

WATERCARE SERVICES LIMITED

AGENDA | Board meeting | 19/12/2014

Venue Watercare Boardroom, Level 2, 73 Remuera Road, Newmarket
 Time 10:30am

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 November 2014 	Minutes 21 November 2014	1 - 2
3. Directors' Corporate Governance Items	Chair	<ul style="list-style-type: none"> Corporate Planner 2014 Corporate Planner 2015 Review Disclosure of Interests Organisational Chart 	Corporate Planners Disclosure of Interests Organisational Chart	1 2 3 - 4 5
4. Chief Executive's Report and Scorecard	R Jaduram	<ul style="list-style-type: none"> Note the Chief Executive's report <ul style="list-style-type: none"> Health and Safety Customer Services Infrastructure and Planning Operations Finance Board Correspondence Execution of Documents Communications Working with Local Boards Statutory Planning Long Term Plan 2015-2025 Letter of Expectation and 2015/18 Statement of Intent Auckland Housing Accord 	Chief Executive's Report	1 - 39
5. Application of Sodium Fluoroacetate (1080) in the Hunua Catchments	D Worsnop	<ul style="list-style-type: none"> Receive paper 	Paper	1 - 3
6. General Business	Chair			

Date of next Meeting – 4 February 2015

Location – Watercare Services, 73 Remuera Road, Newmarket

MINUTES

SUBJECT	WATERCARE SERVICES BOARD MEETING
VENUE	Visitor Centre - Mangere Wastewater Treatment Plant, Island Road, Mangere, Auckland
DATE	21 November 2014
TIME	13:00
STATUS	Open Session

	Present:	In Attendance:	Public in Attendance:
	M Allen D Clarke (Chairman) N Crauford P Drummond C Harland J Hoare T Lanigan D Thomas A Delany (Board Observer)	R Chenery R Fisher D Hawkins R Jaduram T Langridge B Monk J Redwood B Taplin G Wood D Worsnop	Three members of the public
1.	Apologies <ul style="list-style-type: none"> There were no apologies. 		
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 22 October 2014 at 09:00, be confirmed as correct. 		
3.	Directors Corporate Governance Items <ul style="list-style-type: none"> Corporate Planner 2014 The Corporate Planner for 2014 was noted. Corporate Planner 2015 The Corporate Planner for 2015 was noted. Disclosure of Interests The disclosure of interests was noted. Organisational Chart The organisational chart was noted. 		
4.	Scorecard and Chief Executive's Report <ul style="list-style-type: none"> Key Performance Scorecard The Board requested that in Focus Area 7, Sustainable Environment, that urban and rural be separated. Operations David Worsnop noted that dam levels remain below average and a dry summer is predicted. However, the situation has been modelled which demonstrates that with prudent use of the Waikato River source that there will be sufficient yield available. Statutory Planning The Chief Executive advised the Board that management continues to keep abreast of the latest 		

	developments in the operation of wastewater treatment plants, and is informing staff of evolving issues – for example, Ebola.
5.	<p>General Business</p> <ul style="list-style-type: none"> • There was no general business. • The public section of the meeting closed at 1.30p.m.

***NOTE**

Rainforest Express: The Board dealt with the matter of the Rainforest Express at its confidential meeting on 21 November 2014. At that meeting, the Board resolved to approve the communications plan relating to the closure of the Rainforest Express. The Board expressed regret at the need to close the Waitakere Tramlines to the public given their popularity. However, the Board had to make that decision given the significant risks to public safety.

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 New market*	21 Nov Mangere	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 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		12 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

