the total – and four earning over \$500,000.		✓	
6/08/2014	Waikato Times	Desperate need for trade dumping site	Desperate need for trade dumping site. Caught in the act: Pukekohe Citizen and Ratepayers Association member Ganges Singh took this photo of an Auckland Council contractor dumping waste water into a stream near Rowles Rd, Pukekohe on July 15. An Auckland Council investigation has concluded its contractor's dumping of waste water in a Pukekohe stream last month was legal but a new trade waste disposal site is needed in the town.	Council is working with Watercare to confirm a new approved disposal site in Pukekohe.		✓	
6/08/2014	Mahurangi Matters	Snells Algies water upgrade	Work on a \$1.8 million upgrade to the water main between the Hamilton Road water treatment plant and the James Street Reservoir, which services Snells Beach and Algies Bay, is expected to be completed in October.			✓	
8/08/2014	New Zealand Herald	Drop the dreams, we need reality	Transport boss's 'statement of imagination' looks suspiciously like a vision of a shift to the political side. In the Auckland Council's brief existence it has inspired enough "visions" to rival the Vatican's 2000-year-old collection.	Under the Super City, the business functions of the council were parcelled out into council-controlled organisations, governed by their own "expert" boards. It was all about stopping politicians interfering in the day-to-day operations of enterprises such as Watercare, the Port Company and Auckland Transport (AT).		✓	
8/08/2014	Yahoo.co.nz	Carlton Gore 'rises from the asphalt'	After months of road works Carlton Gore Road is now rising from the asphalt and looking better than ever. Many retailers have been affected by the works initiated by Auckland Transport and Watercare and although necessary, the work has taken longer than anticipated.			✓	
8/08/2014	Scoop.co.nz	Carlton Gore 'rises from the asphalt'	After months of road works Carlton Gore Road is now rising from the asphalt and looking better than ever. Many retailers have been affected by the works initiated by Auckland Transport and Watercare and although necessary, the work has taken longer than anticipated.			✓	
8/08/2014	Voxy.co.nz	Carlton Gore 'rises from the asphalt'	After months of road works Carlton Gore Road is now rising from the asphalt and looking better than ever. Many retailers have been affected by the works initiated by Auckland Transport and Watercare and although necessary, the work has taken longer than anticipated.			✓	
8/08/2014	Pohutukawa Coast Times	Bay sewerage wins award	Watercare's Kawakawa Bay wastewater system has received one of three Environment and Sustainability Awards for large projects presented by IPENZ, Auckland Branch at the prestigious Arthur Mead Awards Function.		✓		
9/08/2014	Infrastructure Magazine	Latest member of the underground	McConnell Dowell's new micro tunnel boring machine has arrived in Silverdale, 30km north of Auckland city, to begin work installing a gravity wastewater system. But it could not start work without a name – Silverdale kids solved the problem.	McConnell Dowell is laying 3.15 kms of wastewater pipeline for Watercare using microtunnelling trenchless technology. The waste water will flow through the pipeline through gravity offering significant advantages during construction and operation in terms of safety, environmental and community impact.	✓		
11/08/2014	CIO New Zealand	Movers and shakers: Peter Jameson, Jim Swanson, Louis Sylvester and Elizabeth Holden		Jim Swanson is now director at PwC New Zealand, leaving his Watercare CIO role after nearly four years.		✓	
12/08/2014	Manukau Courier	SHA housing in limbo?	Are the first cracks appearing in the much-trumpeted plan to solve Auckland's housing crisis? Developers at four of the 63 Special Housing Areas (SHAs) across the city have pulled out of the new fast-track consent process, the Auckland Council confirms.	The Government's 2014 budget announced a temporary freeze on import tariffs for building materials, a move expected to lower the cost of building a house by \$3500. At the same time, Watercare raised its fee for new water connections from \$9775 to \$12,075. Brown feels like he can't win.			✓

Management Report – Media Analysis Goal Seven: Public Perception			WATERCARE SERVICES LIMITED				Aug-14
13/08/2014	Papakura Courier	SHA housing in limbo?	Are the first cracks appearing in the much-trumpeted plan to solve Auckland's housing crisis? Developers at four of the 63 Special Housing Areas (SHAs) across the city have pulled out of the new fast-track consent process, the Auckland Council confirms.	The Government's 2014 budget announced a temporary freeze on import tariffs for building materials, a move expected to lower the cost of building a house by \$3500. At the same time, Watercare raised its fee for new water connections from \$9775 to \$12,075. Brown feels like he can't win.			✓
13/08/2014	Eastern Courier	SHA housing in limbo?	Are the first cracks appearing in the much-trumpeted plan to solve Auckland's housing crisis? Developers at four of the 63 Special Housing Areas (SHAs) across the city have pulled out of the new fast-track consent process, the Auckland Council confirms.	The Government's 2014 budget announced a temporary freeze on import tariffs for building materials, a move expected to lower the cost of building a house by \$3500. At the same time, Watercare raised its fee for new water connections from \$9775 to \$12,075. Brown feels like he can't win.			✓
13/08/2014	New Zealand Herald	Auckland Council execs work with stunning views	More and more Auckland Council executives and staff are moving into central city offices with million dollar harbour views.	Elsewhere in Auckland, Watercare Services has moved a short distance from the former Auckland Electric Power Board building in Newmarket to a new four-storey building to bring 500 staff from three locations under one roof.		✓	
14/08/2014	Waikato Times	Smart meter move heralds user-pays water	Smart meter move heralds user-pays water. Waikato District Council looks set to be the first in the region to move to user-pays water after councillors decided not to wait for smart meter technology.	But councillor Graeme Tait said the flip back to conventional meters was "jumping from one boat to the other boat in mid-stream". He was worried about control of water being taken out of the council's hands completely and expressed concern about the Auckland City Council's Watercare Services, with whom the Waikato council already has an agreement.		✓	
14/08/2014	CMO.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	CIO.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	Goodgearguide.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	CSO.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	Computerworld.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	Amnet.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
14/08/2014	Techworld.com.au	How can a water pipe explode?	There's a depressingly long list of accidents, many fatal, resulting from contractors puncturing buried gas pipes after failing to properly locate them prior to excavating, but what about a fatal gas explosion during excavations without any gas pipe being ruptured? That's what happened in New Zealand.	Canadian Pacific, the company carrying out the work under contract to Auckland Council body Watercare Services was fined \$NZ55,250 as a result of the explosion, which took place in 2011. Watercare Services was fined \$NZ81,000.			✓
17/08/2014	Herald on Sunday	We did it our way	Intrepid trampers or a bunch of softies? Pam Neville puts the case for guided walks.	If you still have time to spare, another great activity is the 7km Watercare Coastal Walkway from Ambury Park to Otutaia Stonefields, a stunning track, that's pleasant for cyclists.		✓	
19/08/2014	New Zealand Herald	Infrastructure report: Gearing up for top prospects.	Fletcher Building's Graham Darlow is optimistic about the New Zealand blue chip's prospects in nailing a number of the major construction projects up for tender in coming months. Darlow, who is chief executive of Fletcher's construction business, released a list of the company's top prospects to the Herald (see below).	Top prospects – August 2014... Mangere Treatment Plant Upgrade - Major upgrade of Watercare's Mangere Sewerage Treatment Plant to increase capacity.		✓	
20/08/2014	East & Bays Courier	Market day	After months of road works Carlton Gore Rd is looking much better. In celebration the Newmarket Business Association, supported by Auckland Transport, Auckland Council and Watercare is hosting a Market Day on Carlton Gore Rd from 10am on August 23.			✓	
21/08/2014	Scoop.co.nz	Ports of Auckland FY profit almost doubles as volumes rise	Ports of Auckland posted a 90 percent gain in full-year profit, after lifting volumes of containers and breakbulk freight while reining in costs and using offsets to reduce its tax bill.	The notes say the company, which is owned by the council's Auckland Council Investments, used losses from the wider Auckland Group of about \$48 million, up from \$37 million a year earlier. "A subvention payment and loss offset election with Watercare Services Limited has resulted in \$42,560,000 (2013: \$27,786,000) losses being purchased from Watercare Services Limited," the notes say.		✓	
21/08/2014	Yahoo.co.nz	Ports of Auckland FY profit almost doubles as volumes rise	Ports of Auckland posted a 90 percent gain in full-year profit, after lifting volumes of containers and breakbulk freight while reining in costs and using offsets to reduce its tax bill.	The notes say the company, which is owned by the council's Auckland Council Investments, used losses from the wider Auckland Group of about \$48 million, up from \$37 million a year earlier. "A subvention payment and loss offset election with Watercare Services Limited has resulted in \$42,560,000 (2013: \$27,786,000) losses being purchased from Watercare Services Limited," the notes say.		✓	
21/08/2014	Freewnewspos.com	Ports of Auckland FY profit almost doubles as volumes rise	Ports of Auckland posted a 90 percent gain in full-year profit, after lifting volumes of containers and breakbulk freight while reining in costs and using offsets to reduce its tax bill.	The notes say the company, which is owned by the council's Auckland Council Investments, used losses from the wider Auckland Group of about \$48 million, up from \$37 million a year earlier. "A subvention payment and loss offset election with Watercare Services Limited has resulted in \$42,560,000 (2013: \$27,786,000) losses being purchased from Watercare Services Limited," the notes say.		✓	

21/08/2014	National Business Review	Ports of Auckland FY profit almost doubles as volumes rise	Ports of Auckland posted a 90 percent gain in full-year profit, after lifting volumes of containers and breakbulk freight while reining in costs and using offsets to reduce its tax bill.	The notes say the company, which is owned by the council's Auckland Council Investments, used losses from the wider Auckland Group of about \$48 million, up from \$37 million a year earlier. "A subvention payment and loss offset election with Watercare Services Limited has resulted in \$42,560,000 (2013: \$27,786,000) losses being purchased from Watercare Services Limited," the notes say.		✓			
26/08/2014	New Zealand Herald	Nancy ready to begin drilling McConnell Dowell's northern tunnel	McConnell Dowell Constructors is drilling an underground tunnel north of Auckland, from the Watercare Pump Station off Millwater Parkway at Orewa to subdivisions north of Grand Drive. The machine arrived this month and drilling was to start immediately. Michael Buckland, McConnell Dowell construction manager, said the business would lay 3.15km of wastewater pipeline for Watercare using microtunnelling trenchless technology.			✓			
29/08/2014	Waikato Times	Pest plan nags some councillors	It may have been amendments to the Regional Pest Management Plan that were up for debate, but it was the management of some regional councillors that proved the bigger challenge yesterday.	The amendments to the plan, adopted by the council in September last year, were made in response to four appeals. One of those appeals was made by the Auckland Council and largely concerned the newly created Hunua Ranges Pest Management Area. The other appeals were made by Watercare Services, in support of the Auckland Council appeal; KwiRail, pointing out operational difficulties with adhering to the regional council's requirements; and ratepayer Lois Craig, regarding sparrows and mynahs and the Apple of Eden.		✓			
29/08/2014	Our Auckland (Auckland Council)	Infrastructure Committee	Auckland Council's governing body committees have various areas of regional oversight, such as Auckland development, arts and culture, and civil defence. Here we look at the Infrastructure Committee.	The Infrastructure Committee works closely with local boards and council-controlled organisations such as Auckland Transport and Watercare, and receives regular updates from them.		✓			
					Totals:		5	26	11

Social media

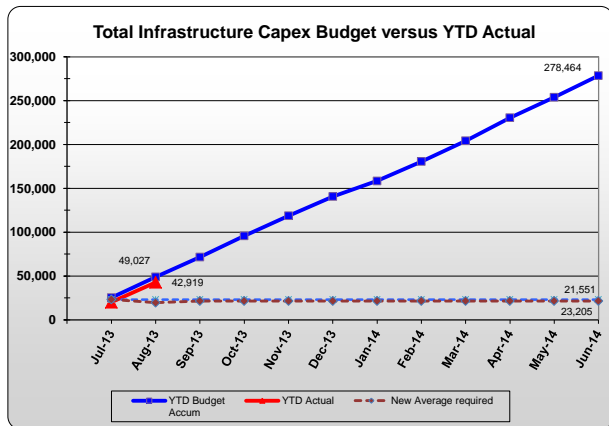
Date	Media outlet	Posted by	Link	Content	Positive	Neutral	Negative
1/08/2014	Facebook	Grant Pendergrast via Friends of the Manukau Harbour	http://www.facebook.com/1124960758/posts/10203619229017688	Clean green New Zealand - yeah right!! Watercare flyover. http://www.youtube.com/watch?v=2IQvRxoiflA&feature=youtu.be			✓
4/08/2014	Facebook	The Post Newspaper	http://www.facebook.com/178101465694031/posts/309163745921135	Local news – we've got it covered!... Plus, we've got the Kariotahi lifeguards who are showing they are in great shape for summer, local credit union representatives collect an award on the Gold Coast, we talk to Watercare about the state of Franklin's water...		✓	
6/08/2014	Keeping Stock (blog)		http://www.keepingstock.blogspot.in/2014/08/keeping-lochinver-sale-in-perspective.html	Keeping the Lochinver sale in perspective. Labour, the Greens, NZ First and the Conservatives are up in arms about the sale of Lochinver Station to Chinese company Shanghai Pengxin... [Stuff]: The sale of Lochinver Station near Taupo to a Chinese company will help free up capital for owners Stevenson Group to develop a huge industrial development in south Auckland... If ratified, Franklin said the next stage would be to nail down infrastructure agreements with Watercare.		✓	
13/08/2014	Transportblog.co.nz		http://transportblog.co.nz/2014/08/13/questions-about-helensville-sha/	We have had concerns about a number of the Special Housing Areas that have been announced. A month ago I looked in depth into the locations and types of SHA's. I found nearly 10,000 dwellings have been announced outside the urban limits, which will put huge pressure on infrastructure and council budgets. This is in addition to another 10,000 greenfield dwellings inside the existing limits... So we have a large number of issues outlined. The area lacked potable water and wastewater connections (note WSL is Watercare), flooding, and their [sic] would be little demand.		✓	
13/08/2014	Facebook	Protecting Key People	https://www.facebook.com/314327542053730/posts/344711859015298	Attended a great lunch time seminar yesterday. Nigel Toms of Watercare Auckland talking about risk management in construction projects. I always learn something new at the New Zealand Society for Risk Managers meetings. Nigel emphasized: The need to train all project participants in risk management, Keeping risk registers relevant and readable, Identifying opportunity risk early and driving hard to realise them and, Identifying at the earliest point the major project risks	✓		
13/08/2014	Facebook	The Hillary Trail (official)	https://www.facebook.com/HillaryTrail/posts/10152623286062720	FYI Watercare will be closing Exhibition Drive on the 19th and 20th of August to complete some tree work and install new culverts. If you were wanting to walk to Arataki on these dates you would need to access the Beveridge Tk from the Huia Rd end of Exhibition Dr.		✓	
13/08/2014	Twitter	Hillary Trail	https://twitter.com/Hillary_Trail/status/499326387359330304	FYI Watercare will be closing Exhibition Drive on the 19th and 20th of August to complete some tree work and... http://fb.me/2iQFh5BIA		✓	
20/08/2014	Twitter	Truck Trucking	https://twitter.com/TruckSplendor/status/501834639733170176	#trucking -- At http://ift.tt/1uKJ6DQ -- So clean ! Watercare flushing today just waiting for the boys and tra...		✓	
21/08/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/FriendsoftheManukaHarbour/posts/332905503539580	NOW IS YOUR CHANCE TO HAVE A SAY... on managing stormwater in the Manukau Harbour - please give your feedback by 31st August. The Manukau Harbour receives 360 million litres of treated wastewater a day and 7 tonnes of solids a day (no industry or farmer around the harbour would be allowed a consent to do this let alone get a consent to allow overflows of raw sewage into the harbour - but Watercare have been granted them by the Auckland Council). This amount will nearly double when the Central Interceptor is built - this is a huge tunnel bringing combined wastewater & raw sewage from Central Auckland to the Manukau Harbour to keep the			✓

23/08/2014	Twitter	Sally O	https://twitter.com/sallyfren/status/503038941365170177	3news.co.nz/Debate-Environment/tabid/1348/articleID/358114/Default.aspx ... @amyadamsMP "A water tax only on farmers" is untrue, we already have water rates in Auckland... http://www.watercare.co.nz/common-content/billing-and-payment/water-and-wastewater-charges/Pages/default.aspx			✓
24/08/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/FriendsoftheManukaHarbour/posts/334084670088330	How beautiful our harbour is today sparking in the sun, blue blue sky.... It is a pity it has had another kick in the guts from Auckland Council and Watercare.... this from Manukau Harbour Restoration Society "In preparing our appeal of consents for the Central Interceptor project, we have learned that the current resource consent allowing Watercare to discharge treated effluent into the harbour recommends Auckland Council conduct a comprehensive assessment of the effects of this discharge on the Manukau Harbour. This review is to happen every 5 years, with the first scheduled to begin October 2014. At the July meeting of the Infrastructure Committee, MHRS requested Cllr Mike Lee, Chair, initiate this review but he refused. We continue to work with Watercare on the proposed Central Interceptor project through a Court assisted mediation process... THEY HAVE REFUSED TO ASSESS THE EFFECTS OF THE DISCHARGE ON THE HARBOUR!!! When they were recommended by			✓
24/08/2014	Facebook	Wayne Pinique to Len Brown	https://www.facebook.com/lenbrownformayor/posts/781034471937764	AND ONE OF THOSE CHALLENGES is to keep our Harbour free from pollution - WHY then when the current resource consent allowing Watercare to discharge treated effluent into the Manukau Harbour recommends "Auckland Council conduct a COMPREHENSIVE ASSESSMENT of the EFFECTS of this DISCHARGE on the Manukau Harbour - this review is to happen every 5 years, with the first scheduled to begin October 2014" At the July meeting of the Infrastructure Committee, MHRS requested Cllr Mike Lee, Chair, initiate this review but he refused. WHAT!!			✓
24/08/2014	Facebook	Mike Pirrit to Len Brown	https://www.facebook.com/lenbrownformayor/posts/781030958604782	Some attention needs to be paid to the effluent pouring into the manukau. This is a beautiful piece of water and the cities growth and some development work being done on the shorelines is going to see an I'm creasing amount of users... If the current system is unable to cope and heavily polluted water is pouring into the harbour now what will happen when this central interceptor goes through? I have been advised that a councillor refused to accept a study of the discharges effect on the harbour. How can this happen? Please			✓
24/08/2014	Facebook	Friends of the Manukau Harbour to Len Brown	https://www.facebook.com/lenbrownformayor/posts/778349088872969?comment_id=780943695280175&offset=0&total_comments=10	AND ONE OF THOSE CHALLENGES is to keep our Harbour free from pollution - WHY then when the current resource consent allowing Watercare to discharge treated effluent into the Manukau Harbour recommends "Auckland Council conduct a COMPREHENSIVE ASSESSMENT of the EFFECTS of this DISCHARGE on the Manukau Harbour - this review is to happen every 5 years, with the first scheduled to begin October 2014" At the July meeting of the Infrastructure Committee, MHRS requested Cllr Mike Lee, Chair, initiate this review but he refused. WHAT!!			✓
25/08/2014	Facebook	Lisa Madarasz	https://www.facebook.com/lenbrownformayor/posts/781305728577305	We need to have the effects of storm water discharge measured as requested in the current resource consent allowing Watercare to discharge treated effluent into the Manukau harbour recommends , the Council and Watercare must be held accountable for what is happening to our Harbour			✓
26/08/2014	Facebook	Walks in Auckland	https://www.facebook.com/194524263908119/posts/936020633091808	We are so fortunate to have two beautiful harbours! However it seems that not everyone is keen to ensure the quality of Manukau Harbour is the best...If you care please read this. Friends of the Manukau Harbour: How beautiful our harbour is today sparking in the sun, blue blue sky.... It is a pity it has had another kick in the guts from Auckland Council and Watercare.... this from Manukau Harbour Restoration Society			✓
26/08/2014	Facebook	Walks in Auckland to Len brown	https://www.facebook.com/105450159496202/posts/782018421839369	The current Resource Consent allowing Watercare to discharge treated effluent into the harbour recommends Auckland Council conduct a comprehensive assessment of the effects of this discharge on the Manukau Harbour. This has been refused by Mike Lee - This Review is crucial so that we know what condition the Harbour is in now as a benchmark to the health of the Manukau Harbour when and if the Central Interceptor proceeds. THE REVIEW MUST BE UNDERTAKEN. Regards, Helen Wenley.			✓
29/08/2014	Transportblog.co.nz		http://transportblog.co.nz/2014/08/28/mayors-long-term-plan-proposal-released/	Mayor's Long Term Plan proposal released. This morning the mayor released his proposal for the Long Term Plan, which outlines the 10 year budget for the city... The plan also outlines a number of projects that will proceed as are needed to support growth including Special Housing Areas. That is something we have noted previously so is good to see this mentioned. Seems to be a little bit of a grab bag of projects though. Will need more than the Te Atatu busway station to support growth in the North-West, and not sure Drury station is a priority amid other capital cuts as will only be served hourly when Papakura station is so close and will have 10 to 15 minute frequencies. Some examples of these projects are: Watercare's central interceptor			✓
25/08/2014	Twitter	Flying Kiwi	https://twitter.com/planespotted/status/504159199295590400	@BernardOrsman @mayorlenbrown @LocalAuckland @AkiCouncil I repeat my oft-stated question: do we need #Watercare CEO on \$1 mill/year salary??			✓
28/05/2014	Twitter	Allaboutauckland.com	https://twitter.com/allaboutAKL/status/50476293887676448	WaterCare needs to up the game in water Management says Darbey.			✓

