

# Half Yearly close-up

1 July – 31 December 2021

Wellington Water is owned by the Hutt, Porirua, Upper Hutt and Wellington city councils, South Wairarapa District Council and Greater Wellington Regional Council. We're unique in New Zealand because we're a shared service, council-owned organisation. We manage drinking water, wastewater and stormwater services for communities on behalf of our owners and provide advice to councils on managing these resources and assets.

This is a summary of our performance over the past six months. We call these close-ups, and each issue will be published on our website and made available to the public.



# In brief

Our purpose is to restore the balance among people, water and the environment.  
If we care for water, it will care for us.

The half year point marks an important time for us. As well as reflecting on progress made, we look ahead and reset our delivery expectations and budget forecasts for the full year. This year, being the first of the three-year long-term plan cycle, we also refine the year two and three work programmes agreed with our councils.

Our capital works programme is encountering the same headwinds that are affecting the infrastructure sector nationally. COVID-19 risk response, material cost increases and supply issues, and labour shortages are combining to make for tough going.

Last year we delivered a \$131M programme for councils. This year, as we work with our panel of delivery teams to build capacity to deliver on our councils' largest ever three-year investment in three waters infrastructure, we set a target of between \$145M and \$189M. Those headwinds mean we're likely to land in the bottom half of that range, with the good news that our spend to date is already \$67M, around \$12M more than this time last year.

We're fortunate to have that team of companies dedicated to three waters design and construction and our network service alliance. Turning around the performance of networks that are getting older day by day will take years. Unexpected failures and age-related bursts and leaks continue to require more of our service and maintenance teams than ever and exceed budget allocations.

The government's 2020 stimulus funding has helped us bridge funding gaps for operational activities but this funding concludes in June this year. Looking further ahead, to the funding levels for the remaining two years of our three-year programme, we are focusing on addressing the investment gap with councils that's left and what this means for service delivery.



The independent review of our regional wastewater treatment plant operations has been completed. The final report and recommendations is being shared with our councils and the public. So far this year we have received six abatement notices relating to our wastewater operations that reconfirms the significance of the review, and urgency required from both Wellington Water and Veolia to act on the recommendations.

During the hotter months we closely monitor water demand and supply levels to ensure we have enough water to last all summer. Our summer advertising campaign focuses on one clear call to action to ensure we get the most cut-through with our message. The campaign to shower for as long as a four-minute song saw visits to our website for other water saving tips jump 45%. It's a good start to the conversation, but it takes time to embed the behaviour change, and increased watering restrictions will be applied again this summer.

In order to deliver effective services and manage our assets, we need accurate information about the state of the assets and the performance of the services. This means we need to collect the right data, keep it up to date and make it available

easily when we need it. Stimulus funding has enabled us to invest in the tools we use to do this, including a programme to install smart water meters, that will provide detailed information about usage and potential leaks. This is another area of work we are re-evaluating as the stimulus funding concludes.

Among all this work, we continue to support our councils and staff to navigate the changes coming to the sector through water reform; we are actively managing the risks and impacts of COVID-19 response settings; we have recruited our first intake of trainees for our Infrastructure Skills Training Programme; and we've made good headway on the regulatory framework now required by Taumata Arowai to demonstrate how we provide safe and healthy water to our communities.

Ngā mihi,  
Colin Crampton  
CHIEF EXECUTIVE



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## Water

### Delivery of our capital works programme

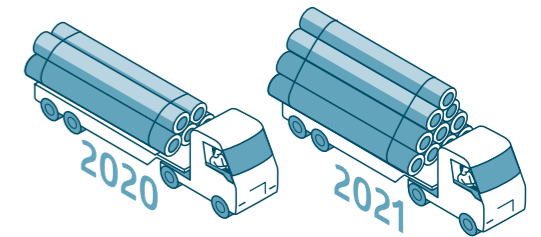
COVID-19, whether it shows up as transport delays or cost increases, higher material and labour costs, productivity or people management, continues to affect our ability to deliver the capital works programme.

Increasingly, however, we are finding it is labour that is the limiting factor on being able to carry out our work. Where funding or project delays once had the greatest impact, we are now in a market where getting enough people to do the work is an ongoing challenge. Some contractors are at capacity and needing to move work into the next financial year, a factor we're taking into account as we set the programme for the coming years. The better information we can give our panel of providers about our priorities, the better they can plan for it – as well as anyone can given the uncertainty of a widespread community outbreak of COVID-19.