WATERCARE BOARD PLANNER 2015

	2015											
	January	February	March	April	May	June	July	August	September	October	November	December
Board Meeting		14 Feb Newmarket 26 Feb Newmarket	19 March Newmarket	30 April Newmarket	29 May Newmarket*	26 June Newmarket	31 July Newmarket	20 Aug Newmarket	25 Sept Newmarket	29 Oct Newmarket*	19 Nov Newmarket	16 Dec Newmarket
Health & Safety Committee Meeting		26 Feb Newmarket	19 March Newmarket	30 April Newmarket	29 May Newmarket*	26 June Newmarket	31 July Newmarket	20 Aug Newmarket	25 Sept Newmarket	29 Oct Newmarket*	19 Nov Newmarket	16 Dec Newmarket
Health & Safety Committee Workshops		5 Feb Newmarket	5 March Newmarket	2 April Newmarket	7 May Newmarket	4 June Newmarket	2 July Newmarket	6 Aug Newmarket	3 Sept Newmarket	1 Oct Newmarket	5 Nov Newmarket	3 Dec Newmarket
Audit + Risk Committee Meeting		14 Feb Newmarket			6 May Newmarket		31 July Newmarket	17 Aug Newmarket			10 Nov Newmarket	
Capital Projects Working Group		4 Feb Newmarket										
Remuneration Committee		26 Feb Newmarket 1pm		30 April Newmarket 1pm				31 August Newmarket 1pm			19 Nov Newmarket 1pm	
Statement of Intent		Approval of Draft 2015-2018 SOI	1 March Draft SOI to shareholder		Present shareholder SOI feedback at public meeting	Final 2015- 2018 SOI issued to shareholder			Work on 2016-2019 Sol Key dates yet to be advised by Auckland Council			
Shareholder Interaction**												
Key Finance Decisions					29 May Approval of 2015/16 Budget			20 Aug Approval of 2014/15 Annual Report				
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

** 2015 timetable yet to be confirmed by Auckland Council

Report to the Board of Watercare Services Limited

Subject: Disclosure of Interests

Date: 8 December 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) – Chairman, 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
Tony Lanigan	<ul style="list-style-type: none"> – Director and Shareholder, A G Lanigan & Associates (2007) Limited – 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) – Member, Ministry of Health Hospital Redevelopment Partnership Group for Canterbury
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

	<ul style="list-style-type: none"> - Director, New Zealand Post Limited - Director, The A2 Milk Company Limited - Member, Auckland Committee, Institute of Directors
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, Wellington Water Limited - Director, Orion New Zealand Limited
David Thomas	<ul style="list-style-type: none"> - Chairman, Ngati Whakaue Tribal Lands Inc - Council Member, Business New Zealand - Board Member, EMA (Northern) - Chairman, Gypsum Board Manufacturers of Australasia

Board Observer

Alex Delany	- Employee - BNZ
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RECOMMENDATION

That the report be noted.

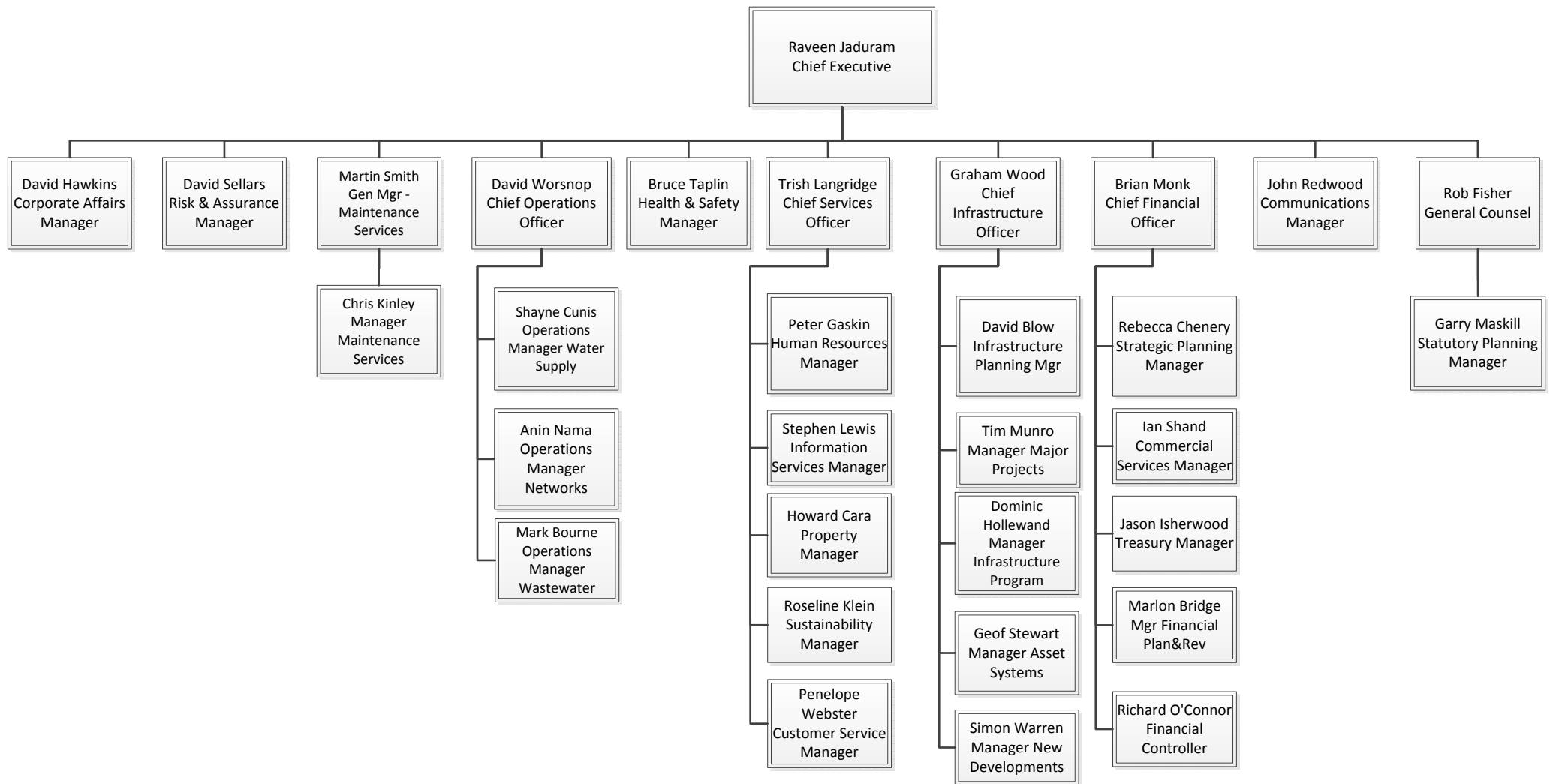
Report prepared by:

Approved by:

R Fisher
General Counsel

R Jaduram
Chief Executive

WATERCARE ORGANISATIONAL CHART TO TIER 3 – NOVEMBER 2014



Perm FTE	777.50
Fixed Term FTE	45.49
Casual FTE	4.07
Budgeted FTE 14/15	865.8

WATERCARE SCORECARD 2014/15

	On budget, on time, within parameters
	Unfavourable but within parameters
	Major issue, needs attention

Focus	Performance Measure	SOI	2014/15 Target	Amber Threshold	Red Threshold	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
2015/25 LTP Measures																		
9a	The extent to which the local authority's drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9b	The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9c	The percentage of real water loss from the local authority's networked reticulation system (rolling 12 mth average)		≤13%	>13 to 13.2%	>13.2	14.97%	14.53%	14.28%	14.27%	14.03%	14.10%	14.15%	14.00%	13.97%	13.40%	13.30%	13.45%	13.58%
9d	Median response time for attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site.					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9e	Median response time for resolution of urgent calls-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9f	Median response time for attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9g	Median response time for resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9h	The total number of complaints received by the local authority about any of the following: a) drinking water clarity b) drinking water taste c) drinking water odour d) drinking water pressure or flow e) continuity of supply f) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9i	The average consumption of drinking water per day per resident within the territorial authority district (rolling 12 mth average)		278+/-5% (2013/14 target = 280+/-5%)	283 to 290	>290	270	269	266	267	270	270	271	270	270	270	270	269	267
9j	The number of dry weather overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9k	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions received by the territorial authority in relation to those resource consents					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9l	Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance - from the time that the territorial authority receives notification to the time that service personnel reach the site					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9m	Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution - from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												
9n	The total number of complaints received by the territorial authority about any of the following: a) sewerage odour b) sewerage system faults c) sewerage system blockages d) the territorial authority's response to issues with its sewerage system expressed per 1000 connections to the territorial authority's sewerage system					Programme of work is underway to develop calculation methodology and commence data collection to commence reporting from early 2015												

Watercare Services Limited

Subject: Chief Executive Report – November 2014

Date: 8 December 2014

1. HEALTH AND SAFETY

On a rolling 12 month basis:

- The lost-time injury frequency rate (LTIFR) was 4.88 against an SOI target of less than or equal to 5 for 12 months.
- Sick leave was 2.07% against the SOI maximum of 2.5%.
- Voluntary staff turnover was 11.15% against the SOI maximum of 12%.
- The total recordable injury frequency rate was 18.30 against a target of less than 30 for 12 months.

2. CUSTOMER SERVICES

November performance against Statement of Intent (SOI) measures was good with all customer services SOI targets being met.

Results for customer service performance metrics for the month were above target with 86.4% of telephone calls answered within 20 seconds. The rolling 12 month result for call answering also exceeded the target, with 82.1 % of calls answered within 20 seconds (target 80%). Calls abandoned this month were 1.4 % against a target of no more than 3%, with the rolling 12 month result being 2.1%.