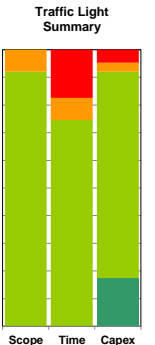
28/05/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/FriendsoftheManukaHarbour/?ref=nl#/FriendsOfTheManukaHarbour/photos/a.188643836632415.1073741828.168588229971309/336300896533374/?type=1..	Good to get feedback on the article below...this from a concerned resident on the Manukau Harbour... "Watercare has many overflow pipes along Auckland's shorelines that discharge raw untreated sewage into the Manukau and Waitemata Harbours... when their system fails because of stormwater infiltrating and overloading the sewage network as well as power failures. On the Manukau Harbour we have the local sea scouts sailing their cutter through raw human waste because Watercare has consent for the next 30 years allowing them to lawfully discharge raw human waste into the harbour. Watercare and Auckland Council should set high standards and follow best practice and clean up their act first then focus on the boats. What is the volume of raw sewage that Watercare discharges into the Waitemata and Manukau Harbours each year when compared to the boats? @stuartNZ sweet, I looked into it when I was in Royal Oak and just added a little Gypsum. Will dig out the Watercare reports b4 next brew.			✓	
29/08/2014	Twitter	Will Taylor	https://twitter.com/WillTaylorNZ/status/505175052786995200..	@stuartNZ sweet, I looked into it when I was in Royal Oak and just added a little Gypsum. Will dig out the Watercare reports b4 next brew.		✓		
29/08/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/168588229971309/posts/336267953203335..	How is this possible Auckland Council? "A spokesman for Auckland Council advises that as of September 30, 2013, boats must be more than 2km offshore before discharging untreated sewage into the ocean. This may come as some surprise to local boats... HOW THEN CAN WATERCARE BE GIVEN A CONSENT TO DUMP RAW SEWAGE INTO THE MANUKAU HARBOUR AT ONEHUNGA and other points around the harbour in heavy rain and equipment failure? Double standards			✓	
Totals:						1	9	13
								B13

INFRASTRUCTURE GROUP DASHBOARD CAPITAL EXPENDITURE (\$'000)

SAP Code	Project / Programme Name	Stage 1 Capex Out Turn Cost	Total Project Performance		Annual Project Performance			Scope/ Quality	Time / milestones	Costs - Capex
			Current Forecast	Forecast	Budget	Budget	Variance			
Water Projects (>\$2m)										
C-10049P	Hunua No 4 Programme	-	376,141	50,036	49,780		(256)			
C-11619	North Harbour Watermain Duplication	-	240,000	9,107	9,100		(7)			
C-12212	Mangere WWTP Solids Stream Upgrade	74,800	74,809	1,425	1,430		5			
C-12066	Huia No 1 Watermain Replacement	42,103	42,103	533	450		(83)			
C-11998	Runciman Rd Reservoir	40,007	40,009	177	175		(2)			
C-11232P	North Franklin Programme	-	24,789	2,108	787		(1,321)			
C-10183	Ardmore rapid restart & sludge handling	-	18,700	3,134	2,055		(1,079)			
C-12278	W300.36 Albany Pinehill WM & PS	14,850	14,850	739	983		244			
C-11980	Waikato Expansion to 150MLD	-	11,942	3,490	2,000		(1,490)			
C-10369	Domain No. 2 Watermain	-	8,874	290	300		10			
C-11981	Riverhead Reservoir	-	5,797	2,523	3,442		919			
C-10370	Mt Hobson Upgrade	-	6,176	193	185		(8)			
C-11681	Albany Second Reservoir	-	5,831	3,009	3,230		221			
C-11781	Sanderson Rd Water Treatment Plant	-	4,262	834	3,340		2,506			
C-11792	St Heliers No.1 Watermain Duplication	-	3,088	1,755	2,658		903			
C-12220	Mt Albert Level of Service Upgrade	2,900	2,048	2,006	2,830		824			
C-11995	STWKO VSD Replacements	-	2,098	1,709	600		(1,109)			
Water Projects >\$2m			881,518	83,068	83,345		277			
Other Water Projects			337,247	11,691	14,582		2,891			
C-12112	I000 Water Capitalised Interest			8,751	8,967		217			
Total Water Projects			1,218,765	103,509	106,895		3,385			
Wastewater Projects (>\$2m)										
C-10006	Central Interceptor Feasibility Design	-	960,547	8,904	11,678		2,774			
C-10017	Biosolids Puketutu Rehabilitatn	-	172,691	3,562	3,500		(62)			
C-11436	Northern Interceptor - Stage 1	-	146,685	2,110	2,020		(90)			
C-11077	Mangere WWTP BNR Capacity	-	122,000	12,521	12,375		(146)			
C-11983	Rosedale WWTP Expansion Project	-	63,730	2,658	2,658		(0)			
C-11923	T200.FDC1 Upgrade Pukekohe WWTP	59,000	59,033	2,119	2,070		(49)			
C-11927	Pukekohe Trunk Sewer Upgrade	-	32,951	2,060	2,070		10			
C-11207	Howick Diversion	-	30,839	4,819	5,465		646			
C-12001	Snells Algies WWTP Ocean Outfall	-	19,520	1,000	1,000		(0)			
C-11421	Barrys Pt WW Pump Station & Storage Tank	-	18,539	3,592	4,349		757			
C-10976	Pt England Storage Tank & Br Sewer	-	16,079	431	514		83			
C-11769	Orewa West Wastewater Network	-	14,875	7,894	3,312		(4,582)			
C-10147	Mangere WWTP Digester 8	-	14,108	811	950		139			
C-12192	Wynyard Quarter Wastewater Pump Station	14,036	14,036	462	300		(162)			
C-10925	Kohimarama Storage Tank & Branch Sewer	-	12,512	5,308	8,196		2,887			
C-11470	Glen Eden Storage & Pipe Upgrade	-	13,475	2,011	2,763		752			
C-10524	Northern Trunk Sewer TS30	-	11,286	25	0		(25)			
C-11281	Army Bay WWTP Outfall Upgrade	-	12,335	215	90		(125)			
C-10098	Pakuranga Rising Main DPS028	-	11,757	3,421	3,630		209			
C-11067	North Shore PS09 rising main	-	11,323	2,492	2,754		262			
C-10922	Wairau (HSPS05) Rising Main Replacement	-	10,111	5,274	3,085		(2,188)			
C-11472	Sidmouth WW PS Mairangi Bay Upgrade	-	8,224	77	1,474		1,397			
C-11556	Supply & Install of Manhole Safety Grill	-	5,569	374	350		(24)			
C-10952	Helensville WWTP Upgrade	-	8,043	2,734	3,626		891			
C-11468	Manukau North Future Upgrades	-	6,444	2,993	3,622		629			
C-11539	Eastern Interceptor Rehab Prqgm - Stq 1	-	6,356	1,038	858		(180)			
C-10923	Upgrade of North Shore TS8	-	5,979	833	817		(16)			
C-10709	N400.01 WW Network Consents Project	-	5,845	138	335		197			
C-11423	Rosedale WWTP Cogeneration Upgrade	-	5,427	3,805	4,121		315			
C-11467	Tamaki South East Extension	-	3,587	2,409	2,781		372			
C-11290	Orakei Main Sewer Rehabilitation MH21-19	-	4,108	556	0		(556)			
C-11216	Eastern Interceptor Pipe Bridge #1 Repl	-	3,715	2,005	1,542		(463)			
C-11009	South Lynn Br Sewer (MH9-MH21) & Local	-	2,997	22	40		18			
C-11711	Mangere WWTP Cogeneration Replacement	-	3,167	4	0		(4)			
C-10277	Reconstruction of Eastern Interceptor	-	2,465	245	239		(6)			
C-11474	Sunnynook Road Sewer Upgrade	-	3,279	3,030	2,293		(737)			
C-11234	Blackbridge Pump Station 37 Upgrade	-	1,842	219	0		(219)			
C-11338	New Gravity Sewer Miranda Reserve	-	2,972	726	170		(556)			
C-11569	Branch 1 Rehabilitation B01023 to B01025	-	2,159	1,254	300		(954)			
C-11813	Mangere WWTP Rehab.Prim.Sed Tks 11 & 12	-	1,811	1,746	1,321		(425)			
C-11991	Addl Local Wastewater Network Renewals	-	1,607	87	50		(37)			
C-12199	Northern Networks Generator Connections	-	2,102	891	430		(461)			
C-11455	Pump Station CI Pipework Replacement	-	1,712	1,486	1,046		(440)			
C-11070	Army Bay WWTP Sludge Tank	-	2,038	1	0		(1)			
Wastewater Projects >\$2m			1,859,878	98,365	98,194		(171)			
Other Wastewater Projects				39,318	37,825		(1,493)			
C-12113	J000 Wastewater Capitalised Interest			6,054	6,044		(9)			
Total Wastewater Projects			2,430,732	137,683	136,019		(1,664)			
Other Infrastructure Projects										
C-10126	Networks Controls Upgrade		19,901	2,867	3,000		133			
Other Infrastructure Projects			156,959	33,547	32,550		(997)			
TOTAL INFRASTRUCTURE			3,826,357	277,607	278,464		857			
Non Infrastructure, including Capital Interest			227,487	45,676	50,627		4,951			
TOTAL ALL			4,053,844	323,283	329,091		5,808			



WSL Capex Summary	Month		Year to Date	
	Actual	Budget	Actual	Variance
Total Water projects	9,852	18,752	21,060	2,308
Total Wastewater projects	10,474	18,480	21,665	3,185
Demolition	3	3	20	17
Total ECS Projects	771	2,085	2,227	142
Total New Developments	692	1,162	1,453	290
Other Infrastructure	1	42	0	(42)
Capitalised Interest	1,213	2,396	2,603	207
TOTAL INFRASTRUCTURE	23,006	42,919	49,027	6,108
Total Operations	1,393	1,539	4,331	2,792
Total Facilities Management	107	147	0	(147)
Shared Services	471	724	3,422	2,698
Laboratory + Trade Waste	3	-11	320	331
NON INFRASTRUCTURE	1,974	2,399	8,073	5,674
TOTAL ALL	24,981	45,318	57,100	11,782



WATER UTILITY CONSUMER ASSISTANCE TRUST
(the "Trust")

Ph: (09) 625 8176

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Email: info@waterassistance.org.nz

P.O. Box 79-233

Royal Heights

Auckland 0656

20 August 2014

Watercare Services Limited ("Watercare")
Private Bag 92 521
Wellesley Street
AUCKLAND 1141

For: The Chief Financial Officer

ANNUAL REPORT TO WATERCARE

1. Funding Agreement

The Trust was established by Watercare by a Deed of Trust dated 14 October 2011 (the "Trust Deed") and on 1 November 2011 Watercare and the Trust entered into a funding agreement (the "Funding Agreement") Schedule 2 of which (dated 1 October 2012) details the Water Utility Consumer Assistance Policy of Watercare.

2. Annual Report

Under clause 7.2 of the Funding Agreement, the Trust is required to provide to Watercare, after the end of each financial year, an Annual Report on the activities of the Trust during the relevant financial year, including certain information specified in that clause. This report is made pursuant to that clause in respect of the financial year of the Trust which ended on 30 June 2014 ("the relevant financial year").

3. Annual Financial Statements

The Trust is deemed to be a subsidiary of Watercare for financial reporting purposes and its financial statements for the relevant financial year are currently being finalised by Watercare accounting staff on behalf of the Trust and audited by Deloitte, the Trust's auditor.

4. Meetings of Trustees

The Trustees, together with the Administrator, met on 11 occasions during the relevant financial year to consider applications submitted to the Trustees after eligibility assessment by the Administrator. One or more Watercare executives were also present at the meetings, to provide credit history and other relevant information about applicants and also about the administration of the services provided to the Trust by Watercare and other internal Watercare policy changes or clarifications etc about which the Trust should desirably be aware.

As Watercare is already aware, some difficulties were unfortunately experienced in the functioning of the Appointments Panel in the manner prescribed in the Trust Deed. This resulted in the terms of office of two of the Community Trustees expiring and not being immediately renewed, nor a replacement trustee being appointed, for some time after the terms of those Trustees had expired. While this did not prevent the remaining Trustees from continuing to conduct business in accordance with the Trust Deed (there being no minimum quorum required), it ultimately resulted in a request by the three Community Charities for a change in the manner in which the three Community Trustees are appointed, so that each of those Charities would have the ultimate right, in turn, after discussions with the other two Community Charities to appoint, reappoint or replace its own nominee as a Community Trustee every three years, instead of the appointment of Community Trustees being made by the Appointments Panel. Alteration of the Trust Deed to reflect the requested change, which will require the consent of the Trustees and Watercare, is at present in progress.

5. **Interim Reports to Watercare**

The Trust reported to Watercare senior management on a monthly basis during the relevant financial year, as required by clause 7.1 of the Funding Agreement:

- (a) monthly expenditure and a comparison against the annual budget approved by Watercare (a consolidated schedule of those reports being attached to this Report as Schedule 1); and
- (b) the number of application forms sent out to prospective applicants by Watercare or the Trust, the number of applications received and the progress of those applications through the Trust's approval processes (a consolidated schedule of those reports being attached to this Report as Schedule 2).

6. **Applications**

The total number of applications received in the relevant financial year was 305. The number of applications received each month varied significantly, the least being 12 (August) and the most 36 (September).

The primary reason for the lower than anticipated inflow of applications has, until recently, been generally assumed to be unwillingness by prospective applicants to engage a Budget Advisor. However, a recent survey by Watercare staff of approximately 249 initial applications which had ultimately lapsed at some stage of the process disclosed a wide range of reasons, of which the above assumption appeared to be much less of a deterrent than previously assumed.

7. **Budget Advisor oversight**

The Trust has hitherto been required by the Funding Agreement to have each application overseen by an approved Budget Advisor, who is required either to make a recommendation as to the relief (if any) which they consider appropriate, or specifically decline to make a recommendation. Without significantly enhanced resources and thus additional administrative costs, the Trust would not be able to carry out the verification processes and budgetary assessments which, despite their potential imperfection, are considered by the Trust to be a necessary minimum if the Trust is to continue operation in its present form and to be best carried out by appropriately trained persons.

To simplify and speed up the application process where the amount owing to Watercare by a customer is less than \$500 (a situation now becoming more common), a modified form of application, which dispenses with the need for oversight by a Budget Advisor,

was recently introduced on a trial basis. It is not yet clear how satisfactory this will be, as the quality of responses has been mixed.

8. **Form of Relief**

All relief approved by the Trust during the period under review, with one exception (see section 9 below), was in the form of conditional or unconditional write-offs of indebtedness by Watercare, intended to give the applicant the opportunity to eliminate their arrears and to accept the need to meet their future Watercare bills in full on a timely basis.

Where a write-off by instalments is approved, default in meeting current Watercare bills after the first write-off will disqualify the customer from the agreed subsequent write-off unless the customer is up to date by the end of the agreed period.

The Trust has been prepared to amend a previously approved work-out where a customer has not fully met all the approved terms but appears to be using best endeavours to do so, or to extend to a customer more liberal terms of approval adopted by the Trust subsequent to the initial approval given to that customer.

9. **Assistance for leak repairs**

Some applications received by the Trust in the past involved applicants who were receiving high water bills due to leakages which the applicant could not afford to have repaired. These situations generally disclosed excessive hardship, because of the inability of the applicant to meet the costs of remediation out of income or by further borrowing. Although Watercare initially agreed to the Trust agreeing to fund the remediation of a typical example, the matter subsequently encountered differing policy views within Watercare and it was agreed by the Trust and Watercare that leak remediation would not be funded by the Trust unless and until the policy differences were resolved.

The Trustees are anxious that a positive solution be found to enable the Trust to assist with funding of leak remediation in hardship cases.

10. **Marketing**

In-depth consideration continues to be given by the Trustees to increasing the customer awareness of the Trust, although the Trustees are reasonably comfortable that customers in hardship circumstances are made aware of the Trust either through the Watercare debtor administration process once they are in arrears with payments to Watercare, or from the advice on the reverse of all Watercare customer statements under the heading "Having difficulty paying?".

The Trustees accept that while publicity about the Trust should be increased where practical, this should continue to concentrate initially on budget advisory services, Work & Income NZ offices and Citizens Advice Bureaus, followed by other appropriate community organisations, particularly those of ethnic minorities and churches.