We're in a better situation than many thanks to our design and construction panels. The members of these panels have an enduring relationship with Wellington Water that means we can count on their continued focus on three waters and support their willingness to invest in the resources necessary to deliver our councils investment programmes. We're really pleased to have recently welcomed a new, national-scale delivery contractor into our panel, HEB Construction, to help deliver this increased investment.

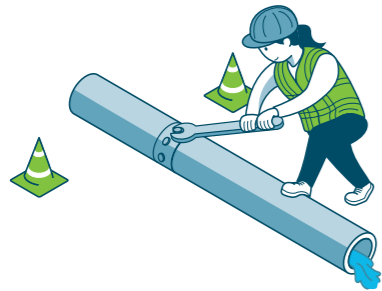
Every year we provide councils with a range for the total programme size, rather than a specific amount. This is because we know factors outside of our control such as consenting delays, COVID-19, or labour shortages will affect delivery, but we don't know exactly how. A range provides a more realistic picture of likely performance. This year's range is \$145M – \$189M, and we are targeting around \$170M for delivery by 30 June 2022. While we're currently about 11 per cent below our half-year forecast, our spend is nearly 25% above what it was this time last year. Contracts awarded for upcoming work indicate we will remain on track to deliver in the lower half of that forecast range.

↑\$12M  
Compared to this time last year  
our spend is around \$12M more



## Operational delivery

We are also at this stage on track with our full year operational budget. This comprises both council funding from long-term plans, and government funding of \$11M, or roughly 17% of the total. Operational work covers the cost of repairs and maintenance, along with valuable proactive work such as leak detection and repair, data collection and management to support investment and asset condition investigations. The additional funding from the government's stimulus funding package was spread across every council and has provided us the opportunity to make good progress on projects to improve these service outcomes.



At the halfway point, we are on track with our full year operational budget.

This additional government funding is timed to be fully spent by June this year. At this stage however, not all councils have agreed to this application of the stimulus funding for the current financial year, placing the budgets of South Wairarapa District Council and Wellington City Council in particular under extra pressure. A funding shortfall in this area translates to lesser service outcomes for customers such as longer waits for repairs, increased disruption from bursts and leaks, and avoidable harm to the environment from the likes of wastewater leaks and overflows. So a focus for the coming months is to work with councils on managing the potential operating shortfall from next financial year onwards.

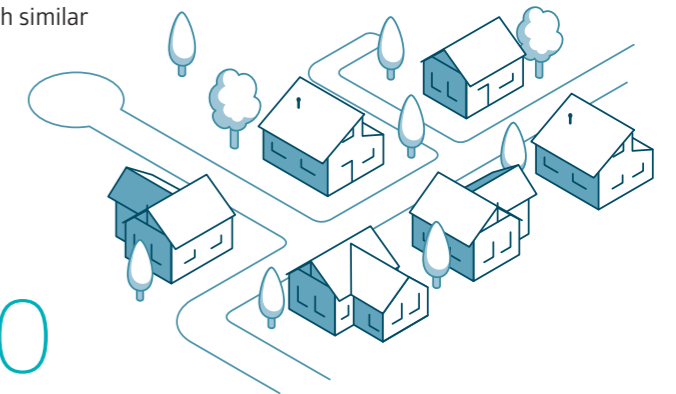
## Water where and when we need it

It may sound simple, but a lot goes into ensuring we all have enough water when we need it – from the catchments that collect the water to the taps that deliver it. That includes the things we do at Wellington Water and the actions we ask our customers to take.

Several key projects have helped keep the water flowing over the last six months:

- We launched a new summer demand campaign around the single call to action of 'Shower for as long as a four-minute song.' The intent of our campaign was to extend the reach of our messages, start a conversation about water conservation, and gain some positive brand association. The campaign was highly successful, with our messages seen and heard across the region on billboards and bus-backs, in digital campaigns, social media and news coverage. By the end of December our campaign had received around five million digital impressions (number of times our online ads have been displayed on a screen) and resulted in a 45% increase in traffic to our website. The campaign will run again in February.