Similarly, 97.1% of complaints and 99.9% of all correspondence were resolved within 10 working days, against the target of 95%. The result for the month continued to improve the rolling 12 month results to 95% and 99.7% respectively.

Customer satisfaction exceeded the target this month with all metrics exceeding 80% for billing, general and faults enquiry types.

3. INFRASTRUCTURE AND PLANNING

The capital programme continues to progress in line with previous forecasts. Of particular note during the month was the final connection of Franklin area townships to the Waikato pipeline. This leaves some minor remedial work ahead of a proposed open day in the New Year.

Other highlights include the continued successful operation of the newly constructed Digester No. 8 at Mangere and the formal handover of the Puketutu Rehabilitation site. Four out of the six variable speed pump drives for Waikato Water Treatment Plant have now been replaced. Hunua No. 4 continues to programme with major activity in Mangere and Onehunga. Early contractor involvement in the Hunua No.4 extension to Khyber Pass reservoir has progressed with a briefing to the three shortlisted tenderers.

Watercare's engagement with Auckland Council on Special Housing Areas, the Unitary Plan and the Long Term Plan continues, with the priority growth areas for Auckland being supported as required.

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

4. OPERATIONS

Rainfall for the month was as follows:

Waitakere Ranges	100% of average
Hunua Ranges	81% of average
Northern Non-metropolitan	88% of average
Southern Non-metropolitan	106% of average

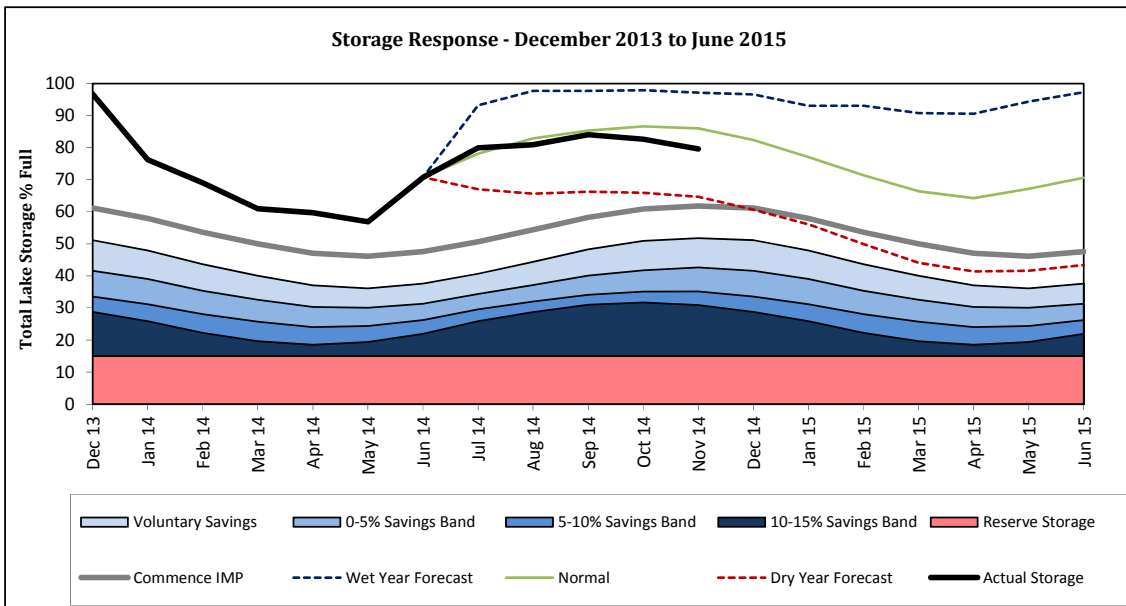
Metropolitan total system storage decreased in November from 82.6% to 79.6%. This is below the average storage for the end of November (90.1%), but is tracking near the budgeted normal storage response and is very close to storage levels at the same time last year.

The equatorial Pacific Ocean has warmed considerably over the past few weeks, and conventional El Niño thresholds have been recently crossed. However, not all atmospheric indicators are yet consistent with El Niño. International guidance indicates that the chances for El Niño developing over the next three months (December 2014 – February 2015) are in the order of 75%.

For December 2014, slightly higher pressures than normal are expected over New Zealand, while lower pressures than normal are forecast to the east of the country. This is expected to produce more frequent southerly-quarter winds than normal. Temperatures are likely to be average while rainfall is likely to be normal for Auckland during this time.