During the period under review the Administrator attended 20 quarterly network meetings hosted by Work & Income NZ along with presentations to one Citizens Advice Bureau office and two budget advisory services. Two presentations were also made to Watercare staff. A mail out of brochures was sent to all Auckland Council libraries, community centres and community houses.

Applications were received through 64 different Budget Advisers during the reporting period.

11. Database

During the relevant financial year the Trust completed the establishment of a database containing all relevant information on applications to the Trust. This has significantly increased operational efficiency of the Trust and enabled Watercare to readily access records of applications (as these are lodged direct with the Trust and not Watercare), and the progress of applications through the Trust's approval processes.

12. Relationship with Watercare personnel

While all decisions on relief are required to be made by the Trustees independently of Watercare, it is necessary for the Administrator to work closely with Watercare staff in order to maximise effectiveness of the Watercare consumer assistance policy. I am pleased to report that the working relationship between the two organisations during the relevant financial period has been excellent.

13. Administrator

I record also the thanks of the Trustees to our dedicated and hardworking Administrator, Heather, whose compassion for struggling debtors in need of help complements the policies of the Trustees.

If more detail in respect of any aspect of this Report is required, please advise.

On behalf of the Trustees


John Lusk

Chairman

Schedule 1
WATER UTILITY CONSUMER ASSISTANCE TRUST
Comparison of Expenditure Against Budget

1 July 2013 to 30 June 2014

	July 13	Aug	Sept	Oct	Nov	Dec	Jan 14	Feb	Mar	Apr	May	June	ACTUAL	BUDGE
Chairperson	750.00	750.00	750.00	750.00	750.00	750.00	-	750.00	750.00	750.00	750.00	750.00	8,250.00	8,250.
Trustee Fees	1,542.00	2,042.00	2,042.00	2,042.00	1,500.00	1,500.00	-	2,042.00	1,500.00	2,042.00	1,500.00	1,542.00	19,294.00	22,000.
Administrator	3,108.00	4,305.00	4,063.00	3,817.80	4,258.80	4,599.00	2,020.20	3,213.00	4,609.50	3,759.00	3,822.00	3,780.00	45,355.30	50,000.
Admin Costs	542.56	657.30	2,592.47	1,987.18	5,509.85	786.31	847.97	620.66	585.80	1,827.59	648.69	566.50	17,172.88	12,000.
GST	547.59	819.35	1,073.89	945.75	811.76	886.18	430.22	650.05	854.30	912.99	745.60	651.97	9,329.65	13,838.
	6,490.15	8,573.65	10,521.36	9,542.73	12,830.41	8,521.49	3,298.39	7,275.71	8,299.60	9,291.58	7,466.29	7,290.47	99,401.83	106,088.
Customer Support approved	8,980.00	6,825.00	5,620.00	10,350.00	13,480.00	9,570.00	-	9,310.00	9,935.00	11,090.00	17,410.00	9,949.00	112,519.00	500,000.

Schedule 2

WATER UTILITY CONSUMER ASSISTANCE TRUST

Application Statistics (Numbers rounded)

1 July 2013 to 30 June 2014

a)	Number of applications received	305	
	Owners – 174		
	Tenants - 131		
b)	Value of applications received	\$338,255	
	Lowest - \$7		
	Highest - \$15,038		See Note (i)
c)	Number of applications considered, and approved, by Trust	123	
	Owners – 68		
	Tenants - 55		
d)	Number of applications declined	0	
e)	Value of applications considered by Trust	\$111,402	
f)	Average value of application considered by Trustees	\$905	
g)	Value of remissions granted by the Trustees	\$112,500	
	Up to \$500 = 42		
	\$501 - \$1,000 = 43		
	\$1,001 - \$1,500 = 15		
	\$1,501 - \$2,000 = <u>23</u>		
	Total = 123		
h)	Average value remitted	\$915	
i)	Total remissions against budget		
j)	Number of applications closed or did not proceed at Form 1 stage	151	See Note (ii)
k)	Number of applications carried over into 2014/2015 year (pending, waiting budget advisor at 30 June 2014)	31	

Notes

- (i) *This is based on the amount the applicant has stated in their application form as being owed to Watercare. It may not be totally correct as applicants sometimes do not put the full debt outstanding at the time their application is lodged, may round up the figure etc*
- (ii) *Applications did not proceed for a variety for reasons, property sold, account settled, payment plan set up with Watercare, not a Watercare customer, not prepared to work with a budget advisor. See Schedule 3.*

Schedule 3
WATER UTILITY CONSUMER ASSISTANCE TRUST

Survey carried out by Watercare staff
Over the period 4 – 8 August 2014

<u>Reason why application closed</u>	No. of Accts
Bankrupt account closed	1
Circumstances changed & payments received	86
Did not qualify	41
Didn't want to go to a budget advisor	11
Leak remission granted	5
No response from customer	7
Property sold	46
Payment arrangement entered into	32
Reapplied for hardship	20
	249

Further Analysis

Of the applicants surveyed the following was the split between owners & tenants

Property owners/Tenant applicant split

Property owners	156	63%
Tenants	93	37%
	249	100%

Circumstances Changed:

Payments were received and the balance at the time of the hardship application has been paid.

Property owners/Tenant applicant split

Property owners	49	57%
Tenants	37	43%
	86	100%

Percentage of accounts remaining current/in arrears

Current accounts	84	98%	(48 owners / 36 Tenants)
Accounts in arrears	2	2%	(1 owner / 1 Tenant)
	86	100%	

Did not qualify:

Applications did not continue onto form 2 (Budget Advisor form) for the following reasons

Low balance	26	63%
No outstanding debt to WSL	9	22%
Commercial property	2	5%
Owner of tenanted property applied	4	10%
	41	100%

Property owners/Tenant applicant split

Property owners	19	46%
Tenants	22	54%
	<u>41</u>	<u>100%</u>

Did not want to go to a Budget Advisor:**Property owners/Tenant applicant split**

Property owners	10	91%
Tenants	1	9%
	<u>11</u>	<u>100%</u>

Property sold:**Property owners/Tenant applicant split**

Property owners	27	59%
Tenants	19	41%
	<u>46</u>	<u>100%</u>

Payment arrangement entered into:

Payment arrangement was entered into directly with Watercare

Property owners/Tenant applicant split

Property owners	25	78%
Tenants	7	22%
	<u>32</u>	<u>100%</u>

Payment arrangements still current /in arrears

Accounts current	30	94%
Accounts in arrears	2	6%
	<u>32</u>	<u>100%</u>

Reapplied:

Applicants that have since reapplied under a new application number.

Property owners/Tenant applicant split

Property owners	18	90%
Tenants	2	10%
	<u>20</u>	<u>100%</u>

REPORT TO THE BOARD OF WATERCARE SERVICES LIMITED

SUBJECT: Issues and Options Review of Water Supply and Wastewater Bylaws

DATE: 12 September 2014

1. PURPOSE OF PAPER

At the August 2014 Board meeting the Board approved the initiation of a formal bylaw development process as provided for by the Local Government (Auckland Council) Act 2009 in order to create a new water supply and wastewater bylaw to help protect Watercare's networks.

The Board requested a copy of the Issues and Options Review Paper that was being prepared as part of this review. Attached is a copy of this paper for the Board's review.

2. UPDATED RECOMMENDATIONS

The draft Issues and Options Paper has been updated since the July Board meeting following an internal workshop with Watercare staff, comments from the Auckland Councils bylaw team, and further legal input. Appendix 1 provides an updated summary of the issues recommended for inclusion in a new water supply and wastewater bylaw.

3. NEXT STEPS

The next steps are:

- A workshop with the Auckland Council Regulations and Bylaw Committee (September)
- Consultation with Local Boards and iwi (September)
- Submission of a "Statement of Proposal" and draft bylaw to Watercare's Board for approval (October)
- Submission of a "Statement of Proposal" and draft bylaw to the Auckland Council Regulations and Bylaw Committee and the Auckland Council Governing Board for acceptance (November).

These steps will be followed by a public consultation and hearing process. It is anticipated that the public consultation process will take place in the first half of 2015.

4. RECOMENDATION

It is recommended that the Board notes the Issues and Options Paper.

Report prepared by:

.....

J Boow
Senior Environmental Planner

Reviewed by:

.....

I Gotelli
Environmental Planning Manager

Recommended by:

.....

R Fisher
General Counsel

Approved by:

.....

R Jaduram
Acting Chief Executive

Appendix 1: Bylaw issues review findings

Issue topic and brief summary of reason for existing bylaw clauses:	Adequately covered by legislation and / or customer contract? Yes / No	Proposed inclusion in a bylaw? Yes / No
1. Authorisation to connect to or disconnect from the water supply and wastewater network The ability to authorise approval to connect to or disconnect from the water supply or wastewater network to manage risks around contamination, loss of pressure, theft, leakage, and damage.	No	Yes
2. Protection of networks The ability to protect networks from both works on and in the vicinity of the water supply and wastewater networks.	No	Yes
3. Works undertaken near networks The requirement to obtain authorisation from the water organisation to undertake works within a specified vicinity of the networks.	No	Yes
4. Standard of infrastructure The ability to require developers to meet a specified standard for infrastructure that will be vested with the water organisation.	No	Yes
5. Cost recovery for damage to network The ability of the water organisation to recover costs for damage done to networks.	No	Yes
6. Offences provisions The need to describe when breaches of bylaw clauses are criminal liabilities under the Local Government Act 2002.	No	Yes
7. Access to private land The need to gain access to private land in order to undertake activities such as meter reading, testing, maintenance, inspection etc.	Yes	No
8. Charging for goods and services supplied The ability need to set charges for the range of goods and services provided by the water organisation.	Yes	No
9. Point of supply The need to define the boundary between Watercare's and the customer's responsibilities for both water supply and wastewater networks.	Yes	No
10. Insufficient capacity The ability to refuse connections when there is insufficient network capacity to meet the water organisation's service requirements.	No	Yes
11. Protection of the quality of the water supply The need to manage the risk of contamination of the water supply.	No	Yes
12. Prohibition, interruption, or restriction on water use and supply The ability to restrict the water supply due to non-payment, critical maintenance, firefighting needs, or drought.	No	Yes
13. Wastage of water The requirement to avoid deliberate wastage of water.	No	Yes
14. Unauthorised taking of water from a hydrant	No	Yes

Issue topic and brief summary of reason for existing bylaw clauses:	Adequately covered by legislation and / or customer contract? Yes / No	Proposed inclusion in a bylaw? Yes / No
The need to require authorisation from the water organisation for accessing and taking water from fire hydrants / standpipes.		
15. Avoidance of wastewater overflows The need to manage inflows into the wastewater system from stormwater and also overflows caused by tree roots, swimming pools and other potential hazards.	No	Yes
16. Pressure and vacuum wastewater systems The ability to regulate specifications and maintenance requirements of pressure and vacuum-based wastewater systems.	No	Yes
17. Failure to connect to wastewater network in serviced area The ability to require a property to connect to a public wastewater network if it is available within a specified distance.	Yes	No

Issues & options review of Water Supply and Wastewater Bylaws

September 2014

This paper is intended to help define issues facing Auckland and to provide options to facilitate discussion with a targeted audience (Councillors and Local Boards) to help the development of a draft policy and possible bylaw on Auckland's water supply and wastewater networks. This paper does not represent Council policy and no submissions are being called for at present.

Summary of Issues

1. Authorisation to connect to or disconnect from the water supply and wastewater networks
2. Protection of networks
3. Works undertaken near networks
4. Standard of infrastructure
5. Cost recovery for damage to networks
6. Offence provisions
7. Access to private land
8. Charging for goods and services
9. Point of supply
10. Insufficient capacity
11. Protection of the quality of the water supply
12. Prohibition, interruption, or restriction on water use and supply
13. Wastage of water
14. Unauthorised taking of water from a hydrant
15. Avoidance of wastewater overflows
16. Pressure and vacuum wastewater systems
17. Failure to connect to a wastewater network in a serviced area

Introduction

Introduction

Auckland Council is reviewing all existing bylaws made by the former Auckland territorial authorities with the objective of replacing them where appropriate with Auckland-wide bylaws by October 2015. Watercare Services Limited (hereafter 'Watercare') is reviewing those ones relating to its role as Auckland's water organisation. There are currently eight existing bylaws inherited from several of the former Auckland territorial authorities governing a range of activities related to Watercare's water supply and wastewater networks. These are due to expire by statute on 31 October 2015.

As Auckland's water organisation, Watercare is able to propose bylaws to Auckland Council relating to the management or supply of water supply or wastewater services under section 61 of the Local Government (Auckland Council) Act 2009.

The objective of this issues and options paper is therefore to consider whether the existing bylaws contain provisions that need to be consolidated and carried forward into a bylaw that applies consistently across the whole of Auckland and / or whether other mechanisms exist (such as Watercare's customer contract) to appropriately manage the operation of Auckland's water supply and wastewater networks without the need for a bylaw.

The existing bylaws which relate to Watercare's water supply and wastewater networks are:

- Auckland City Council Bylaw No.26 - Water Supply 2008
- Franklin District Council Water Supply Bylaw 2008
- North Shore City Bylaw 2000: Part 20 Wastewater
- North Shore City Bylaw 2000: Part 18 Water Supply
- Papakura District Council Water Supply Bylaw 2008
- Papakura District Council Wastewater Bylaw 2008
- Rodney District Council General Bylaw 1998: Chapter 20 Wastewater Drainage
- Rodney District Council General Bylaw 1998: Chapter 11 Water Supply

All of these bylaws remain in effect until 31 October 2015, unless revoked prior.

Several legacy trade waste bylaws which also relate to wastewater have been previously reviewed under a separate bylaw process and replaced with the *Auckland Council Trade Waste Bylaw 2013*. In addition, Auckland Council is planning to undertake a separate review of the *Auckland City Council Bylaw No.29 - Waiheke Wastewater 2008*. As it does not affect the Watercare water supply or wastewater networks, it is therefore out of the scope of this review.

Statutory Context

The focus of this issues and options paper is to identify how activities undertaken in and around the water supply and wastewater networks in Auckland are best managed, including the possibility of developing a comprehensive bylaw which applies across Auckland if appropriate. Watercare is able to propose bylaws to Auckland Council relating to the management or supply of water supply or wastewater services under section 61 of the Local Government (Auckland Council) Act 2009. Once the Auckland Council has confirmed that the proposed bylaw meets all relevant statutory tests, including that the bylaw is not contrary

Discussion draft – privileged and confidential for legal advice

to council's strategies, policies or bylaws, Watercare is responsible for consulting on the proposed bylaw through the special consultative process and for making decisions on the submissions received. Watercare must then submit the revised bylaw to Auckland Council for its consideration and approval. Provided that Watercare's decisions on the bylaw continue to comply with section 61, the Auckland Council would then adopt the bylaw by resolution in accordance with section 62 of the same Act.

Sections 61 and 62 of the Local Government (Auckland Council) Act 2009 are outlined in Box 1.

Box 1: Local Government (Auckland Council) Act 2009 - sections regarding Watercare's ability to propose bylaws

Section 61 - Auckland water organisation may propose bylaw

- (1) An Auckland water organisation may propose to the governing body of the Auckland Council, in writing, that a bylaw relating to the management or supply of water supply or wastewater services be made by the Council under a specified enactment.
- (2) As soon as practicable after receiving a proposal under subsection (1), the governing body of the Auckland Council must decide whether the proposed bylaw meets the following requirements:
- (a) the proposed bylaw is a bylaw relating to the management or supply of water supply or wastewater services; and
 - (b) the specified enactment under which the proposed bylaw is to be made authorises the making of the bylaw; and
 - (c) the proposed bylaw complies with the applicable statutory requirements of that enactment and any other relevant enactment; and
 - (d) the proposed bylaw is not inconsistent with any strategy, policy, plan, or bylaw of the Council; and
 - (e) the proposed bylaw can be implemented and enforced in a cost-effective manner.
- (3) If the governing body of the Auckland Council decides that a proposed bylaw -
- (a) meets the requirements of subsection (2), it must give written notice of its decision to the organisation
 - (b) does not meet the requirements of subsection (2), it must give written notice of its decision (with reasons) to the organisation.

Section 62 - Auckland water organisation must consult on proposed bylaw

- (1) This section applies if an Auckland water organisation has received notice under section 61(3)(a) from the governing body of the Auckland Council in respect of a bylaw that the organisation has proposed.
- (2) The organisation must confirm the proposed bylaw using the special consultative procedure and, for that purpose, section 156(1) of the Local Government Act 2002 applies, with any necessary modifications, as if the organisation were a local authority and the bylaw were a bylaw being made under that Act.
- (3) If, after acting under subsection (2), the organisation confirms the proposed bylaw, it must give written notice of its decision to the governing body of the Auckland Council and the governing body must adopt the bylaw by resolution.
- (4) If, after acting under subsection (2), the organisation modifies the proposed bylaw, it must give written notice of its decision to the governing body of the Auckland Council and the governing body must,—
- (a) if satisfied that the proposed bylaw meets the requirements of section 61(2), adopt the bylaw by resolution; or
 - (b) if not satisfied that the proposed bylaw meets the requirements of section 61(2), give notice to the organisation under section 61(3)(b).
- (5) Where the Auckland Council adopts under subsection (3) or (4)(a) a bylaw that is made under the Local Government Act 2002, the requirements of sections 86, 155, and 156 of that Act are deemed to be satisfied in respect of that bylaw.

Background

Watercare is a council-controlled organisation under the Local Government Act 2002 and is wholly owned by Auckland Council. It is a company registered under the Companies Act 1993. It is New Zealand's largest water and wastewater company, providing integrated water and wastewater services to approximately 1.3 million people in Auckland. Watercare collects, treats and distributes drinking water from 11 dams, 26 bores and springs, and four river sources. A total of 140 billion litres of water is treated annually at 20 plants and distributed via 149 reservoirs and 108 pump stations to 450,000 households. Watercare's water distribution network includes more than 9,000 km of pipes. Watercare also collects wastewater via a 7,000 km wastewater network and treats over 120 billion litres of wastewater annually at 19 treatment plants located across Auckland.

Box 2 outlines the definition of a council-controlled organisation and the objectives that these organisations must work to, as set out in Local Government Act 2002. As a council-controlled organisation, Watercare is bound by the objectives set out in section 59, and thus any proposed bylaw must aid and assist Watercare in achieving these objectives.

Box 2: Council-controlled organisations as defined in the Local Government Act 2002

Section 6 - Meaning of council-controlled organisation and council organisation¹

- (1) In this Act, unless the context otherwise requires, -
Council-controlled organisation means a council organisation that is
- (a) a company -
 - (i) in which equity securities carrying 50% or more of the voting rights at a meeting of the shareholders of the company are –
 - (A) held by 1 or more local authorities; or
 - (B) controlled, directly or indirectly, by 1 or more local authorities; or...
 - (ii) in which 1 or more local authorities have the right, directly or indirectly, to appoint 50% or more of the directors of the company; or
 - (b) an entity in respect of which 1 or more local authorities have, whether or not jointly with other local authorities or persons,-
 - (i) control, directly or indirectly, of 50% or more of the votes at any meeting of the members or controlling body of the entity; or
 - (ii) the right, directly or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the entity..."