- Our water restrictions campaign kicked off in December with clearer messaging about what each of the four water restriction levels mean, and advice on saving water. We also created a rapid response media strategy which means we can quickly launch campaigns in specific areas when restriction levels need to move up. Check out more information on our restriction levels [here](#).
- The Smart Meters Trial in Greytown is progressing well with 22 meters being installed before Christmas. We're aiming to have all 250 meters installed by the end of March. Once that's done, the trial itself will begin and run until the end of the year. Participants will be able to see their real time water consumption data as well as information that shows how their consumption matches with similar sized households.



22/250

smart water meters installed  
before Christmas

## Independent wastewater review complete

Last quarter we shared that an independent review had been commissioned into our wastewater treatment operations, due to performance issues over the previous 18 months. The review was conducted by Roly Frost, former President of Engineering NZ and Raveen Jaduram, former CEO of Watercare and an independent advisor and director of NZ Infrastructure Commission.

The review has been completed and a preliminary report was received by the Board before Christmas to consider. The final report and recommendations are currently being shared with our councils for feedback, and our course of action in response to the review released to the public shortly after this. The review recommendations are significant.

It has been determined that although the contract that was established in 2019 was fit-for-purpose, the relationship and capability across Veolia and Wellington Water needs focused care and attention to ensure the right outcomes for the environment into the future. We continue to carry the risk of non-compliance and potential harm to the environment while we implement the recommended changes from the review.



## Assessing infrastructure

Understanding the condition of our most critical water assets (which make up roughly 10 per cent of all our three waters assets) and knowing when to prioritise future maintenance or renew them, helps us to prevent failures that would have a significant impact on our communities and environment. Thanks to the stimulus funding, we've made good progress in assessing asset condition and in the past six months completed:

- All assessments for water treatment plant assets that can be checked without interrupting services. When we're past the peak summer demand we'll complete the assessment of those remaining.
- 80 inspections of our reservoirs, with 20 underground reservoirs to be checked next.
- 125 kilometres of physical inspections on gravity pipes and some pressurised pipes. We're also looking at innovative new technology to help us assess pressurised water and wastewater pipes to give us quicker, more accurate information.

## Using data to deliver more

Pretty much everything we do for our customers and councils depends on having accurate data on the state of assets and the performance of our services. The challenge is, much of that data comes from different sources, uses different codes, or is highly specialised – which makes it difficult to integrate, use and share.

Stimulus funding has helped here as well, allowing us to invest in improving the data we have. We have collected more data and increased use of our data platform which can pull information from many sources – council records, our people on the ground and all our remote monitoring systems – and use that data to better understand what is happening and what we need to improve. We have also started work on an Asset Management Information System which will improve the information we have to base investment decisions on.



We're using that data to deliver new, breakthrough services for our customers, whānau and councils. In the last six months we've:

- Launched a text alert service to keep people informed about water outages or incidents
- Delivered a mobile app for our crews that helps them pinpoint the source of leaks
- Automated performance reporting on our water network, monitoring water loss and water use over the summer months so we can move quickly if water restrictions are needed

We're matching this increased use of digital solutions, with expanded protection against possible cyber-attack. We have engaged a cyber security expert to help us respond if a cyber-attack did impact our services tomorrow and doing work to continuously improve our protection and recovery systems.

## Environment

### Managing leaks

We're fixing leaks at a faster rate than ever, but we're still battling aging pipes that are prone to bursts or in need of repair, which means our backlog of repairs is the highest it's ever been at 1,250 open jobs (up from 1,046 in September).

Proactive leak detection and repair has been a focus across the region, supported by stimulus funding. Number of leaks are reaching levels over and above our capacity however, so we are having to prioritise their resolution. We expect this backlog to continue to increase at this rate for at least the next quarter.

↑1,250  
backlog of leak repairs



We're also picking up increased leakage through our night-time monitoring, where we check water usage while people are asleep. It's showing our network's losing water at higher rates than previously known or assumed. We will work through these findings to inform future work programmes.

### Improving environmental water quality

It's been a busy six months as we continue identifying and fixing sources of pollution that could affect community health. We do that by taking water samples and inspecting stormwater and wastewater pipes in priority areas, then work to put things right.

In the last six months we've identified 10 cross-connections (where sewerage pipes are connected to the stormwater network) on private property in the lower part of the Ōwhiro Stream in Wellington and Titahi Bay in Porirua. We call these cross-connections, but in this case what that essentially means is we've stopped at least 10 toilets from flushing into streams – as well as all the rest of the water each household uses in washing, cleaning and bathing. We also inspected the public network in Titahi Bay and found two problems – one has been fixed and the second is scheduled for repair.