During December 2014 – February 2015, lower pressures than normal are forecast over New-Zealand and an associated weak south-westerly flow anomaly is expected. Temperatures are likely to be near-normal or above normal in all regions including Auckland. Rainfall is forecast to be near-normal during this time, soil moisture levels and rivers flows are forecast to be near or below normal in the north of the North Island.

For the coming tropical cyclone season in the southwest Pacific, New Zealand has slightly elevated risk of having an ex-tropical system coming within 550km of the country. The tropical cyclone outlook indicates this risk will be highest between February and April.



The rolling 12 month average for water network losses continues to be above the SOI target (13%) at 13.58%. The water network losses target has become more stringent as a result of the reduction in the target from 14% for the prior year to 13% for the 2014/15. The increase in the November result (13.58%) when compared to October (13.45%) is directly attributable to transmission losses. Historic data indicates approximately 2% summer to winter variation in measured transmission losses. Analysis attributes this to the flow measurement of treatment plant output. High accuracy flow measurement equipment has been procured and will be utilised during January and February 2015 to calibrate treatment plant flow measurement devices. The urban real loss summer/winter variation profile is very flat which contrasts to the rural profile which has a 5% summer/winter variation. Analysis of several rural areas indicates that real losses from pipelines are relatively small. The large level of losses (circa 25%) are potentially attributable to factors such as unmetered supplies and unauthorised hydrant use. The low level of leakage has been confirmed through initial sampling exercises in rural areas and continues to be an area of focus.

Maintenance Spend

Year to date planned maintenance underspend is primarily due to delayed commencement of major maintenance on the digesters at Mangere Wastewater Treatment Plant. Reactive maintenance carried out on several reactor clarifiers and primary sedimentation tanks has also enabled planned maintenance to be delayed on those plant items. Year end forecast for planned maintenance is in line with budget. Unplanned maintenance is significantly ahead of budget. This is influenced by the factors described above but is primarily due to higher than budgeted job volumes on the northern networks.

5. FINANCE

Financial Performance

	Current Month			Year to Date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Figures (\$millions)									
Revenue	40.00	41.45	(1.45)	214.73	201.37	13.35	511.98	499.58	12.40
Operating Expenses	16.35	17.04	0.70	83.61	85.03	1.42	201.57	201.59	0.03
Depreciation	16.93	17.53	0.61	85.14	87.04	1.90	208.05	210.44	2.39
Interest expense	6.02	6.47	0.45	30.73	32.54	1.81	77.57	80.57	3.01
Total Contribution	0.71	0.41	0.31	15.25	(3.23)	18.48	24.80	6.98	17.82
Financial instruments revaluation -	5.95	-	(5.95)	45.86	-	(45.86)	45.86	-	(45.86)
Non-operating costs/(income)	0.79	0.55	(0.24)	3.32	2.69	(0.63)	7.63	7.00	(0.63)
Operating Surplus / (Deficit) Before Tax	(6.02)	(0.14)	(5.88)	(33.92)	(5.92)	(28.00)	(28.69)	(0.02)	(28.66)
Deferred Tax - Expense/(Credit)	(1.62)	(0.85)	0.77	(9.45)	(5.64)	3.82	2.06	4.51	2.46
Net Surplus / (Deficit) After Tax	(4.41)	0.70	(5.11)	(24.47)	(0.29)	(24.18)	(30.74)	(4.54)	(26.21)
FFO Ratio				3.32	2.80		3.15	2.94	
Operating EBITDAF	23.66	24.41	(0.75)	131.12	116.34	14.78	310.41	297.99	12.42
EBITDA	16.92	23.86	(6.94)	81.94	113.65	(31.71)	256.93	290.99	(34.06)
EBIT	(0.00)	6.33	(6.33)	(3.20)	26.61	(29.81)	48.88	80.55	(31.67)

Month – Total Contribution of \$0.71 m - favourable variance to budget of \$0.31m

Total revenue was unfavourable \$1.45m to budget largely due to \$1.32m unfavourable water and wastewater revenue. IGC revenue was unfavourable by \$0.63m.

Operating expenses were favourable \$0.70m to budget with favourable variances for unplanned maintenance, planned maintenance, chemical costs, professional services and general overheads partially offset by unfavourable variances for net labour and operating costs.

Depreciation was favourable to budget \$0.61m.