Section 59 - Principal objective of council-controlled organisation

- (1) The principal objective of a council-controlled organisation is to -
- (a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and
 - (b) be a good employer; and
 - (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
 - (d) if the council-controlled organisation is a council-controlled trading organisation, conduct its affairs in accordance with sound business practice.

Problem Definition

The purpose of the bylaw review was to identify how activities undertaken in and around the water supply and wastewater networks in Auckland are best managed and whether the provisions in the existing bylaws are still required to be carried forward in a new Auckland-

¹ Only the most relevant parts of section 6 have been cited here. For the full definition see the Local Government Act 2002.

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wide bylaw. Such activities are wide-ranging. They include activities undertaken by customers (business and residential), by contractors undertaking works on or nearby Watercare infrastructure, or by Watercare itself.

A range of mechanisms are currently available to manage such activities, including the existing bylaws, central government legislation, regional and district plans (e.g. the Proposed Auckland Unitary Plan) and the Watercare customer contract. This review identifies a range of issues that are currently covered in some form in existing bylaws (see Table 1). Some issues are relevant to both water supply and wastewater networks, while others are specific to either water supply or to wastewater. These issues are then assessed with regard to identifying the most appropriate mechanism/s available. This assessment then forms the basis of establishing what might be covered by a proposed bylaw. These findings are summarised briefly in Box 3.

Box 3: Issue topics across the existing water supply and wastewater bylaws		
Issue topic and brief summary of reason for existing bylaw clauses:	Adequately covered by legislation and / or customer contract?	Proposed inclusion in a bylaw?
	Yes / No	Yes / No
1. Authorisation to connect to or disconnect from the water supply and wastewater network The ability to authorise approval to connect to or disconnect from the water supply or wastewater network to manage risks around contamination, loss of pressure, theft, leakage, and damage.	No	Yes
2. Protection of networks The ability to protect networks from both works on and in the vicinity of the water supply and wastewater networks.	No	Yes
3. Works undertaken near networks The requirement to obtain authorisation from the water organisation to undertake works within a specified vicinity of the networks.	No	Yes
4. Standard of infrastructure The ability to require developers to meet a specified standard for infrastructure that will be vested with the water organisation.	No	Yes
5. Cost recovery for damage to network The ability of the water organisation to recover costs for damage done to networks.	No	Yes
6. Offences provisions The need to describe when breaches of bylaw clauses are criminal liabilities under the Local Government Act 2002.	No	Yes
7. Access to private land The need to gain access to private land in order to undertake activities such as meter reading, testing, maintenance, inspection etc.	Yes	No
8. Charging for goods and services supplied The ability need to set charges for the range of goods and services provided by the water organisation.	Yes	No
9. Point of supply The need to define the boundary between Watercare's and the customer's responsibilities for both water supply and wastewater networks.	Yes	No

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10. Insufficient capacity The ability to refuse connections when there is insufficient network capacity to meet the water organisation's service requirements.	No	Yes
11. Protection of the quality of the water supply The need to manage the risk of contamination of the water supply.	No	Yes
12. Prohibition, interruption, or restriction on water use and supply The ability to restrict the water supply due to non-payment, critical maintenance, firefighting needs, or drought.	No	Yes
13. Wastage of water The requirement to avoid deliberate wastage of water.	No	Yes
14. Unauthorised taking of water from a hydrant The need to require authorisation from the water organisation for accessing and taking water from fire hydrants / standpipes.	No	Yes
15. Avoidance of wastewater overflows The need to manage inflows into the wastewater system from stormwater and also overflows caused by tree roots, swimming pools and other potential hazards.	No	Yes
16. Pressure and vacuum wastewater systems The ability to regulate specifications and maintenance requirements of pressure and vacuum-based wastewater systems.	No	Yes
17. Failure to connect to wastewater network in serviced area The ability to require a property to connect to a public wastewater network if it is available within a specified distance.	Yes	No

Outcome Sought

The outcome sought is the creation of an effective, comprehensive, and consolidated bylaw where it is deemed necessary. This bylaw will be used alongside a range of other mechanisms where appropriate to contribute towards efficient management of activities affecting the water supply system and wastewater networks for Auckland.

The subsequent sections outline each of the 17 issue topics identified. Each section first summarises the issue, and then identifies the potential management mechanisms, such as existing bylaws, customer contract, current legislation, and the Proposed Auckland Unitary Plan. This is then followed by a recommendation on the preferred option, specifically whether a bylaw clause is considered to be necessary, or whether the relevant issues are appropriately dealt with through the customer contract, or existing legislation.

It should be noted that a bylaw clause is often recommended when other mechanisms, such as the customer contract, do not comprehensively protect the networks in all instances. However, when a bylaw option is recommended, this does not preclude the use of the other options (i.e. use of the customer contract or use of existing legislation) when they are more appropriate.

Issue 1

Water Supply and Wastewater: *Authorisation to connect to or disconnect from the water supply and wastewater networks*

What is the issue?

Without appropriate authorisation requirements, connections and disconnections can put the water supply and wastewater networks at risk, including damage to the networks; contamination of the water supply; loss of water pressure; infiltration of inappropriate materials into the wastewater network; and potential liability for damage caused to third parties due to any of these. By retaining control over this process, Watercare can efficiently manage the networks and services it provides with a view to keeping overall costs to customers to a minimum. This also contributes to meeting the public safety requirements of section 57 of the Local Government (Auckland Council) Act 2009.

What do we have now?

All five water supply bylaws and all three wastewater bylaws deal with connections to and disconnections from the networks. There are also other mechanisms (such as the Watercare customer contract) that seek to manage connections to and disconnections from the networks.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	Yes
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
<p>4.2 Protecting the public networks and treatment plants</p> <p>4.2.1 Preventing damage to our networks</p>	<p>You agree that you, and the people on your property, will not:</p> <ul style="list-style-type: none"> • tamper with or block our networks • change, connect to or disconnect from our networks without our permission • direct anything other than wastewater into the wastewater network • use firefighting systems for reasons other than fire fighting • cover any manholes or meter boxes • allow vegetation to damage our networks. <p>You agree that you will be responsible for the cost of any repair work that is required, or any other costs we incur, as a result of you, or the people on your property, undertaking or allowing the above activities.</p>

(iii) Legislation

Legislation	Relevant section text
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 75: Offences relating to carrying out work on water supply or wastewater assets of Auckland water organisation without notice</p> <p>(1) Every person commits an offence and is liable on conviction to a fine not exceeding \$20,000 who wilfully or negligently carries out work on, or in relation to, a water supply or wastewater asset of an Auckland water organisation that is not a local authority without first-</p> <ul style="list-style-type: none"> (a) notifying the organisation of the intention to carry out the work (b) obtaining written authorisation from the organisation (which may include terms or conditions that the organisation thinks fit). <p>(2) It is not an offence under subsection (1) if the work concerned</p> <ul style="list-style-type: none"> (a) is authorised by a valid consent granted by or under <ul style="list-style-type: none"> (i) the Building Act 2004 (including the building code); or (ii) the Resource Management Act 1991; or (b) is carried out in accordance with a valid building, plumbing, or drainage consent. <p>(3) It is a defence to an offence under subsection (1) if the work concerned-</p> <ul style="list-style-type: none"> (a) was necessary to avoid an emergency, or to mitigate or remedy the effects of an emergency; and (b) was carried out by a person appropriately registered to undertake the work. <p>(4) A person who commits an offence under this section may, in addition to or instead of the penalty for the offence, be ordered to pay the cost incurred by the Auckland water organisation in repairing the damage done to the water supply or wastewater asset by the offence.</p>

(iv) Proposed Auckland Unitary Plan

There is no applicable section in the Proposed Auckland Unitary Plan regarding a requirement to obtain authorisation from Watercare to connect to or disconnect from the networks. It is not a matter that would be appropriate to address via the Unitary Plan.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw which would apply across Auckland making it a requirement to seek Watercare's approval to connect to or disconnect from both the water supply network or the wastewater network.

Pros	Cons
<ul style="list-style-type: none">• It would consolidate the regulations covering connection to / disconnection from the water supply and wastewater networks already in existence for five of the former Auckland local authority areas• It could include the process and timing for seeking approval i.e. before resource consent or building consent is granted, rather than as part of that process• The bylaw could require that connections and disconnections meet Watercare's specifications and be carried out by qualified persons i.e. registered drain layers• It would provide powers to enforce breaches related to illegally connecting to or disconnecting from the networks, including providing for fines of up to \$20,000	<ul style="list-style-type: none">• It replicates requirements already stated in the Watercare customer contract (clauses 4.5 and 5.11)• It replicates in part s75 of the Local Government (Auckland Council) Act 2009

Option B: Use the existing clauses in the Watercare customer contract

This option uses the Watercare customer contract to require a customer to seek Watercare's permission to connect to or disconnections from either the water supply or wastewater network.

Pros	Cons
<ul style="list-style-type: none">• It would avoid replication of something that is already required in the customer contract	<ul style="list-style-type: none">• The contract is a contract between Watercare and its customers only. Although it requires permission for connection and disconnection, the ability to use the contract as an enforcement tool if illegal connections are made is limited to Watercare customers• Deregulation of connections to the water supply and wastewater networks could lead to improper connections / disconnections that compromise the overall efficiency of the networks

Option C: Use current local government legislation

This option involves use of the Local Government (Auckland Council Act 2009) to enforce requirements for Watercare approval for network connections or disconnections.

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Pros	Cons
<ul style="list-style-type: none">• It uses existing legislation as the enforcement tool to protect the water supply and wastewater networks from unapproved connections and disconnections. The requirement that the work be wilful or negligent is likely to be satisfied where there has been an intentional unauthorised connection / disconnection	<ul style="list-style-type: none">• It is not an offence to make connections or disconnections without Watercare approval if they are part of an approved building consent or resource consent. If the processes around consent administration are not appropriately managed, this could lead to a large number of connections that occur without Watercare's knowledge or approval

Preferred option

Recommendation 1: Option A - Include a provision in a bylaw that requires that connections to and disconnections from the water and wastewater networks must be authorised by Watercare.

It is critical that Watercare can manage its networks efficiently and effectively. Having the appropriate powers to manage connections and disconnections enables Watercare to protect Auckland's water supply and wastewater networks for the benefit of its customers.

In most instances, connections and disconnections will be covered by Watercare's customer contract, but this only applies to Watercare customers. The use of a bylaw is considered the best option available to ensure Watercare can properly enforce any illegal and inappropriate connection to or disconnection from the networks, as this would also cover non-customers (e.g. contractors, developers etc.). The other options available do not provide enough certainty or rigour to ensure that illegal or unapproved connections and disconnections can be appropriately dealt with.

Issue 2

Water Supply and Wastewater: *Protection of networks?*

What is the issue?

For the efficient operation of the water supply and wastewater networks, it is important that the networks are protected from any interference that could jeopardise its operation. The current legislation makes it an offence to wilfully or negligently interfere with the networks. However, the legislation sets a high threshold and does not include incidences where damage has occurred but not because of negligent actions. It is important that in these instances costs incurred from non-negligent damage by customers and third parties can be recovered from the responsible parties.

What do we have now?

Seven of the existing bylaws deal with protection and avoidance of damage to the water supply or wastewater networks. There are also other mechanisms (such as the Watercare customer contract) that seek to avoid damage to the networks.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	Yes
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	No

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
<p>4.2 Protecting the public networks and treatment plants</p> <p>4.2.1 Preventing damage to our networks</p>	<p>You agree that you, and the people on your property, will not:</p> <ul style="list-style-type: none"> • tamper with or block our networks • change, connect to or disconnect from our networks without our permission • direct anything other than wastewater into the wastewater network • use firefighting systems for reasons other than fire fighting • cover any manholes or meter boxes • allow vegetation to damage our networks. <p>You agree that you will be responsible for the cost of any repair work that is required, or any other costs we incur, as a result of you, or the people on your property, undertaking or allowing the above activities.</p>
<p>4.11 Other obligations</p>	<p>As well as your other obligations in this contract, you agree:</p> <ul style="list-style-type: none"> • to make sure all devices (including private drainage features, meters and gully traps) are installed and properly operated and maintained; and • not to tamper with any part of the Watercare network, or any associated connections, pipes, meters, valves or hydrants, and not permit anyone else to do so.

(iii) Legislation

Legislation	Relevant section text
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 76: Offences relating to damage to water supply or wastewater assets of Auckland water organisation</p> <p>(1) This section applies in relation to the following works or property that are vested in, or under the control of, an Auckland water organisation that is not a local authority:</p> <ul style="list-style-type: none"> (a) a protective work; or (b) a water supply or wastewater work; or (c) a water race; or (d) a drainage work; (e) anything forming part of, or connected with, any water supply or wastewater work or property not referred to in paragraphs (a) to (d). <p>(2) Every person commits an offence who wilfully destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to imprisonment for a term not exceeding 3 years or to a fine not exceeding \$20,000, or to both</p> <p>(3) Every person commits an offence who negligently destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to a fine not exceeding \$20,000.</p>
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 77: Liability for damage by wilful or negligent behaviour towards water supply or wastewater work</p> <p>A person who wilfully or negligently destroys, damages, stops, obstructs, or otherwise interferes with any water supply or wastewater works or property owned, constructed, acquired, or used by an Auckland water organisation that is not a local authority is liable for, as the case may be-</p> <ul style="list-style-type: none"> (a) the amount of the destruction or damage; or (b) the cost incurred by the organisation in removing the stoppage or obstruction; or (c) any loss or expenses incurred by the organisation because of the stoppage, obstruction, or interference.

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Local Government Act 2002	Section 163: Removal of works in breach of bylaws (1) If authorised by a bylaw to do so, a local authority may- (a) remove or alter a work or thing that is, or has been, constructed in breach of a bylaw; and (b) recover the costs of removal or alteration from the person who committed the breach. (2) Nothing done under subsection (1) or in a bylaw referred to in that subsection relieves the person who committed the breach from any other liability for the breach of the bylaw.
Local Government 2002	227 Offences relating to water meters Every person commits an offence and is liable on conviction to the penalty set out in section 242(1) who, without the prior written authorisation of the local authority,- (a) alters the index of, or in any other manner tampers with, a water meter being used in association with the water services of a local government organisation; or (b) alters the position of such a water meter.

(iv) Proposed Auckland Unitary Plan

There is no applicable section from the Proposed Auckland Unitary Plan regarding the protection of water supply and wastewater networks.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would involve creating a provision in a bylaw to prohibit interference or damage to the water supply and wastewater networks. It could also contain provisions regarding damage within the vicinity of the networks, requiring reporting of damage; and giving Watercare (under delegation from the Council) the ability to remove or alter a work or thing that is, or has been, constructed in breach of the law and recover the costs from the person who committed the breach.

Pros	Cons
<ul style="list-style-type: none"> • It would manage situations not covered by section 76 of the Local Government (Auckland Council) Act 2009, when the damage might not be wilful or negligent • It would provide Watercare with the ability to reclaim costs where applicable 	<ul style="list-style-type: none"> • It cannot be worded as an 'offence' provision because it cannot be inconsistent with the existing legislation which says an offence is committed only if the damage is caused wilfully or negligently

Option B: Modify the Watercare customer contract

In this option, Watercare would rely on the existing clauses (4.2 and 4.11) in the Watercare customer contract.

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Pros	Cons
<ul style="list-style-type: none">• It would avoid replication of something that is already required in this customer contract	<ul style="list-style-type: none">• The contract is a contract between Watercare and its customers only. Although it requires permission for connection, the ability to use the contract as an enforcement tool if illegal connections are made is limited to Watercare customers

Option C: Use current local government legislation

This option involves using the Local Government (Auckland Council Act 2009) to prohibit interference or damage to the water supply and wastewater networks.

Pros	Cons
<ul style="list-style-type: none">✘ It uses existing legislation as the enforcement tool to protect the water supply and wastewater networks from interference or damage	<ul style="list-style-type: none">✘ There is a potential gap where interference with the networks is not wilful or negligent, but still causes damage resulting in costs for Watercare

Preferred option

Recommendation 2: Option A - Include provisions in a bylaw that regulate the protection of the water supply and wastewater networks. These provisions could cover damage within the vicinity of the networks, require the reporting of damage, and give the Council / Watercare the ability to recover the costs of removing or altering a work or thing that is, or has been, constructed in breach of the bylaw.

It is critical that Watercare can protect its water supply and wastewater assets. Having the appropriate powers to protect them against damage (whether wilful, negligent or otherwise) would enable Watercare to protect Auckland's water supply and wastewater networks for public benefit.

The use of the Local Government (Auckland Council) Act 2009 alone would not allow for any recourse if damage to the networks occurred and it could not be proved that the actions were wilful or negligent. It would therefore provide more protection to have a bylaw in place to protect the network from damage in a wider set of circumstances, and to provide for cost recovery in the circumstances contemplated by section 163 of the Local Government Act 2002.

Issue 3

Water Supply and Wastewater: *Works undertaken near networks*

What is the issue?

In order to prevent damage to the networks, works undertaken near the networks, especially buried works, must be managed appropriately. 'Works' in this context also relates to the siting of buildings, driveways and similar structures near Watercare's networks. There is an existing statutory framework governing excavation on or in relation to existing networks, in the Local Government (Auckland Council) Act, but this does not explicitly cover works in the vicinity of such networks.

What do we have now?