We started inspections around Black Creek in Hutt City and alerted property owners if faults were found. Inspections are also underway in Newlands and Bothamley Park.



Taking water samples to identify sources of pollution that could affect community health.



## Getting ready for regulation

Taumata Arowai formally became the new water services regulator for Aotearoa in November, with responsibility for ensuring all water service providers are delivering safe drinking water for their communities and looking after the environment (in particular with respect to where they collect water from) as they do so. The key requirements cover:

- duties of drinking water suppliers
- drinking water safety plans and associated Source Water Risk Management Plans
- drinking water standards.

All the changes needed to meet Taumata Arowai standards were communicated to councils in late November. Our permanent Director of Regulatory Services joined us in November, with responsibility for establishing, coordinating and maintaining a framework within Wellington Water that meets these standards and create a strong foundation for risk assessment and management.

Our goal is to create a world-class model that will show our systems will provide continuous, risk-based compliance and safety.





## People

### Support and opportunities

As we move towards reform and regulation (and with ongoing COVID-19 impacts) we're super conscious of the challenges our whānau are facing.

The past six months have seen significant growth and change as we gear up to deliver our largest ever three-year capital programme. There are also growing pains as our teams and contractor base expand and working from home has meant a feeling of disconnection for some, so we've had a strong focus on supporting our whānau through it all.

Our goal is to ensure our people have effective support to be capable, adaptable and resilient. Our People Strategy 2021-2023 targets this and in the last three months we've created a series of work plans to put the strategy into action including:

- Additional funding for recruitment with new systems and processes to welcome and train new recruits
- Programmes to support everyone, but with an initial focus on manager development to lead teams through change
- A fast-track development programme for new graduates

All these initiatives are up and running and will continue into 2022. We're determined to do everything possible to help everyone to be their best and take advantage of the opportunities change will bring.

### COVID-19 update

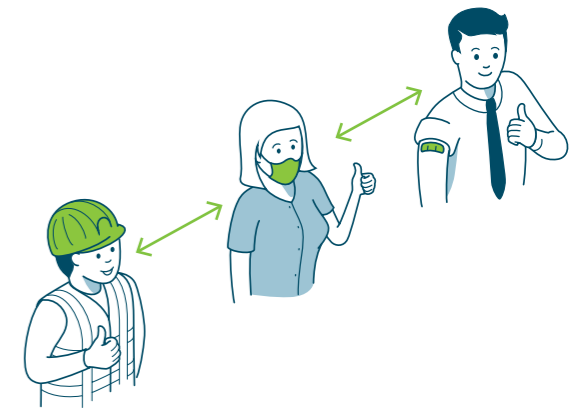
With the move to the Traffic Light framework, we've updated our vaccine approach and requirements. The government has set vaccine mandates for some sectors with high public health risks. Other sectors, including ours, are encouraged to complete their own assessments and policy consultations – and we've welcomed this with an overarching commitment to inclusivity.

We continue to strongly encourage vaccinations for everyone here and as a result of our risk assessment, we propose to mandate it for a range of roles where critical work is performed involving public health and service continuity. We've finished consulting with our whānau about that now and calculate it will affect around 45–50% of all staff.

We will take a people-first approach to working with those affected by the implementation of health measures such as vaccinations, and Rapid Antigen Testing. Staff will be given sufficient time to meet the vaccination requirements.

We've updated our settings around physical distancing and mask wearing while in a 'Red' traffic light setting. On top of controls for operational activities, all staff at our head office are working from, except where it makes sense for in-person meetings. This is being managed on a case-by-case basis, while maintaining suitable controls.

As always, the health of our people and those we connect with is our highest priority and we'll ensure the right controls are in place to keep everyone safe.





## Update on training programme

In our last update we announced our new skills training programme, called the Infrastructure Skills Centre. We're delighted that 18 young people have been accepted into our first course, eight of which are female. Two of this group have already been employed by two of our contractors.

We are completing a second set of intake interviews in January and will be able to provide the diversity profile of the overall programme following this. The course timetable has been finalised and all trainers appointed. This is an important way to build our internal capabilities and support the growing work needed on our infrastructure.



## Placing priority on customer experience

We've been working for some time to improve our relationships with customers and the community we serve. Our commitment is to keep customers well informed and deliver services they increasingly value, building trust through their engagement with us.