Interest expense was \$0.45m favourable to budget.

Year to date – Total Contribution of \$15.25m - favourable variance of \$18.48m

Year to date revenue is \$13.35m favourable to budget primarily due to IGC revenue favourable \$9.71m and vested asset income favourable \$2.59m. Water and wastewater revenue is \$0.35m unfavourable to budget with year to date water volumes 0.84% under budget.

Operating expenses are \$1.42m favourable to budget with favourable variances for net labour, planned maintenance, professional services and general overheads partially offset by unplanned maintenance, energy costs and other asset operating costs.

Depreciation is favourable \$1.90m to budget.

Interest expense is \$1.81m favourable to budget.

Year to date – Net Deficit after Tax of \$24.47m – unfavourable variance of \$24.18m

The unfavourable variance year to date of \$24.18m is due to an unfavourable revaluation of financial instruments of \$45.86m due to a decrease in medium to long term swap rates since June 2014 partially offset by the \$18.48m year to date favourable operating contribution.

Full year Forecast – Operating Contribution of \$23.85m – favourable variance of \$16.87m

Full year revenue is forecast at \$512.0m, favourable by \$12.4m largely due to expected higher than budgeted IGC revenue favourable \$9.7m and vested asset revenue favourable \$2.6m. Water and wastewater revenue forecasts are being held at budgeted levels as we move into the high volume summer months and await the impact of summer weather on water volumes.

Operating expenses are consistent with budget with unfavourable variances for unplanned maintenance, energy costs and other asset operating costs offset by planned maintenance, net labour, professional services and general overheads.

Depreciation costs are expected to be favourable \$2.4m at year end due to forecast lower accelerated depreciation than budgeted.

Interest expensed through the P&L is expected to be \$3.0m lower than budget at year end.

Financial Position

\$million	Actual Oct-14	Actual Nov-14	Monthly Movement	Budget Nov-14	Var from Budget
Non Current Assets	8,340.7	8,349.7	9.0	8,344.4	5.4
Current Assets	73.2	77.3	4.1	70.1	7.2
Total Assets	8,413.8	8,427.0	13.3	8,414.5	12.6
Other Liabilities	206.9	214.5	7.6	166.3	48.2
Deferred Tax Liability	957.4	955.8	(1.7)	956.3	(0.5)
Borrowings - Short Term	388.2	420.9	32.8	393.3	27.6
Borrowings - Long Term	1,097.9	1,077.2	(20.7)	1,130.2	(53.1)
Shareholders Funds	5,763.5	5,758.6	(4.7)	5,768.2	(9.6)
Total Liabilities and Shareholders Funds	8,413.8	8,427.0	13.3	8,414.5	12.6

The major movements in the Statement of Financial Position as at 30 November 2014 compared with 31 October 2014 were the increase in non-current assets (\$9.0m) reflecting capital expenditure net of depreciation in the month, an increase in other liabilities resulting from valuation of derivative financial instruments (\$6.1m) and an increase in debt (\$12.0m).

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 \$1,498m was \$25.5m beneath budget.

Receivables

Receivables before provision for doubtful debts totalled \$34.2m at November month end compared with \$30.1m at the end of October. The Auckland Council component of total debt was \$0.68m compared with \$0.56m at October. Total 60+ day debt has increased by \$457k during the month due to the clearance of several historical credit balances.

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	\$28,930,890 <i>\$25,257,491</i>	\$2,728,672 <i>\$2,865,537</i>	\$1,818,603 <i>\$1,427,482</i>	\$33,478,166 <i>\$29,550,510</i>
Auckland Council Group	\$593,481 <i>\$490,533</i>	\$75,232 <i>\$119,101</i>	\$14,818 <i>-\$50,626</i>	\$683,530 <i>\$559,008</i>
Total receivables	\$29,524,371 <i>\$25,748,024</i>	\$2,803,904 <i>\$2,984,638</i>	\$1,833,421 <i>\$1,376,856</i>	\$34,161,696 <i>\$30,109,518</i>

Receivables excluding Auckland Council totalled \$33.5m for November, compared with \$29.6m at October month end. Total 60+ debt has increased by \$391k. The average debt per account increased from \$97 to \$101.