There are a number of existing bylaws that control works undertaken near the water supply or wastewater networks. There are also other mechanisms (such as the Watercare customer contract) that seek to manage such works, as well as provisions in the Local Government (Auckland Council) Act 2009.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text																
4.2.3 Building close to our networks	<p>You agree to identify Watercare assets and to adhere to the working area distances outlined below when undertaking building activity of the types specified in the table below in the vicinity of our networks. If you wish to undertake these types of building activity within the working area distances, you will need written permission from us.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #ffffcc;">Watercare asset type</th> <th colspan="3" style="background-color: #ffffcc;">Working area distance from Watercare asset</th> </tr> <tr> <th style="background-color: #ffffcc;">Building activity</th> <th style="background-color: #ffffcc;">General excavation</th> <th style="background-color: #ffffcc;">Piling</th> <th style="background-color: #ffffcc;">Blasting</th> </tr> </thead> <tbody> <tr> <td style="background-color: #ffffcc;">Water and wastewater pressure pipes 300mm in diameter and greater (including connected manholes and structures)</td> <td style="background-color: #ffffcc;">10 metres</td> <td style="background-color: #ffffcc;">10 metres</td> <td style="background-color: #ffffcc;">15 metres</td> </tr> <tr> <td style="background-color: #ffffcc;">Water and wastewater pipes less than 300mm in diameter (including connected manholes and structures)</td> <td style="background-color: #ffffcc;">2 metres</td> <td style="background-color: #ffffcc;">2 metres</td> <td style="background-color: #ffffcc;">15 metres</td> </tr> </tbody> </table>	Watercare asset type	Working area distance from Watercare asset			Building activity	General excavation	Piling	Blasting	Water and wastewater pressure pipes 300mm in diameter and greater (including connected manholes and structures)	10 metres	10 metres	15 metres	Water and wastewater pipes less than 300mm in diameter (including connected manholes and structures)	2 metres	2 metres	15 metres
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(iii) Legislation

Legislation	Relevant section text
Local Government (Auckland Council) Act 2009	<p>Section 75: Offences relating to carrying out work on water supply or wastewater assets of Auckland water organisation without notice</p> <p>(1) Every person commits an offence and is liable on conviction to a fine not exceeding \$20,000 who wilfully or negligently carries out work on, or in relation to, a water supply or wastewater asset of an Auckland water organisation that is not a local authority without first-</p> <ul style="list-style-type: none"> (a) notifying the organisation of the intention to carry out the work; and (b) obtaining written authorisation from the organisation (which may include terms or conditions that the organisation thinks fit). <p>(2) It is not an offence under subsection (1) if the work concerned-</p> <ul style="list-style-type: none"> (a) is authorised by a valid consent granted by or under- <ul style="list-style-type: none"> (i) the Building Act 2004 (including the Building Code); or (ii) the Resource Management Act 1991; or (iii) is carried out in accordance with a valid building, plumbing, or drainage consent...
Local Government Act 1974	<p>225 Offences relating to waterworks</p> <p>(1) Every person commits an offence and is liable on conviction to the penalty set out in section 242(1) who, wilfully or negligently,-</p> <ul style="list-style-type: none"> (a) takes water from the supply provided to another person without having entered into an agreement to be supplied with water from a waterworks; or

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	<p>(b) having been supplied with water from a waterworks,- (i) supplies that water to another person who has not entered into an agreement to be supplied; or (ii) permits that other person to take water supplied from a waterworks; or</p> <p>(c) bathes or washes clothing or other things in, or throws an animal, refuse, litter, or debris into, the water of a waterworks; or</p> <p>(d) carries out work on, or in relation to, a waterworks without first- (i) notifying the local authority of the intention to carry out the work; and (ii) obtaining written authorisation from the local authority, with terms or conditions the local authority thinks fit.</p>
Local Government 2002	<p>227 Offences relating to water meters</p> <p>Every person commits an offence and is liable on conviction to the penalty set out in section 242(1) who, without the prior written authorisation of the local authority,-</p> <p>(a) alters the index of, or in any other manner tampers with, a water meter being used in association with the water services of a local government organisation; or</p> <p>(b) alters the position of such a water meter.</p>

(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan does not contain any relevant matters regarding working near networks. It is also not appropriate to use the Proposed Auckland Unitary Plan to require resource consent for work near networks.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw to make it a requirement to seek Watercare’s approval for any work undertaken within a certain distance of the water supply network or the wastewater network.

Pros	Cons
<ul style="list-style-type: none"> It applies to all activities near Watercare networks whether they are customers or not 	<ul style="list-style-type: none"> It cannot be worded as an 'offence' provision because it cannot be inconsistent with the existing legislation which says an offence is committed only if the damage is caused wilfully or negligently

Option B: Use the existing clauses in the Watercare customer contract

This option uses the Watercare customer contract to ‘enforce’ the requirement to seek Watercare’s permission to work near the water supply or wastewater networks.

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Pros	Cons
<ul style="list-style-type: none">• There would be no need for a bylaw	<ul style="list-style-type: none">• This by its nature only pertains to Watercare customers, and therefore cannot require non-customers to seek permission to work near water supply or wastewater networks

Option C: Use current local government legislation

This option involves use of the Local Government (Auckland Council Act 2009) to enforce requirements to get prior Watercare approval for work around water supply and wastewater networks.

Pros	Cons
<ul style="list-style-type: none">• This option requires no further regulatory mechanisms to be developed. This would likely cover the majority of offences that would occur (i.e. either negligent or wilfully done)	<ul style="list-style-type: none">• The legislation only covers works that are undertaken wilfully or negligently. This potentially exposes Watercare to costs from unapproved works that weren't necessarily wilful or negligent, but nevertheless leaves Watercare liable for repairs in the event of damage

Preferred option

Recommendation 3: Option A - Include a provision in a bylaw that regulates work near the water and wastewater networks so that they must be authorised by Watercare prior to being undertaken.

It is critical that Watercare can manage its networks efficiently and effectively. Having the appropriate powers to manage works in the vicinity of its assets enables Watercare to protect Auckland's water supply and wastewater networks for the benefit of its customers and the wider public.

The use of a bylaw provision is considered the best option available to ensure Watercare can properly monitor and manage works near to the networks and enforce works that cause damage to the networks where appropriate. The other options available do not provide enough certainty or rigour that works undertaken that did not gain prior approval can be appropriately dealt with. The repeal of the Auckland Metropolitan Drainage Act 1960 and the North Shore Drainage Act 1963, which contained provisions relating to works in the vicinity of trunk assets, also strengthens the case for bylaw provisions.

Issue 4

Water Supply and Wastewater: *Standard of infrastructure*

What is the issue?

In order to effectively and efficiently manage water supply and wastewater networks, it is important that any new infrastructure installed by developers that will connect to the networks and eventually be owned by Watercare is constructed to an acceptable and consistent standard.

What do we have now?

Two of the existing bylaws deal with provision of standardised infrastructure for wastewater network connections as part of new subdivisions. The issue can also be dealt with through subdivision resource consents.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	No
North Shore City	Bylaw 2000 - Part 18 Water Supply	No
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	No
Papakura District	Water Supply Bylaw	No
Wastewater bylaws		
Papakura District	Wastewater Bylaw 2008	No
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
No relevant section	Not applicable

(iii) Legislation

Legislation	Relevant section text
No relevant section	Not applicable

(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan contains some provisions that require developers to meet specific standards for wastewater infrastructure that will be vested with council. These proposed provisions are set out in the following table.

Proposed Auckland Unitary Plan Chapter	Relevant clause text
Chapter C, Auckland-wide Objectives and Policies	Section 5 - Natural Resources: 5.15 Water: 5.15.1 Water quality and integrated management: 19. Avoid increasing the frequency and volume of existing wastewater network overflows or creating new wastewater network overflows by: a. requiring new wastewater networks to be designed and constructed in accordance with recognised industry benchmark standards, including being sized to cater for the maximum likely level of land use development within the area to be serviced; b. requiring the construction of private wastewater networks that are to be connected to the Watercare network, to meet design standards for new wastewater infrastructure as set out in the Water and Wastewater Code of Practice for Land Development and Subdivision, Watercare Services Limited 2011.
Chapter H: Auckland-wide rules	Section 5 - Subdivisions: 3 Assessment – Controlled activities: 3.1 Matters of Control: Table 11: 10. Subdivision should provide coordinated and appropriately designed and located infrastructure consistent with the standards and specification that meet the requirements of Auckland Transport and Watercare as well as any relevant Code of Practice or engineering standards.
Chapter H: Auckland-wide rules	Section 5 - Subdivisions: 4.1 Assessment Criteria –Restricted Discretionary Activities: Table 14: Infrastructure and servicing: 46. Subdivision should provide coordinated and appropriately designed and located infrastructure consistent with the standards and specification that meet the requirements of Auckland Transport and Watercare as well as any other relevant Code of Practice.

Conditions on resource consent can require infrastructure that will be vested to be constructed in accordance with codes of practice and to meet specified performance standards.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw to make it a requirement to construct network infrastructure that will be vested to Watercare in a way that meets Watercare’s current and relevant code of practice (currently being ‘*The Water and Wastewater Code of Practice for Land Development and Subdivision 2011*’).

Pros	Cons
<ul style="list-style-type: none">• It will give Watercare the ability to require infrastructure to be vested with Watercare to meet specific standards, in order to continue to operate the network effectively	<ul style="list-style-type: none">• There could initially be some confusion about use of the bylaw, as it has in the past been common to use resource consent conditions to specify (by reference to codes of practice) the required standard of water and wastewater infrastructure to vest

Option B: Use the resource consent process

The issue could also be dealt with through subdivision resource consent conditions.

Pros	Cons
<ul style="list-style-type: none">• This uses existing mechanisms (i.e. resource consent processes) to ensure infrastructure is of an appropriate standard	<ul style="list-style-type: none">• Existing legacy District Plans mean it is likely that this issue could be dealt with inconsistently across the region until such time as the Proposed Auckland Unitary plan is operative. This could be at least three years from now

Preferred option

Recommendation 4: Option A - Include a provision in a bylaw that requires developers to construct infrastructure to be vested with Watercare to meet its approved standards via Watercare’s land development and subdivision code of practice.

It is critical that Watercare can manage its networks efficiently and effectively. Having the appropriate powers to require developers to provide infrastructure of a suitable standard is critical. If Watercare becomes responsible for the vested infrastructure, requiring it to be constructed to a specific standard reduces the risk of inheriting infrastructure that is not fit for purpose.

The use of a bylaw provision is considered the best option available to ensure Watercare can properly ensure this. Currently, due to variability across legacy District Plans, use of subdivision consent conditions alone still risks inconsistency and lacks the certainty a bylaw provision would provide.

Issue 5

Water Supply and Wastewater: *Cost recovery for damage to networks*

What is the issue?

The ability to recover costs from damage to water supply and wastewater networks by third parties is important in order for Watercare to operate efficiently and effectively on behalf of all its customers.

What do we have now?

There are six existing bylaws that deal with cost recovery for damages to the networks. There are also other mechanisms (such as the Watercare customer contract) that seek to recover costs for any damage caused to the networks by third parties.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
Papakura District	Water Supply Bylaw	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	No
Wastewater bylaws		
Papakura District	Wastewater Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
4.1 Your private plumbing	<p>You own and are responsible for maintaining all of the pipes, fittings and devices on your side of the point of supply.</p> <p>You agree to make sure all of the pipes, fittings and devices on your side of the point of supply are correctly installed and operated, and are maintained. You also agree to fix any water leaks promptly to minimise wastage. If we believe maintenance work is needed on your private plumbing and that you are not undertaking it quickly enough, we may carry out the work ourselves subject to our statutory obligations. We may recover the cost of this work from you or the responsible party.</p> <p>Please refer to “Point of supply” information on our website for details.</p>
4.2.1 Preventing damage to our networks	<p>You agree that you, and the people on your property, will not:</p> <ul style="list-style-type: none"> • tamper with or block our networks • change, connect to or disconnect from our networks without our permission • direct anything other than wastewater into the wastewater network • use firefighting systems for reasons other than firefighting • cover any manholes or meter boxes • allow vegetation to damage our networks. <p>You agree that you will be responsible for the cost of any repair work that is required, or any other costs we incur, as a result of you, or the people on your property, undertaking or allowing the above activities.</p>
4.2.2 Unauthorised repairs to our networks	<p>We will not be liable for any costs of repairs to our networks carried out by anyone other than us unless we have first authorised the repairs in writing.</p>

(iii) Legislation

Legislation	Relevant section text
Local Government (Auckland Council) Act 2009	<p>Section 77: Liability for damage by wilful or negligent behaviour towards water supply or wastewater work</p> <p>A person who wilfully or negligently destroys, damages, stops, obstructs, or otherwise interferes with any water supply or wastewater works or property owned, constructed, acquired, or used by an Auckland water organisation that is not a local authority is liable for, as the case may be-</p> <p>(a) the amount of the destruction or damage; or</p> <p>(b) the cost incurred by the organisation in removing the stoppage or obstruction; or</p> <p>(c) any loss or expenses incurred by the organisation because of the stoppage, obstruction, or interference.</p>
Local Government Act 2002	<p>Section 163: Removal of works in breach of bylaws</p> <p>(1) If authorised by a bylaw to do so, a local authority may-</p> <p>(a) remove or alter a work or thing that is, or has been, constructed in breach of a bylaw; and</p> <p>(b) recover the costs of removal or alteration from the person who committed the breach.</p> <p>(2) Nothing done under subsection (1) or in a bylaw referred to in that subsection relieves the person who committed the breach from any other liability for the breach of the bylaw.</p>

(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan is not relevant to this issue.

What are the options?

The following section outlines the available options available regarding addressing this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw giving Watercare (under delegation from the Council) the ability to remove or alter a work or thing that is, or has been, constructed in breach of the bylaw and recover the costs from the person who committed the breach.

Pros	Cons
<ul style="list-style-type: none">Provides power to remove or alter works constructed in breach of the bylaw, and to recover the costs of doing so, where damage to the networks is from a work constructed in breach of the bylaw. Watercare would not have to show wilful or negligent conduct	<ul style="list-style-type: none">Except where Watercare removes or alters works constructed in breach of the bylaw, a bylaw provision could not give it the power to recover the cost of damage to its networks in all circumstances. This is because a bylaw cannot impose a stricter requirement than section 77 of the Local Government (Auckland Council) Act 2009, which says there is only liability for damage caused by wilful or negligent conduct

Option B: Use the existing clauses in the Watercare customer contract

This option involves use of the Watercare customer contract to make any customer causing damage liable for any costs incurred.

Pros	Cons
<ul style="list-style-type: none">This allows Watercare to recover costs from damage caused by its customers	<ul style="list-style-type: none">Only Watercare customers are liable for cost recovery

Option C: Use current local government legislation

This option involves use of the Local Government (Auckland Council) Act 2009 to enforce requirements to recover costs from damage caused by third parties to the water supply and / or wastewater networks.

Pros	Cons
<ul style="list-style-type: none">Costs can be recovered from both Watercare customers and non-customers	<ul style="list-style-type: none">Costs can only be recovered if the damage caused was done wilfully or negligently

Preferred option

Recommendation 5: Option A - Include a limited bylaw provision relating to works or things constructed in breach of the bylaw to recover costs due to damage to networks caused by third parties.

A bylaw giving Watercare the ability to remove or alter a work or thing constructed in breach of the bylaw and recover the costs from the person who committed the breach would provide a useful remedy in some circumstances where its networks have been damaged. Outside those circumstances, the existing customer contract and section 77 of the Local Government (Auckland Council) Act 2009 can be used to recover costs incurred as a result of network damage by third parties.

Issue 6

Water Supply and Wastewater: *Offence provisions*

What is the issue?

Offence provisions enable Watercare to pursue criminal liability for various activities that could cause damage to the water supply and wastewater networks or cause Watercare to incur unnecessary costs.

What do we have now?

There are six existing bylaws that deal with offence provisions and breaches of the specific clauses within the bylaws themselves. There are also other mechanisms, such as local government legislation, that defines what activities associated with water supply and wastewater networks that constitute offences.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
Papakura District	Water Supply Bylaw	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
Papakura District	Wastewater Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 20 Wastewater	No
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
Not applicable	Breach of the customer contract does not, of itself, give rise to an offence, but a breach of the contract provides Watercare with a civil (rather than criminal) remedy.

(iii) Legislation

Legislation	Relevant section text
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 75: Offences relating to carrying out work on water supply or wastewater assets of Auckland water organisation without notice</p> <p>(1) Every person commits an offence and is liable on conviction to a fine not exceeding \$20,000 who wilfully or negligently carries out work on, or in relation to, a water supply or wastewater asset of an Auckland water organisation that is not a local authority without first-</p> <ul style="list-style-type: none"> (c) notifying the organisation of the intention to carry out the work (d) obtaining written authorisation from the organisation (which may include terms or conditions that the organisation thinks fit. <p>(2) It is not an offence under subsection (1) if the work concerned</p> <ul style="list-style-type: none"> (b) is authorised by a valid consent granted by or under <ul style="list-style-type: none"> (i) the Building Act 2004 (including the building code); or (ii) the Resource Management Act 1991; or (b) is carried out in accordance with a valid building, plumbing, or drainage consent. <p>(3) It is a defence to an offence under subsection (1) if the work concerned-</p> <ul style="list-style-type: none"> (a) was necessary to avoid an emergency, or to mitigate or remedy the effects of an emergency; and (b) was carried out by a person appropriately registered to undertake the work. <p>(4) A person who commits an offence under this section may, in addition to or instead of the penalty for the offence, be ordered to pay the cost incurred by the Auckland water organisation in repairing the damage done to the water supply or wastewater asset by the offence.</p>
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 76: Offences relating to damage to water supply or wastewater assets of Auckland water organisation</p> <p>(1) This section applies in relation to the following works or property that are vested in, or under the control of, an Auckland water organisation that is not a local authority:</p> <ul style="list-style-type: none"> (a) a protective work; or (b) a water supply or wastewater work; or (c) a water race; or (d) a drainage work; or (e) anything forming part of, or connected with, any water supply or wastewater work or property not referred to in paragraphs (a) to (d). <p>(2) Every person commits an offence who wilfully destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to imprisonment for a term not exceeding 3 years or to a fine not exceeding \$20,000, or to both.</p> <p>(3) Every person commits an offence who negligently destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to a fine not exceeding \$20,000.</p>
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 77: Liability for damage by wilful or negligent behaviour towards water supply or wastewater work</p> <p>A person who wilfully or negligently destroys, damages, stops, obstructs, or otherwise interferes with any water supply or wastewater works or property owned, constructed, acquired, or used by an Auckland water organisation that is not a local authority is liable for, as the case may be-</p> <ul style="list-style-type: none"> (a) the amount of the destruction or damage; or (b) the cost incurred by the organisation in removing the stoppage or obstruction; or (c) any loss or expenses incurred by the organisation because of the stoppage, obstruction, or interference.

(iv) Proposed Auckland Unitary Plan

Offence provisions for various activities could not be covered by the Unitary Plan, other than for specific matters covered by the Resource Management Act 1991 (e.g. discharge of contaminants).

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

A bylaw could contain a provision saying that a person who breaches the bylaw commits an offence under section 239 of the Local Government Act. However it is preferable for any offence provision to specify which clauses (if breached) create an offence, as not every breach of a bylaw should attract criminal liability.

Pros	Cons
<ul style="list-style-type: none">• This would define all instances where bylaw breaches constitute a criminal offence	

Option B: Use current local government legislation

This option relies on the Local Government (Auckland Council) Act 2009 to list the offences that can occur in relation to the water supply and wastewater networks (as well as Local Government Act 2002 offence provisions such as s227 relating to tampering with a water meter). It does not purport to make breach of the bylaw an offence.

Pros	Cons
<ul style="list-style-type: none">• The legislation can be used to define offences across a range of activities and used as an enforcement tool when appropriate and necessary	<ul style="list-style-type: none">• The legislation doesn't capture all the specific activities covered under a proposed bylaw

Preferred option

Recommendation 6: Option A - Include a provision in a bylaw that says that a person who breaches the bylaw commits an offence under section 239 of the Local Government Act. This would specify which clauses (if breached) create an offence, as not every breach of the bylaw would attract criminal liability.

Certain conduct in breach of the bylaw, such as carrying out unauthorised work on or in the vicinity of the networks, should be an offence notwithstanding that it is not covered by statutory offence provisions. This would signal the importance of complying with these bylaw provisions and give Watercare an enforcement tool in cases of serious or persistent breaches.

Issue 7

Water Supply and Wastewater: *Access to private land*

What is the issue?

Watercare requires access to private land in order to efficiently and effectively to undertake its activities including meter reading, testing, maintenance and inspection of its infrastructure.

What do we have now?