- In October last year we launched a free text alert service giving customers instant updates on water outages or incidents in their area. To date over 2,600 people have signed up to the service. It's a great example of using technology to give customers better information on local water, wherever they live.
- This year has seen an 18% increase in customer requests direct to our hub, compared to this time last year. We have had two significant flooding events in July and December that took resource away from our day-to-day and non-emergency activity. Conversely, we experienced a drier than normal month in November that saw a considerable spike in reported leaks.
- Satisfaction of our customers' experience with us remains stable at 75% for the first six months of the year.

## Supporting growth

New housing and subdivision consents, which require quality water services, continue to increase at a rapid rate throughout our region. This can be challenging where developments are proposed in areas with limited capacity for additional water network connections. Equally frustrating can be where applications don't have all the information necessary to process applications.

Over the past six months, we've reviewed the way we advise councils and customers on consenting matters to improve efficiency and effective guidance. We will look to make some important adjustments in the remaining half of this year.

A separate wave of housing delivery will be coming from the \$1B Infrastructure Acceleration Fund launched by the government last year to support new housing.

As part of this, our councils submitted applications for \$310M to contribute to three waters network infrastructure to support new developments. We're following the applications process and working closely with councils and developers, as we still face issues with contractor availability to connect new developments to the network and delays in materials supply.

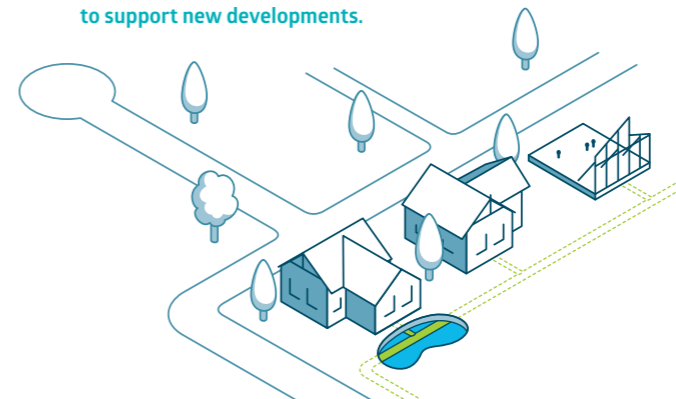
In other growth related work we have:

- Held a series of business case workshops for the Karori Wastewater Growth Programme and expect to complete this first stage in March 2022.
- Appointed an independent Project Director and support team (from Tonkin & Taylor) for the Wellington City Council Growth Programme. This project will conduct more detailed investigations about how to meet the growth demands of the inner city, alongside infrastructure work with Let's Get Wellington Moving and Kāinga Ora.

These projects mark a milestone for Wellington Water to take the next steps in planning for growth. Their outcomes will inform a future pipeline of growth projects and deliver on the newly funded investment priority for growth in Wellington City.

# \$310M

Councils submitted applications for \$310M to contribute to three waters network infrastructure to support new developments.



## Putting passion and skills on the frontline

Sheena O'Brien is one of our graduate engineers in our customer planning team. One wet Saturday morning she was relaxing at home when she got the call to help with a burst wastewater pipe in Paremata.

"I remember getting the call – it had been raining heavily but I jumped up, got my gear on, and went out the door."

After arriving at the site, she joined up with the operational team and helped manage the over-pumping of the wastewater to help minimise the environmental impact of having to discharge wastewater into the Porirua Harbour.

Sheena joined the Wellington Water whānau after completing her civil engineering degree at the University of Canterbury, where she focused her studies on environment and water. She knew she wanted to work with water but wasn't sure where her passion and qualifications would take her.

**"When I left university there were lots of different jobs I could have taken, but I liked Wellington Water's values and commitment to the environment, so I packed up my stuff and moved to Wellington."**

"I never thought my interests would end up in drainage and wastewater but investigating public and private leaks and overflows is what I'm drawn to – especially preventing wastewater from entering our rivers, streams and beaches."

Which is exactly what she did when working on the incident at Paremata.

"It was cold, it was wet, and it was hard - but it could have been worse. Together we prevented further wastewater from entering the environment and repaired the pipe."

"That same pipe is now being replaced and the area will be more resilient because of it. That's what this job's all about, being passionate about what you do, being confident in what you have to offer and improving the three waters – for now and into the future."



Paremata Emergency Response team. Sheena O'Brien is second from right.





[wellingtonwater.co.nz](http://wellingtonwater.co.nz)