Total receivables – excluding Auckland Council

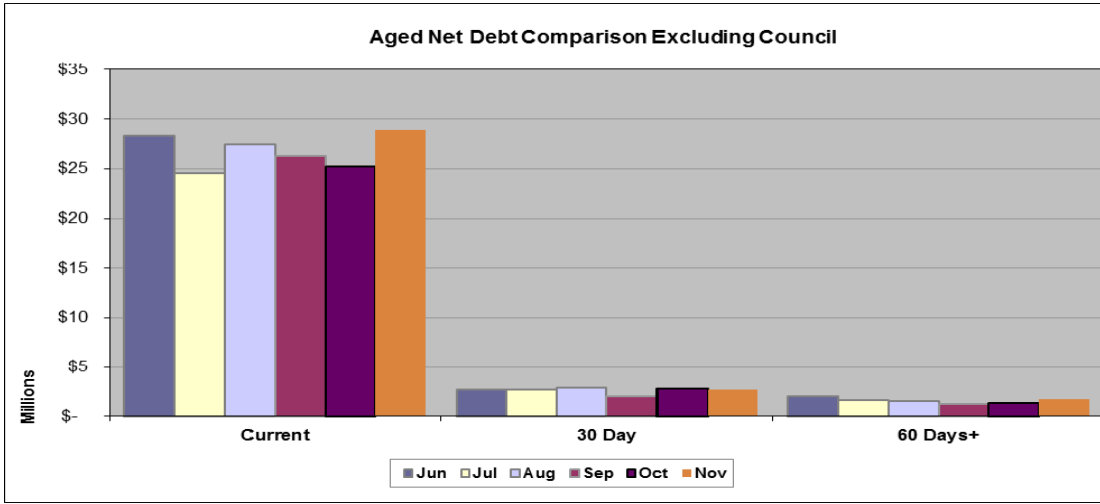
	0-30 days <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Net Debt	\$28,930,890 <i>\$25,257,491</i>	\$2,728,672 <i>\$2,865,537</i>	\$1,818,603 <i>\$1,427,482</i>	\$33,478,166 <i>\$29,550,510</i>
# of accounts	313,239 <i>282,659</i>	33,853 <i>39,043</i>	32,729 <i>33,458</i>	332,049 <i>304,011</i>
Average Debt	\$92 <i>\$89</i>	\$81 <i>\$73</i>	\$56 <i>\$43</i>	\$101 <i>\$97</i>
Percentage	86.4% <i>85.5%</i>	8.2% <i>9.7%</i>	5.4% <i>4.8%</i>	100.0% <i>100.0%</i>

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>
Total	\$12,084,853 <i>\$10,864,692</i>	\$1,844,401 <i>\$1,816,743</i>	\$612,627 <i>\$218,119</i>	\$14,541,881 <i>\$12,899,555</i>
# of accounts	21,671 <i>20,012</i>	3,005 <i>3,307</i>	5,732 <i>5,729</i>	26,253 <i>24,739</i>
Average Debt	\$558 <i>\$543</i>	\$614 <i>\$549</i>	\$107 <i>\$38</i>	\$554 <i>\$521</i>
Percentage	83.1% <i>84.2%</i>	12.7% <i>14.1%</i>	4.2% <i>1.7%</i>	100.0% <i>100.0%</i>