There are five existing bylaws that deal with gaining access to private land. There are also other mechanisms such as the Watercare customer contract that seek to manage access to private land.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
Papakura District	Water Supply Bylaw	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	No
Wastewater bylaws		
Papakura District	Wastewater Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	No

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
5.1 Access to our networks	Under the Local Government Act 2002, our representatives can enter your property to inspect, alter, renew, repair or clean our assets to ensure their continued safety and effectiveness. Our representatives can also enter your property to respond to an emergency which is likely to harm people or damage property or the environment, or when there is any danger to our networks or other property.

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	<p>Although we have the right to enter your property without consent to read the meter, or check and work on our network, we will respect you, your family and your property.</p> <p>We will always show authorised identification. If you are not confident that visitors are Watercare representatives we encourage you to contact us or the police. We will not enter your property between the hours of 6:00pm and 7:30am unless there is an emergency that cannot wait or we have your consent to do so.</p>
6.1 Reading the water meter	<p>You agree to provide our representatives with easy access to the water meter. If we are required to undertake work to make the meter accessible, we may charge you for this work. Please refer to “Domestic water and wastewater charges” or “Non-domestic water and wastewater charges” on our website for details of costs.</p> <p>You may wish to authorise Watercare to use a key or an electronic security code to access your property. Please fill out the relevant form on our website (for a key) or contact us via telephone (for an electronic security code).</p>

(iii) Legislation

Legislation	Relevant section text
Local Government (Auckland Council) Act 2009	<p>Section 64: Powers of Auckland water organisation under Local Government Act 2002</p> <p>An Auckland water organisation that is not a local authority has the powers of a local authority under the following sections of the Local Government Act 2002 in relation to its water supply and wastewater services (and those sections apply accordingly, with any necessary modifications):</p> <p>(a) section 171 (general power of entry) (b) section 172 (power of entry for enforcement purposes) (c) section 173 (power of entry in cases of emergency) (d) section 181 (construction of works on private land) (e) section 182 (power of entry to check utility services) (f) section 186 (local authority may execute works if owner or occupier defaults).</p>
Local Government Act 2002 <i>Powers of entry</i>	<p>Section 171: General power of entry</p> <p>(1) For the purpose of doing anything that the local authority is empowered to do under this Act or any other Act, a local authority may enter any land or building other than a dwellinghouse...</p> <p>(4) If a local authority exercises the power under subsection (1) to enter unoccupied land or unoccupied buildings, the local authority must notify the owner-</p> <p>(a) not less than 24 hours in advance of the intended entry if it is reasonably practicable to do so; or (b) as early as reasonably practicable, whether before or after entry has been made.</p>
Local Government Act 2002 <i>Powers of entry</i>	<p>Section 172: Power of entry for enforcement purposes</p> <p>(1) A warranted enforcement officer may enter land for the purpose of detecting a breach of a bylaw or the commission of an offence against this Act if the officer has reasonable grounds for suspecting that a breach of the bylaw or the commission of the offence has occurred or is occurring on the land.</p> <p>(2) Before exercising the power in subsection (1), the officer must, if practicable, give reasonable notice to the occupier of the land of the</p>

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	<p>intention to exercise the power, unless the giving of notice would defeat the purpose of entry.</p> <p>(3) The power in subsection (1) to enter a dwellinghouse must not be exercised unless-</p> <ul style="list-style-type: none"> (a) the entry is authorised by a warrant given by an issuing officer (within the meaning of section 3 of the Search and Surveillance Act 2012) on application made in the manner provided for an application for a search warrant in subpart 3 of Part 4 of that Act; and (b) when exercising the power, the enforcement officer is accompanied by a constable. <p>(4) Subject to subsections (3)(b) and (5), the provisions of Part 4 of the Search and Surveillance Act 2012 apply.</p> <p>(5) Despite subsection (4), sections 118 and 119 of the Search and Surveillance Act 2012 apply only in respect of a constable.</p>
<p>Local Government Act 2002 <i>Powers of entry</i></p>	<p>Section 173: Power of entry in cases of emergency</p> <p>(1) A local authority may, for the purpose of doing anything that it is authorised to do under this Act or any other enactment, enter occupied land or buildings without giving prior notice, if-</p> <ul style="list-style-type: none"> (a) there is a sudden emergency causing or likely to cause- <ul style="list-style-type: none"> (i) loss of life or injury to a person; or (ii) damage to property; or (iii) damage to the environment; or (b) there is danger to any works or adjoining property. <p>(2) The provisions of Part 4 of the Search and Surveillance Act 2012 (except subparts 2 and 3, and sections 118 and 119) apply.</p>
<p>Local Government Act 2002 <i>Construction of works</i></p>	<p>Section 181 (4): Construction of works on private land</p> <p>(4) A local authority may enter the land to inspect, alter, renew, repair, or clean any work constructed under this section or under the corresponding provision of a former Act.</p>
<p>Local Government Act 2002 <i>Powers of entry</i></p>	<p>Section 182: Power of entry to check utility services</p> <p>(1) An enforcement officer of a local authority may enter any land or building (but not a dwellinghouse) for the purpose of ascertaining whether-</p> <ul style="list-style-type: none"> (a) water supplied from any waterworks or water race to any land or building is being wasted or misused; or (b) any drainage works on any land are being misused; or (c) any appliance or equipment associated with a local authority utility service on the land is in a condition that makes it dangerous to life or property. <p>(2) The power under subsection (1) may only be exercised if the enforcement officer-</p> <ul style="list-style-type: none"> (a) believes on reasonable grounds that the circumstances in any of paragraph (a), paragraph (b), or paragraph (c) of that subsection exist; and (b) the local authority gives reasonable notice to the occupier of the land or building of the intention to exercise the power. <p>(3) If an enforcement officer is refused entry or obstructed when exercising the power in subsection (1), the local authority may restrict the water supply to the land or building, as provided for in section 193.</p>

(iv) Proposed Auckland Unitary Plan

It is not possible for the Unitary Plan to have provisions providing access to private land.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw providing Watercare with the right to access private property for the purposes of meter reading, testing, maintenance and inspection of its infrastructure.

Pros	Cons
<ul style="list-style-type: none">It provides Watercare with the right to access private land to enable it to carry out its business efficiently and effectively	<ul style="list-style-type: none">This is already comprehensively covered through access provisions of the Local Government Act 2002

Option B: Use the existing clauses in the Watercare customer contract

This option involves use of the existing customer contract to gain access to private land.

Pros	Cons
<ul style="list-style-type: none">It provides Watercare with the right to access private land owned by its customers to enable it to carry out its business efficiently and effectively	<ul style="list-style-type: none">It does not give access to any infrastructure located on land that is not owned by a Watercare customer

Option C: Use current local government legislation

This option involves use of the Local Government Act 2002 via the Local Government (Auckland Council) Act 2009 to provide access to private land.

Pros	Cons
<ul style="list-style-type: none">It provides access to private land, whether owned by a Watercare customer or not	

Preferred option

Recommendation 7: Options B and C - Use existing local government legislation and the customer contract as the basis for gaining access to private property.

It is critical that Watercare can manage its networks efficiently and effectively. Having the appropriate powers to gain access to private land for the purposes of meter reading, testing, maintenance and inspection of its infrastructure is an imperative. The use of the Local Government Act 2002 via the Local Government (Auckland Council) Act 2009 provides this access. This matter is also covered in Watercare's customer contract where the private land is held by a Watercare customer. There is no therefore no requirement for a bylaw on this issue.

Issue 8

Water Supply and Wastewater: *Charging for goods and services*

What is the issue?

Several of the existing bylaws include a range of charging clauses, related to connection charges, financial contributions, and water supply and wastewater service charges.

What do we have now?

Various clauses across 7 of the 9 bylaws cover fees and charges related to both the supply of water and wastewater services and for fees for matters such as connections. Fees and charges are also comprehensively covered by the Watercare customer contract and associated “Domestic water and wastewater charges” and “Non-domestic water and wastewater charges” price schedules.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	Yes
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
3.1 Our price schedule	<p>Water and wastewater services charges apply from the time:</p> <ul style="list-style-type: none"> the water meter is made available for use, or your wastewater connection is approved. <p>The water charge is based on the volume of water that flows through your water meter based on either an actual reading of the meter or an estimate.</p>

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	<p>The wastewater charge combines an annual fixed charge and a volumetric charge. The volumetric charge is usually based on a percentage of the volume of water that flows through your meter. There are further charges that may apply, such as administration charges for special meter readings.</p> <p>Our charges are set out in the price schedules titled “Domestic water and wastewater charges” and “Non-domestic water and wastewater charges”. These schedules form part of this contract. We may update the price schedules from time to time. The current versions are available on our website. Until 1 July 2014 trade waste discharges will be charged for in accordance with the trade waste bylaw in force in the area where the property is located. After 1 July 2014 non-domestic wastewater charges set out in the price schedules will apply to trade waste discharges unless:</p> <ul style="list-style-type: none">• you hold a “transitional consent” for that discharge, as defined in the Auckland Trade Waste Bylaw 2013; or• the property from which the trade waste is being discharged is located in the former Papakura district.
3.1.1. If you obtain water from an alternative source	<p>You are obliged to tell us if you obtain water from an alternative source. If you have an alternative source, we may adjust your wastewater charges to better reflect how much you actually discharge. We may audit your water use to work out any applicable extra charges. If you are a non-domestic customer, we may also require you to install a wastewater meter to measure the volume of wastewater you discharge.</p> <p>Please refer to “Domestic water and wastewater charges” and “Non-domestic water and wastewater charges” on our website for details of costs.</p>
3.2 Your payment responsibilities	<p>You agree to pay us the total amount you owe us on or before the due date shown on the bill. As the property owner and our customer, you are responsible for the charges incurred at your property, regardless of:</p> <ul style="list-style-type: none">• any billing arrangement we may have with your tenant or lessee,• provisions in the Residential Tenancies Act 1986 dealing with liability for water and wastewater charges between landlords and tenants <p>We may respond to unpaid bills by:</p> <ul style="list-style-type: none">• charging you an administration fee• charging you for any collection, dishonoured payment and/or legal fees that we incur as a result of you not paying your bill by the due date• restricting the services you receive.
4.2.4 Increasing your water supply or wastewater discharge volumes	<p>Capital spending necessitated by increased demand on our networks is funded in part by Infrastructure Growth Charges. An Infrastructure Growth Charge may apply to new connections, and to non-domestic customers who increase or propose to increase their water usage beyond 600 litres per day over a twelve month period.</p> <p>Please refer to “Domestic water and wastewater charges”, “Non-domestic water and wastewater charges” and “Infrastructure Growth Charges” on our website for details.</p>

(iii) Legislation

There are no specific sections in legislation regarding Watercare setting charges for goods and services provided.

(iv) Proposed Auckland Unitary Plan

It is not possible for the Unitary Plan to have provisions to provide for charging.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create provisions in a bylaw regarding Watercare's fees and charges.

Pros	Cons
<ul style="list-style-type: none">• Bylaw charging for certain aspects of water and wastewater services such as connections is lawful, well understood and the existing practice in most of New Zealand• There is a public process under the Local Government Act 2002 relating to the setting of bylaw charges	<ul style="list-style-type: none">• It is not appropriate to use a bylaw to charge for the water supply and wastewater services themselves• In Watercare's case there is no need anyway as such matters are comprehensively covered in the customer contract

Option B: Use the existing Watercare customer contract and other standard charging procedures

This option involves use of the existing clauses in the Watercare contract and other standard charging procedures (such as Watercare's 'application to connect' process), to set fees and charges.

Pros	Cons
<ul style="list-style-type: none">• It removes the need for bylaw clauses which would replicate what already exists in the customer contract• Charges can be updated as required through revisions to the price schedule which forms part of the customer contract	<ul style="list-style-type: none">• There is no formal public process around the setting of contractual charges (unlike for bylaws charges)

Preferred option

Recommendation 8: Option B – Use the existing customer contract and other standard charging procedures as the basis for charging fees.

The clauses regarding fees and charges in existing bylaws are generally unnecessary now that they are covered by the Watercare customer contract, and can therefore be allowed to lapse in 2015.

Issue 9

Water Supply and Wastewater: *Point of supply*

What is the issue?

It is important that the 'point of supply' which defines the boundary between Watercare's and the private customer's responsibilities (for both water supply and wastewater) is clearly defined and managed. It is also important that this single point of supply is then only used by that specific customer, so that others are not supplied via any unmanaged connections on the customer side of the supply point.

What do we have now?

Four of the existing bylaws contain clauses regarding 'point of supply' specifications and / or prohibition on supply to others. The Watercare customer contract covers 'point of supply' issues, and the Local Government legislation also covers regulation of supply to other parties.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes
Wastewater bylaws		
North Shore City	Bylaw 2000 - Part 20 Wastewater	No
Papakura District	Wastewater Bylaw 2008	No
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	No

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
4.1 Your private plumbing	You own and are responsible for maintaining all of the pipes, fittings and devices on your side of the point of supply. You agree to make sure all of the pipes, fittings and devices on your side of the point of supply are correctly installed and operated, and are maintained. You also agree to fix any water leaks promptly to minimise wastage. If we believe maintenance work is needed on your private plumbing and that you are not undertaking it quickly enough, we may carry out the work ourselves subject to our statutory obligations. We may recover the cost of this work from you or the responsible party. Please refer to “Point of supply” information on our website for details.

(iii) Legislation

Legislation	Relevant section text
Local Government Act 2002	<p>Section 225: Offences relating to waterworks</p> <p>(1) Every person commits an offence and is liable on conviction to the penalty set out in section 242(1) who, wilfully or negligently,-</p> <ul style="list-style-type: none">(a) takes water from the supply provided to another person without having entered into an agreement to be supplied with water from a waterworks; or(b) having been supplied with water from a waterworks,-<ul style="list-style-type: none">(i) supplies that water to another person who has not entered into an agreement to be supplied; or(ii) permits that other person to take water supplied from a waterworks; or(c) bathes or washes clothing or other things in, or throws an animal, refuse, litter, or debris into, the water of a waterworks; or(d) carries out work on, or in relation to, a waterworks without first-<ul style="list-style-type: none">(i) notifying the local authority of the intention to carry out the work; and(ii) obtaining written authorisation from the local authority, with terms or conditions the local authority thinks fit <p>(2) It is not an offence under subsection (1) if the work referred to in subsection (1)(d) or (e)-</p> <ul style="list-style-type: none">(a) is authorised by a valid consent granted under—<ul style="list-style-type: none">(i) the Building Act 2004, regulations made under that Act, or the Building Code; or(ii) the Resource Management Act 1991 or regulations made under that Act; or(b) was carried out in accordance with a valid building, plumbing, or drainage consent. <p>(3) It is a defence to an offence under subsection (1)(d) or (e) if the work-</p> <ul style="list-style-type: none">(a) was necessary to avoid an emergency, or to mitigate or remedy the effects of an emergency; and(b) was carried out by a person appropriately registered to undertake the work.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw making it a requirement to seek Watercare's approval to supply another party from a particular supply, and / or outline specifications and requirements regarding the point of supply itself.

Pros	Cons
<ul style="list-style-type: none">This could satisfactorily address the issue	<ul style="list-style-type: none">This would replicate provisions already available to Watercare under its customer contract and under local government legislation

Option B: Use the existing clauses and / or modify the Watercare customer contract

This option would use the Watercare customer contract to 'enforce' point of supply requirements. It could also be modified to add a clause regarding customers agreeing not to supply water to any other users.

Pros	Cons
<ul style="list-style-type: none">This would manage the issues regarding point of supply requirements and restriction on the supply of water to a third party	<ul style="list-style-type: none">The current customer contract does not cover the issue of supply by customers to other users

Option C: Use current local government legislation

This option involves use of the Local Government Act 2002 to prohibit any supply of water to a third party from the private customer's supply, unless prior approval is attained from Watercare.

Pros	Cons
<ul style="list-style-type: none">It manages the issue of water supply to third parties from the customer's supply	<ul style="list-style-type: none">It does not cover technical specification requirements around the 'point of supply'

Preferred option

Details regarding the 'point of supply' and its associated specifications are important to specify and were previously dealt with by some local authorities via bylaws. The issue of a customer supplying a third party with water from their side of the 'point of supply' was also covered by these bylaws.

However, the Watercare customer contract (covering 'point of supply' technical issues) and existing local government legislation (covering supplying water to third parties), means that the need for a bylaw is no longer necessary.

Recommendation 9: Options B and C - Use section 225 of the Local Government Act 2002 and the Watercare customer contract (clause 4.1) to manage 'point of supply' requirements and related third party water supply issues.

Issue 10

Water Supply and Wastewater: *Insufficient capacity*

What is the issue?

Watercare seeks to manage the network to ensure that there is sufficient capacity to meet the required levels of service. In particular, Watercare has an obligation to maintain certain volumes and pressure to provide for firefighting. Additional connections can affect the ability to meet volume and pressure standards for water supply. This is especially important when making provision for firefighting services. Lack of wastewater capacity can lead to overflows that can cause public health hazards and contamination of land and waterways.

What do we have now?

Two of the existing bylaws deal with limiting connections to wastewater networks when insufficient capacity is available. There are also other mechanisms that seek to manage connections to the networks when there is insufficient capacity.

(i) Legacy bylaws

Legacy Council	Water supply and wastewater bylaws	Are there relevant clauses in existing bylaws?
Water supply bylaws		
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	No
North Shore City	Bylaw 2000 - Part 18 Water Supply	No
Papakura District	Water Supply Bylaw	No
Rodney District	General Bylaw: 1998, Chapter 11 – Water Supply	No
Water supply bylaws		
Papakura District	Wastewater Bylaw 2008	No
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Rodney District	General Bylaw: 1998, Chapter 20- Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
Not applicable	No relevant clauses regarding connections when there is insufficient capacity

(iii) Legislation

Legislation	Relevant section text
General comment	Note: That a network connection may be refused because of insufficient network capacity is not specifically regulated for by legislation.
Fire Services Act 1975	Allows NZ Fire Service to advise local authorities of minimum pressure and volume requirements for firefighting.

(iv) Proposed Auckland Unitary Plan

There are no applicable sections in the Proposed Auckland Unitary Plan regarding capacity of the water supply or waste water networks. There are, however, some indirect provisions that specify capacity as assessment criteria.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

A bylaw could include provisions outlining that a connection may be declined if there is insufficient capacity in the networks and that Watercare will take into account network capacity when deciding whether or not to grant approval. Expressly, the provisions could provide that permission may be refused where a connection would affect ability to supply water at volume and / or pressure required for firefighting or would result in wastewater overflows.

Pros	Cons
<ul style="list-style-type: none"> It allows Watercare to manage connections and therefore better manage capacity of the networks to supply water or to take extra wastewater, to avoid overflows and pollution events 	<ul style="list-style-type: none"> May be viewed as unnecessary given that Watercare must give permission to connections anyway

Option B: Modify the Watercare customer contract

The contract currently only states that Watercare must authorise connections. This could be expanded to include refusing a connection where network capacity is compromised.

Pros	Cons
<ul style="list-style-type: none"> An expanded contract clause would make it clear upfront that there are instances where water supply or wastewater connections might be refused due to capacity constraints 	<ul style="list-style-type: none"> An expansion of the current contract provisions would not apply to non-customers. By its nature this issue often affects people who are not existing customers

Option C: Modify the working relationship between Auckland Council and Watercare

Capacity issues would be managed via the Auckland Council resource consent process which could require evidence of Watercare approval where connection to the water supply or wastewater networks is involved.

Pros	Cons
<ul style="list-style-type: none">• Allows the resource consent process that already exists to manage water and wastewater connections where there may be capacity issues	<ul style="list-style-type: none">• There is a risk that processes (e.g. existing service level agreement with Auckland Council) will be inadequate or not followed appropriately by staff• There is a risk that there would be little Watercare could do regarding illegal connections to the water supply or wastewater network• This would not provide the benefits of a public statement e.g. in a bylaw, that connection depends on network capacity

Preferred option

Recommendation 10: Option A - Include provisions in a proposed bylaw that allow for consideration of network capacity, in particular when making provision for firefighting services, when deciding to authorise a network connection.

It is critical that Watercare can manage its networks efficiently and effectively. Having the appropriate powers to manage connections enables Watercare to protect Auckland's water supply and wastewater networks for the benefit of its customers, and avoid declining levels of service in water and wastewater provision.

The use of a bylaw provision is considered the best option available to ensure Watercare can properly manage connections to the water supply and wastewater networks if there are capacity issues. The other options available do not provide enough certainty or rigour that capacity issues can be appropriately dealt with.

Issue 11

Water Supply: *Protection of the quality of the water supply*

What is the issue?

Watercare has an obligation to maintain a high level of quality in its water supply and any risk of contamination must be adequately avoided. There are risks associated with backflow from customer connections as well as from anyone entering water catchment areas.

What do we have now?

There are four bylaws that deal with protecting the quality of the water supply, including dealing with use of backflow preventers to prevent contamination when necessary and placing restrictions on activities allowed within water catchment areas. There are also other methods (such as the Watercare customer contract) that seek to manage protect water quality by avoiding contamination.

(i) Legacy bylaws

Legacy Council	Water supply bylaws	Are there relevant clauses in existing bylaws?
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
4.2.5 Preventing contamination of water supply network	<p>You agree not to allow water or any contaminant to enter our water supply network from your property (this is called backflow). If we consider it necessary, we may survey your property to see if water or contaminants are entering our water supply network.</p> <p>You may need to have a backflow prevention device installed at your property boundary if there is a risk to our water supply network. We will install, test and maintain the device; however, you will have to pay the costs of installation, testing and maintenance. The device will form part of our meter set-up and we will own it.</p>

(iii) Legislation

Legislation	Relevant section text
<p>Health Act 1956</p>	<p>Section 69ZZZ: Protecting water supplies from risk of back-flow</p> <p>(1) This section applies if a networked supplier considers that there is a need to protect the networked system from risks of pollution caused by water and other substances on properties connected to the networked system.</p> <p>(2) A networked supplier may,-</p> <ul style="list-style-type: none"> (a) if the supplier considers it desirable or necessary,- <ul style="list-style-type: none"> (i) install a back-flow prevention system in the network on the side of the point of supply for which the supplier is responsible for maintaining; or (ii) allow the owner of property to which water is supplied to install a back-flow prevention system that incorporates a verifiable monitoring system (being a monitoring system approved by both the supplier and a drinking-water assessor)...
<p>Health Act 1956</p>	<p>Section 69ZZO: Contamination of raw water or pollution of water supply</p> <p>(1) Every person commits an offence who does any act likely to contaminate any raw water or pollute any drinking water, knowing that the act is likely to contaminate or pollute that water, or being reckless as to the consequences of that act.</p> <p>(2) Every person who commits an offence under subsection (1) is liable on conviction to imprisonment for a term not exceeding 5 years, or to a fine not exceeding \$200,000, or both.</p>
<p>Local Government (Auckland Council) Act 2009</p>	<p>Section 76: Offences relating to damage to water supply or wastewater assets of Auckland water organisation</p> <p>(1) This section applies in relation to the following works or property that are vested in, or under the control of, an Auckland water organisation that is not a local authority:</p> <ul style="list-style-type: none"> (a) a protective work; or (b) a water supply or wastewater work; or (c) a water race; or (d) a drainage work; (e) anything forming part of, or connected with, any water supply or wastewater work or property not referred to in paragraphs (a) to (d). <p>(2) Every person commits an offence who wilfully destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to imprisonment for a term not exceeding 3 years or to a fine not exceeding \$20,000, or to both</p> <p>(3) Every person commits an offence who negligently destroys, damages, stops, obstructs, or interferes with a work or property and is liable on conviction to a fine not exceeding \$20,000.</p>
<p>Resource Management Act 1991</p>	<p>Section 15: Discharge of contaminants into environment</p> <p>(1) No person may discharge any-</p> <ul style="list-style-type: none"> (a) contaminant or water into water; or (b) contaminant onto or into land in circumstances which may result in that contaminant (or any other contaminant emanating as a result of natural processes from that contaminant) entering water; or (c) contaminant from any industrial or trade premises into air; or (d) contaminant from any industrial or trade premises onto or into land-

	unless the discharge is expressly allowed by a national environmental standard or other regulations, a rule in a regional plan as well as a rule in a proposed regional plan for the same region (if there is one), or a resource consent.
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(iv) Proposed Auckland Unitary Plan

Discharge of contaminants into water is unlawful unless authorised by a national environmental standard, a regulation, a rule in a regional plan or proposed regional plan, or a resource consent (as per Section 15 of the Resource Management Act 1991), but nothing specific is provided for in the Proposed Auckland Unitary Plan regarding regulating contamination of water supply.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

A bylaw could state that no person may pollute or contaminate a water source. However, this must not be worded as an offence provision so as to avoid 'repugnance' with general law (section 69ZZO of the Health Act 1956). Legislation still covers serious cases and physical interference with the network is dealt with elsewhere.

Pros	Cons
<ul style="list-style-type: none">It would allow enforcement when the contamination was not 'known' or 'reckless' but still caused contamination to the water supply	<ul style="list-style-type: none">There is no need for a bylaw unless it is necessary to capture pollution of water sources (e.g. reservoirs) where there is not 'known' or 'reckless' conduct

Option B: Use the existing clauses in the Watercare customer contract

This option uses the Watercare customer contract to 'enforce' the requirement to install backflow preventers to avoid contamination where necessary.

Pros	Cons
<ul style="list-style-type: none">The customer contract can be used to require backflow preventers to be installed where necessary, to avoid contamination	<ul style="list-style-type: none">The customer contract does not cover contamination of the water supply by non-customersThe customer contract does not cover pollution of water sources such as reservoirs

Option C: Use existing local and central government legislation

This option involves use of existing provisions within the Local Government (Auckland Council Act 2009) and the Health Act to protect the water supply network from contamination.

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Pros	Cons
<ul style="list-style-type: none">• The use of the existing legislation covers the majority of scenarios where contamination might be a risk or might have occurred	<ul style="list-style-type: none">• The legislation does not cover any acts of contamination that is unknown or not reckless

Preferred option

Recommendation 11: Option A - Include provisions in a proposed bylaw that ensure that the quality of Auckland’s water supply is protected.

It is critical that Watercare can manage its network effectively, and is also able to protect its water supply from contamination. The powers available under the Health Act 1956 and Local Government (Auckland Council) Act 2009, combined with the requirements of the customer contract would satisfy the majority of cases where contamination might occur. However, in instances where water supplies cannot be proven to have been knowingly or recklessly contaminated, a bylaw provision would be useful, as it could potentially sustain an injunction application under section 162 of the Local Government Act 2002, providing more robust protection of the water supply.

Issue 12

Water Supply: *Prohibition, interruption or restriction on water use and supply*

What is the issue?

The ability to restrict water use due to emergencies (such as firefighting or critical maintenance) and due to drought is important for the appropriate management of the water supply. Restricting water supply to customers who have not paid bills (while maintaining a minimum supply for drinking water purposes as required by law) is also important, as it ensures Watercare receives revenue owed in order to maintain an efficient and cost-effective water supply network for all its customers.

What do we have now?

All of the existing water supply bylaws contain provisions regarding restriction of water supply and / or use, dealing with non-payment by the customer, with emergencies and with drought. The customer contract also contains clauses regarding restricting water supply, as do the Local Government Act 2002 and Health Act 1956.

(i) Legacy bylaws

Legacy Council	Water supply bylaws	Are there relevant clauses in existing bylaws?
Auckland City	Bylaw No. 26 Water Supply 2008	Yes
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 - Water Supply	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
2.3.1. Unplanned interruptions	<p>We may have to interrupt your water supply or wastewater services without first notifying you if it is necessary to:</p> <ul style="list-style-type: none"> • carry out emergency inspections of or repair work on our networks • ensure the health or safety of any person • avoid or minimise damage to our networks or to any property. <p>Please refer to “Watercare service commitments” on our website for details of what you can expect from us if there is an unplanned interruption to services.</p>

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<p>2.3.2. Planned interruptions</p>	<p>We may have to interrupt your water supply or wastewater services in order to carry out planned maintenance or improvements on our networks.</p> <p>Please refer to “Watercare service commitments” on our website for details of what you can expect from us if there is a planned interruption to services.</p>
<p>2.3.3. Limiting your water supply</p>	<p>We may limit your water supply or place conditions on water use if:</p> <ul style="list-style-type: none"> • we are instructed to by Auckland Council or Civil Defence, for example in the event of an emergency or if there is a shortage of water • we consider it necessary due to an unforeseen circumstance or emergency • you do not pay your bill, under clause 3.2 • where you are in breach of any of the terms of this contract • you have failed to fix leaks as required under clause 4.1 <p>You agree that you, and the people on your property, will follow our instructions in relation to limitations on supply.</p>

(iii) Legislation

<p>Legislation</p>	<p>Relevant section text</p>
<p>Local Government Act 2002</p>	<p>193: Power to restrict water supply</p> <p>(1) The water supply to a person's land or building may be restricted by a local government organisation in any manner it thinks fit if the person-</p> <ul style="list-style-type: none"> (a) commits an offence against this subpart; or (b) fails or refuses to do anything required by this Part in respect of water, water pipes, waterworks, or water races; or (ba) fails to comply with any bylaw of a local authority that relates- <ul style="list-style-type: none"> (i) to water, water pipes, waterworks, water races, or water supply; and (ii) to the person's land or building; or (c) fails or refuses to do anything that he or she has undertaken or agreed to do in respect of the water supply to his or her land or building; or (d) refuses entry to, or obstructs, an enforcement officer under section 182. <p>(2) Restriction of the water supply under subsection (1) must not create unsanitary conditions in, or associated with, the land or building.</p> <p>(3) Restriction of the water supply under subsection (1) is subject to section 69S of the Health Act 1956.</p>
<p>Health Act 1956</p>	<p>Section 69S: Duty of suppliers in relation to provision of drinking water</p> <p>(1) Every networked supplier, bulk supplier, and water carrier must take all practicable steps to ensure that an adequate supply of drinking water is provided to each point of supply to which that supplier supplies drinking water.</p> <p>(2) Subsection (1) does not-</p> <ul style="list-style-type: none"> (a) require a networked supplier or a bulk supplier to ensure the uninterrupted provision of drinking water to all points of supply at all times; or (b) prevent a networked supplier or a bulk supplier restricting or interrupting the provision of drinking water to any point of supply, if, in the opinion of the supplier, such action is necessary for the purposes- <ul style="list-style-type: none"> (i) of planned maintenance or improvement; or (ii) of emergency repairs. <p>(3) Any restriction or interruption of the provision of drinking water by a</p>

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	<p>networked supplier or a bulk supplier in reliance on subsection (2)(a) must not exceed 8 hours on any one occasion unless,-</p> <p>(a) in the event of planned works,-</p> <p>(i) approval has been given by the medical officer of health; and</p> <p>(ii) the supplier has taken all practicable steps to warn the affected persons before the restriction or interruption of the provision of water occurs; or</p> <p>(b) in the event of an emergency,-</p> <p>(i) the supplier notifies the medical officer of health of the reasons for the interruption or restriction as soon as practicable and, in any event, not later than 24 hours after the commencement of the interruption or restriction; and</p> <p>(ii) the supplier has taken all practicable steps to advise the affected persons of the restriction to or interruption of the provision of water</p> <p>(4) A networked supplier or bulk supplier-</p> <p>(a) may restrict supply to a point of supply if the relevant customer has unpaid accounts for any previous supply of drinking water or has failed to remedy water leaks that the customer is obliged to remedy; but</p> <p>(b) must, despite any non-payment or failure referred to in paragraph (a), continue to provide an adequate supply of drinking water...</p>
<p>Health Act 1956</p>	<p>Section 69T: Duties where risk to water is actual or foreseeable</p> <p>If any drinking-water supplier considers that its ability to maintain an adequate supply of drinking water is or may be at imminent risk for any reason, it must-</p> <p>(a) notify the medical officer of health, the New Zealand Fire Service, and the territorial authorities and regional councils in the area where the water is supplied of the circumstances giving rise to the risk; and</p> <p>(b) request that 1 or more of those territorial authorities and regional councils exercise its powers under any enactment (for example, by making a bylaw to restrict the use of water for other than essential purposes) to assist that supplier to continue to provide an adequate supply of drinking water; and</p> <p>(c) if the supplier is a bulk supplier, notify the drinking-water supplier to which the bulk supplier supplies water of the circumstances giving rise to the risk.</p>

(iv) Proposed Auckland Unitary Plan

The Unitary Plan is not the appropriate mechanism to restrict water use on the basis of non-payment or for emergencies such as drought.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option involves creating provisions in a bylaw covering a range of matters such as non-payment of bills, emergency repairs, and drought.

Pros	Cons
<ul style="list-style-type: none"> It would supplement the customer contract to provide enforcement powers to Watercare if required, in particular during emergencies or drought 	<ul style="list-style-type: none"> It is unnecessary where the contract already addresses the issue

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Option B: Use the existing clauses in the Watercare customer contract

The current contract covers issues regarding non-payment of bills, emergencies, and water shortages.

Pros	Cons
<ul style="list-style-type: none">The contract details all the identified issues and requires customers to abide by the conditions outlined in the contract	<ul style="list-style-type: none">In emergency situations, such as severe drought, it would not provide criminal penalties for breachesThe contract may only be enforced against the customer. The behaviour to be regulated (e.g. a hose ban) may be carried out by someone who is not the customer

Option C: Use existing local and central government legislation

Existing legislation under the Health Act 1956 and the Local Government Act 2002 covers issues regarding non-payment of bills, emergencies, and water shortages.

Pros	Cons
<ul style="list-style-type: none">Legislation already exists to allow restriction of water due to the need for emergency works, drought, and for non-payment of monies owed	<ul style="list-style-type: none">The provisions relating to drought require Watercare to request that Auckland Council create a bylaw to restrict water use, which is less efficient than having a bylaw provision in place prior to a drought

Preferred option

Recommendation 12: Option A - Supplement the existing customer contract and legislation with a bylaw which would provide criminal penalties for breaches, and also allow restrictions to be imposed during a drought.

The existing customer contract provides Watercare with the ability to restrict its supply to customers who do not pay their bill, and for the purposes of emergency maintenance. It also allows supply to be restricted during water shortages if instructed by Auckland Council. Existing legislation also provides powers to restrict water supply to customers who do not pay their bill, and for the purposes of emergency maintenance. A provision in a bylaw would supplement these existing tools by allowing criminal penalties for breaches of water restrictions to be imposed, and could also provide a mechanism for regulation of water use in appropriate circumstances, such as during a drought.

Issue 13

Water Supply: *Wastage of water*

What is the issue?

While being able to charge for legitimate water usage, it is also important for Watercare to manage water resources wisely, and ensure water is not wasted unnecessarily. Existing bylaws regulate deliberate wastage as well as the use of potable water as an energy source for driving machinery without prior Watercare consent. However, use of water as an energy source is no longer considered to be a specific issue requiring attention. This is because Watercare charges all of its customers volumetrically (as opposed to fixed charges that some former councils may have levied), and so the risk of someone using large quantities of potable water to drive machinery (e.g. backing gates on farms) is now negligible, due to the costs involved.

What do we have now?

Four of the existing bylaws deal with water wastage. There are also other mechanisms (such as the Watercare customer contract) that require wastage of water to be avoided.

(i) Legacy bylaws

Legacy Council	Water supply bylaws	Are there relevant clauses in existing bylaws?
Auckland City	Bylaw No. 26 Water Supply 2008	No
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 – Water Supply	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
2.3.3. Limiting your water supply	<p>We may limit your water supply or place conditions on water use if:</p> <ul style="list-style-type: none"> • we are instructed to by Auckland Council or Civil Defence, for example in the event of an emergency or if there is a shortage of water • we consider it necessary due to an unforeseen circumstance or emergency • you do not pay your bill, under clause 3.2 • where you are in breach of any of the terms of this contract • you have failed to fix leaks as required under clause 4.1 <p>You agree that you, and the people on your property, will follow our</p>

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	instructions in relation to limitations on supply.
4.1 Your private plumbing	You own and are responsible for maintaining all of the pipes, fittings and devices on your side of the point of supply. You agree to make sure all of the pipes, fittings and devices on your side of the point of supply are correctly installed and operated, and are maintained. You also agree to fix any water leaks promptly to minimise wastage. If we believe maintenance work is needed on your private plumbing and that you are not undertaking it quickly enough, we may carry out the work ourselves subject to our statutory obligations. We may recover the cost of this work from you or the responsible party. Please refer to “Point of supply” information on our website for details.

(iii) Legislation

Legislation	Relevant section text
Local Government Act 2002	Section 192: Wastage of water A person who is supplied with reticulated water by, or on behalf of, a local authority must not waste the water or allow it to be wasted
Local Government Act 2002	Section 224: Offence relating to water wastage Every person who contravenes section 192 and continues to waste water or allow it to be wasted after receiving a written warning from the local authority commits an offence and is liable on conviction to the penalty set out in section 242(2)
Health Act 1956	Section 69S: Duty of suppliers in relation to provision of drinking water (1) Every networked supplier, bulk supplier, and water carrier must take all practicable steps to ensure that an adequate supply of drinking water is provided to each point of supply to which that supplier supplies drinking water. ... (4) A networked supplier or bulk supplier- (a) may restrict supply to a point of supply if the relevant customer has unpaid accounts for any previous supply of drinking water or has failed to remedy water leaks that the customer is obliged to remedy ; but (b) must, despite any non-payment or failure referred to in paragraph (a), continue to provide an adequate supply of drinking water...

(iv) Proposed Auckland Unitary Plan

There is no applicable reference in the Proposed Auckland Unitary Plan regarding wastage of water by individuals, other than through generic ‘water efficiency’ policies.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw which states that you must prevent and not intentionally allow water to run to waste from any pipe, tap or other fitting.

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Pros	Cons
<ul style="list-style-type: none">• Non-customers of Watercare would be covered by the bylaw	<ul style="list-style-type: none">• The issue is reasonably well covered by legislation and the Watercare customer contract

Option B: Use the existing clauses in the Watercare customer contract

This option uses the Watercare customer contract to require customers to avoid water wastage.

Pros	Cons
<ul style="list-style-type: none">• It covers the majority of instances where water might be wasted	<ul style="list-style-type: none">• The customer contract does not cover activities carried out by non-customers

Option C: Use current central and local government legislation

This option involves use of the Health Act 1956 and the Local Government Act 2002 to enforce requirements to avoid and remedy water wastage.

Pros	Cons
<ul style="list-style-type: none">• It covers the majority of instances where water might be wasted	<ul style="list-style-type: none">• The legislation arguably only covers customers, so does not cover potential activities carried out by non-customers

Preferred option

Recommendation 13: Option A - Include a provision in a bylaw that creates a requirement to avoid deliberate water wastage.

Wastage of water is addressed by both the customer contract, and by central and local government legislation. However, it does not capture instances of water wastage by anyone who is not a Watercare customer. The use of a bylaw provision is therefore considered the best option available to ensure Watercare can properly manage and enforce all instances of water wastage.

Issue 14

Water Supply: *Unauthorised taking of water from a hydrant*

What is the issue?

Accessing and taking water from a fire hydrant / standpipe supply without requiring authorisation can result in water theft, damage to hydrants, and ultimately, puts the fire service's firefighting capability at risk. Requiring consent to gain access to fire hydrants for purposes other than firefighting allows the use of fire hydrants to be managed appropriately. Such uses can be legitimate, and include activities such as filling a pool or tank, construction work, or specific maintenance work.

What do we have now?

All five existing water supply bylaws require authorisation to access fire hydrants / standpipes for non-firefighting purposes. Local government legislation also manages access to these.

(i) Legacy bylaws

Legacy Council	Water supply bylaws	Are there relevant clauses in existing bylaws?
Auckland City	Bylaw No. 26 Water Supply 2008	Yes
Franklin District	Water Supply Bylaw 2008	Yes
North Shore City	Bylaw 2000 - Part 18 Water Supply	Yes
Papakura District	Water Supply Bylaw	Yes
Rodney District	General Bylaw: 1998, Chapter 11 – Water Supply	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
Not applicable	No relevant sections relating to use of fire hydrants

(iii) Legislation

Legislation	Relevant section text
Health Act 1956	Section s69ZZR(4): Offences against sections in this Part ... (4) Every person commits an offence who, without reasonable excuse, takes any water from a fire hydrant, unless- (a) that person is a firefighter (as defined in section 2 of the Fire Service Act 1975); or (b) that person is a member of a volunteer fire brigade (as defined in section 2 of the Fire Service Act 1975); or (c) that person takes the water for the purposes of firefighting; or (d) that person- (i) has the written approval of the drinking-water supplier who supplies water to the hydrant; and (ii) has been assessed by that drinking-water supplier as being competent to take water from that hydrant in a way that does not endanger the networked system of which the hydrant forms a part or the water in that system

(iv) Proposed Auckland Unitary Plan

There are no applicable sections in the Proposed Auckland Unitary Plan regarding taking water from hydrants, and it is not an appropriate place for such matters to be addressed.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw making it a requirement to seek Watercare's approval to use a fire hydrant / standpipe.

Pros	Cons
<ul style="list-style-type: none">• This would provide Watercare with a more obvious and direct power than the more obscure Health Act 1956 provision• This would also provide Watercare with the ability to seek an injunction if necessary to restrain someone from breaching the bylaw	<ul style="list-style-type: none">• There is a section within the Health Act 1956 that already deals with this issue

Option B: Use current central government legislation

The option involves use of the Health Act 1956 to enforce any issues regarding unauthorised use of fire hydrants / standpipes.

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Pros	Cons
<ul style="list-style-type: none">• This provides statutory powers to require prior approval from Watercare to access fire hydrants / standpipes	<ul style="list-style-type: none">• The location of this provision in the Health Act is quite obscure and not well known in terms of it being a power Watercare could rely on

Preferred option

Recommendation 14: Option A - Include a provision in a bylaw to manage the use of fire hydrants.

The Health Act 1956 provides the relevant statutory powers to allow Watercare to require anyone needing access to fire hydrants / standpipes for non-firefighting purposes to have to seek prior approval. It also provides an offence provision to deter non-compliance. However, the obscurity and location of this clause within section s69ZZR(4) of the Health Act 1956 suggests that it would be useful for Watercare to also have a clearer more transparent tool under a bylaw provision. Having a bylaw provision would also allow Watercare (under delegation from Auckland Council) to seek an injunction restraining a person from breaching a bylaw clause prohibiting unauthorised use of a fire hydrant.

Issue 15

Wastewater: *Avoidance of wastewater overflows*

What is the issue?

The wastewater network is designed to manage a limited capacity and flow rate. These limits need to be adhered to so that the system operates effectively. Consequently, inflows from stormwater and groundwater need to be managed, as do overflows caused by tree roots, swimming pools and other potential hazards.

What do we have now?

There are three existing bylaws that deal with this issue of wastewater overflows. There are also other mechanisms (such as the Watercare customer contract) that seek to manage these.

(i) Legacy bylaws

Legacy Council	Wastewater bylaws	Are there relevant clauses in existing bylaws?
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	Yes
Rodney District	General Bylaw: 1998, Chapter 20- Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
<p>4.2 Protecting the public networks and treatment plants</p> <p>4.2.1 Preventing damage to our networks</p>	<p>You agree that you, and the people on your property, will not:</p> <ul style="list-style-type: none"> tamper with or block our networks change, connect to or disconnect from our networks without our permission direct anything other than wastewater into the wastewater network use firefighting systems for reasons other than fire fighting cover any manholes or meter boxes allow vegetation to damage our networks. <p>You agree that you will be responsible for the cost of any repair work that is required, or any other costs we incur, as a result of you, or the people on your property, undertaking or allowing the above activities.</p>

(iii) Legislation

Legislation	Relevant section text
Local Government Act 1974	Section 468: Tree roots obstructing public drains (1) The council may, by notice in writing under the hand of the chairman or the principal administrative officer, require the occupier or, in any case where there is no occupier, the owner of any land within the district to cut down or remove any tree on that land, or any specified part of any such tree, the roots of which in the opinion of the council enter or are likely to enter any public drain. (2) Within 10 days after service of the notice, the occupier or owner, as the case may be, may apply to a District Court for an order setting aside the notice...

(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan regulates discharges from the network, but does not regulate all the individual activities by third parties that may block or cause overflows in that network. The Resource Management Act focuses on discharges to the environment, not into reticulated networks. It is possible that wastewater disposal can be managed as part of conditions of resource consents, when stormwater is also involved (i.e. stormwater flow into wastewater network when these are separate).

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option would create a provision in a bylaw which prohibits:

- allowing or causing stormwater to enter the wastewater network without Watercare approval (where the networks are separated)
- discharging into the network from any swimming pool or spa pool without prior Watercare approval.

Pros	Cons
<ul style="list-style-type: none">• This would allow Watercare to better protect its wastewater network from avoidable overflows	<ul style="list-style-type: none">• Prohibiting planting of trees in the vicinity could be difficult and impractical to enforce

Option B: Use the existing clauses in the Watercare customer contract

This option uses the Watercare customer contract to protect the wastewater network from avoidable overflow risks. The customer contract would require customers to avoid activities that could adversely affect the effectiveness of the wastewater network.

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Pros	Cons
<ul style="list-style-type: none">The 'Preventing damage to our networks' clauses in the customer contract already cover these issues	<ul style="list-style-type: none">The contract does not cover activities carried out by non-customers

Option C: Use current local government legislation

This option would only be suitable for managing the removal of problem trees, as the other issues are not sufficiently covered by local government legislation.

Pros	Cons
<ul style="list-style-type: none">Existing problem trees are already covered by this legislation	<ul style="list-style-type: none">The legislation only covers the issues surrounding tree roots and not the other circumstances of overflow into the network

Preferred option

Recommendation 15: Option A - Include a provision in a bylaw that regulates disposal to the wastewater network from stormwater and swimming / spa pools, so that they must be authorised by Watercare.

It is critical that Watercare can protect its wastewater network. Having the appropriate powers to protect against potential avoidable overflows would enable Watercare to protect Auckland's wastewater network for the benefit of its customers.

A bylaw would allow Watercare to ensure certain types of avoidable overflows within its wastewater network can be better managed, including managing those that might be caused by non-customers.

Issue 16

Wastewater: *Pressure and vacuum wastewater systems*

What is the issue?

In the former Rodney District, pressure wastewater collection (PWC) systems have been used as a relatively affordable wastewater system due to the lack of a traditional reticulated wastewater network over much of the former District's area. They have been used to minimise environmental impacts arising from overflows and spills from private on-site systems. The systems require specific technological specifications to be met as well as regular maintenance. These requirements were regulated through the use of a bylaw. Other parts of Auckland also have vacuum-based systems in place, with similar issues that need to be managed.

What do we have now?

Rodney's wastewater bylaw is the only bylaw that regulates the specifications, installation and maintenance of PWC systems².

(i) Legacy bylaws

Legacy Council	Wastewater bylaws	Are there relevant clauses in existing bylaws?
North Shore City	Bylaw 2000 - Part 20 Wastewater	No
Papakura District	Wastewater Bylaw 2008	No
Rodney District	General Bylaw: 1998, Chapter 20 - Wastewater Drainage	Yes

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
Not applicable	No relevant clauses regarding pressure wastewater connection systems

(iii) Legislation

Legislation	Relevant section text
Not applicable	No relevant legislation regarding pressure wastewater connection systems

² It should be noted that these systems were generally only used in the former Rodney District Council.

(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan does not contain any relevant matters regarding pressure or vacuum wastewater systems. It is also not appropriate to use the Proposed Auckland Unitary Plan for these, other than through conditions on future resource consents.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

This option involves carrying over the Rodney District bylaw provisions into a bylaw.

Pros	Cons
<ul style="list-style-type: none">It ensures those areas with PWC systems are still appropriately regulated	

Option B: Add clauses to the Watercare customer contract

This option involves managing pressure and vacuum wastewater systems through the use of new clauses in the Watercare customer contract.

Pros	Cons
<ul style="list-style-type: none">It would allow Watercare to manage the ongoing maintenance requirements for the individual household elements of PWC and vacuum systems	<ul style="list-style-type: none">Does not cover any installation requirements via installers, who would not be customers for the purposes of this activity, and therefore would not be bound by the customer contract

Option C: Manage using resource consent conditions

This option involves managing pressure and vacuum wastewater systems through the use of resource consent conditions.

Pros	Cons
<ul style="list-style-type: none">It may be possible to address future systems if requiring resource consent conditions to manage this	<ul style="list-style-type: none">The ongoing maintenance requirements for the individual household elements of PWC systems would no longer be enforceable beyond those managed via new resource consent conditions. This may put the wider PWC system at risk of failure, with subsequent repair costs falling on the general ratepayer

Preferred option

Recommendation 16: Option A - Include provisions in a bylaw regulating the specifications, management and maintenance of PWC and vacuum-based wastewater systems.

The PWC systems in Rodney were permitted in order to help achieve wider objectives around provision of a range of appropriate wastewater services to property owners across the district that were affordable, reliable, minimised rates, and minimised environmental problems. The ability to regulate elements of a PWC or vacuum-based system that the property owner / householder is responsible for could be managed through changes to the customer contract; however, this could not be used to regulate installers of such systems, as they would not be bound by the customer contract. It is therefore considered that it would be useful to include PWC and vacuum-based systems in a bylaw to enable the proper management and regulation of the systems into the future.

Issue 17

Wastewater: *Failure to connect to the wastewater network in a serviced area*

What is the issue?

In certain circumstances, when a property is or becomes accessible to a public wastewater network, a council (or Watercare via the Local Government (Auckland Council) Act 2009) may require it to become connected to that network, to better manage the wastewater from that property.

What do we have now?

There is one existing bylaw (North Shore City Bylaw 2000 - Part 20 Wastewater) that deals with a requirement to connect to a public wastewater network if one is or becomes available. There are also other mechanisms (such as resource consent conditions and the Local Government Act 1974) that may require connections to the wastewater network.

(i) Legacy bylaws

Legacy Council	Wastewater bylaws	Are there relevant clauses in existing bylaws?
North Shore City	Bylaw 2000 - Part 20 Wastewater	Yes
Papakura District	Wastewater Bylaw 2008	No
Rodney District	General Bylaw: 1998, Chapter 20- Wastewater Drainage	No

(ii) Watercare customer contract

Watercare customer contract clause	Relevant clause text
Not applicable	No relevant clauses regarding failure to connect to the wastewater network in a serviced area.

(iii) Legislation

Legislation	Relevant section text
Local Government (Auckland Council) Act (2009)	<p>Section 63: Powers of Auckland water organisation under Local Government Act 1974</p> <p>An Auckland water organisation that is not a local authority has the powers of a council under the following sections of the Local Government Act 1974 in relation to its wastewater services (and those sections apply accordingly,</p>

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	<p>with any necessary modifications):</p> <ul style="list-style-type: none">(a) section 451 (diversion, etc, of drainage works)(b) section 459 (council may require owners of land in certain cases to provide private drains)(c) section 460 (construction of private drains through adjoining premises)(d) section 461 (further provisions with respect to private drains)(e) section 462 (council may declare private drain to be public drain)(f) section 467 (unlawful connection of private drain)(g) section 468 (tree roots obstructing public drains)
<p>Local Government Act 1974</p>	<p>Section 459: Council may require owners of land in certain cases to provide private drains</p> <p>(1) In respect of any land or building within the district, the council may, subject to sections 283 and 294(9) and to subsection (7), by notice in writing, require the owner thereof to do all or any of the following things:</p> <ul style="list-style-type: none">(a) to provide, construct, and lay a private drain from any land or building which is not drained by some drain to the satisfaction of the council, and to connect that private drain with any public drain or watercourse or the sea, as the council thinks fit(b) to cleanse and repair or to relay or alter the course, direction, and outfall of any existing private drain of or belonging to the premises:(c) to connect any such existing private drain with any public drain or watercourse other than the public drain or watercourse with which the private drain was previously connected(d) to provide and affix in and to any such existing private drain, and in and to any such new private drain, all such traps, methods of ventilation, and other fittings whatever as the council directs(e) to connect or disconnect any existing or new private drain with or from any water closet, urinal, bath, sink, grease trap, or other sanitary appliance(f) to execute, provide, and do generally any works, materials, and things which in the opinion of the council are necessary or expedient for the efficient drainage of the premises and every part thereof. <p>(2) The council may, in the exercise of the powers conferred upon it by subsection (1), instead of requiring several owners each to provide, construct, and lay a private drain, and to connect that private drain with any public drain, or watercourse, or the sea as provided in that subsection, require those owners-</p> <ul style="list-style-type: none">(a) jointly to provide, construct, and lay a common private drain through such of the separately owned lands as the council thinks fit, and to connect that private drain with any public drain, watercourse, or the sea as aforesaid; and(b) severally to provide, construct, and lay a private drain from the land or building of which each is the owner, and to connect that private drain with the common private drain. <p>(3) The powers conferred upon the council by paragraphs (b) to (f) of subsection (1) may also be exercised with respect to private drains provided, constructed, and laid under subsection (2), and to similar private drains heretofore provided, constructed, and laid in the district.</p> <p>(4) Every notice under this section shall specify the works, materials, and things to be executed, provided, or done thereunder, and the public drain or watercourse with which any private drain is required to be connected, and shall limit a time within which the works, materials, and things shall be so executed, provided, and done.</p> <p>(5) The foregoing powers shall, among other things, enable the council to require any owner of premises to cause any pollutant and any water that does not contain any pollutant to be drained respectively by sewerage drains and stormwater drains to separate outfalls, provided that the council shall not in any such notice require any pollutant to be drained into any open drain.</p> <p>(6) If the owner fails to do any work specified in the notice and as therein directed, the council may, if it thinks fit, cause the work to be done, and may recover from him the costs and expenses of the work together with</p>

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	<p>10% of those costs and expenses for supervision by the officers or agents of the council, and interest at a rate per annum, as fixed by the council, on the total sum until payment thereof. Where any work done by the council pursuant to this subsection is on account of several owners, the council may apportion the total amount as aforesaid between those owners, and the amount so apportioned to each such owner shall be the amount recoverable from him.</p> <p>(7) No owner shall be required-</p> <p>(a) to construct any private drain, other than a common drain, to connect with any public drain or the sea at a point more than 30 metres from his land; or</p> <p>(b) to construct any private drain for the drainage of a building if the nearest part of the building is situated more than 60 metres from the public drain, or watercourse, or sea to which it is required to be connected.</p>
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(iv) Proposed Auckland Unitary Plan

The Proposed Auckland Unitary Plan does not contain any relevant matters regarding a requirement to connect to a wastewater system.

What are the options?

The following section outlines the options available to address this issue.

Option A: Include a provision in a bylaw

A provision in the bylaw could make it a requirement to connect to a wastewater network when it is or becomes available.

Pros	Cons
<ul style="list-style-type: none">This would all Watercare to ensure wastewater is appropriately managed when there is a public wastewater connection available (or becomes available)	<ul style="list-style-type: none">The Local Government Act 1974 already covers this in section 459 (via section 63 of the Local Government (Auckland Council) Act 2009). The distances required under the Act could not be increased in the bylaw however, as this would be repugnant to the general law, so any bylaw provision would not add anything to section 459 of the Local Government Act 1974

Option B: Modify the Watercare customer contract

This option would involve adding a new clause to the Watercare customer contract making it a requirement to connect to a public wastewater network if and when one becomes available (if not already available).

Pros	Cons
<ul style="list-style-type: none">This would require customers who are not connected to a public wastewater network to connect to one if it became available in the future, or if there is currently one and they are not connected to it (and are being supplied water)	<ul style="list-style-type: none">This would only apply to Watercare customersThis is already covered by the Local Government (Auckland Council) Act 2009

Option C: Use the resource consent process

This option would see making a connection to a wastewater network a condition of resource consents when relevant.

Pros	Cons
<ul style="list-style-type: none">• It provides an appropriate mechanism for dealing with requirements to construct drains and connect to a public drain where appropriate	<ul style="list-style-type: none">• It only captures connections where a resource consent requires it as a condition; the Unitary Plan cannot require someone to connect in all instances

Option D: Use current local government legislation

This options allows the legacy bylaw to lapse (currently only within the former North Shore City Councils' bylaw) and use the Local Government (Auckland Council) Act 2009 to enforce any connection requirements where applicable and allowable.

Pros	Cons
<ul style="list-style-type: none">• It provides an appropriate mechanism for dealing with requirements to construct drains and connect to a public drain where appropriate	

Preferred option

Recommendation 17: Option D - Rely on existing legislation available to Watercare under section 459 of the Local Government Act 1974, via section 63 of the Local Government (Auckland Council) Act 2009.

The existing local government legislation adequately addresses this issue, which only appears in one of the eight water supply and wastewater legacy bylaws, and it would not add anything to Watercare's abilities to manage connections if a bylaw provision was created.