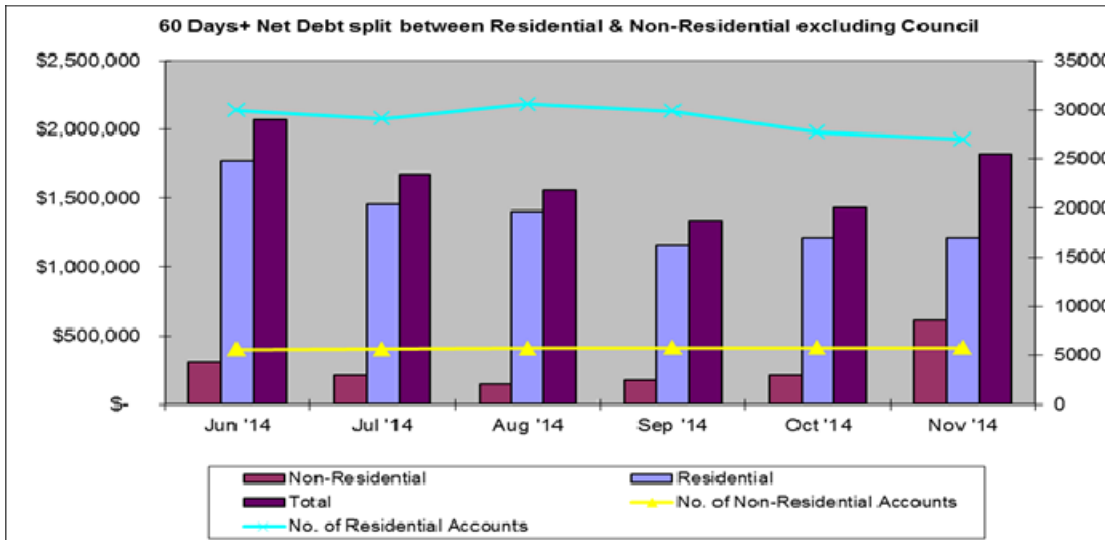
Residential Net Debt	Current month <i>(previous month in italics)</i>	30-59 days <i>(previous month in italics)</i>	60 days + <i>(previous month in italics)</i>	Total <i>(previous month in italics)</i>
Total	\$16,846,037 <i>\$14,392,799</i>	\$884,272 <i>\$1,048,794</i>	\$1,205,976 <i>\$1,209,363</i>	\$18,936,285 <i>\$16,650,955</i>
# of accounts	291,568 <i>262,647</i>	30,848 <i>35,736</i>	26,997 <i>27,729</i>	305,796 <i>279,272</i>
Average Debt	\$58 <i>\$55</i>	\$29 <i>\$29</i>	\$45 <i>\$44</i>	\$62 <i>\$60</i>
Percentage	89.0% <i>86.4%</i>	4.7% <i>6.3%</i>	6.4% <i>7.3%</i>	100.0% <i>100.0%</i>

The change in age of debt (excluding Council) over the last six months is shown below.

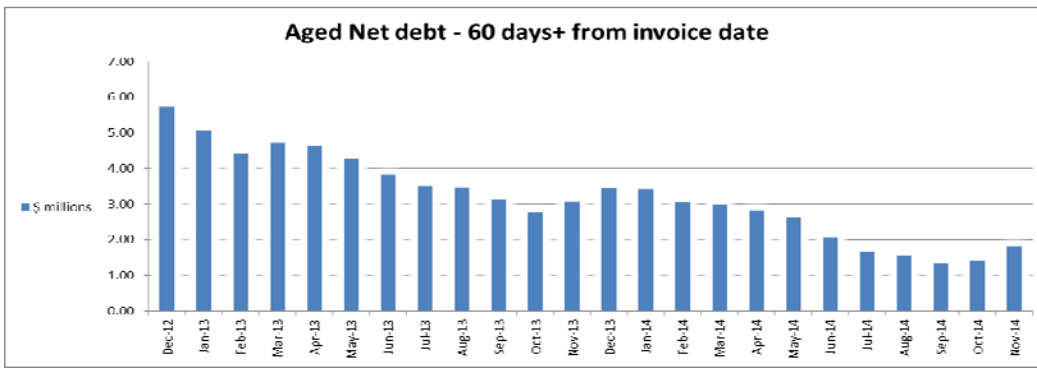
Age of debt comparison – May 2014 to October 2014

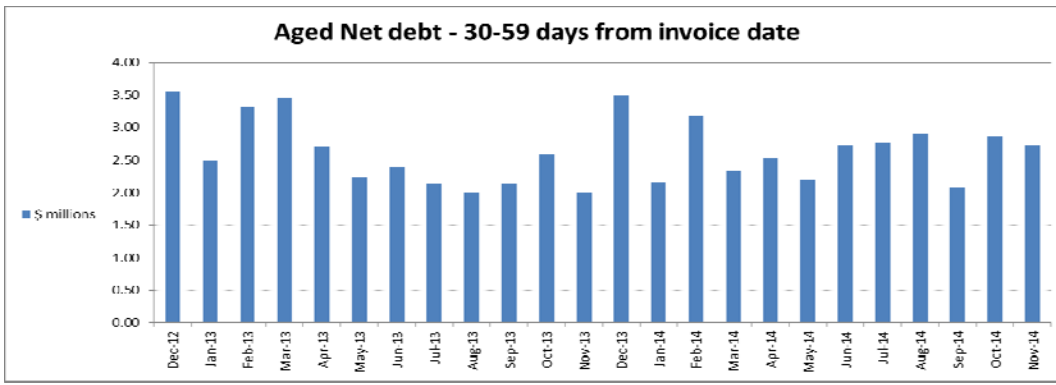


The split of 60 days+ receivables between residential and commercial is shown below:



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:

Nov 2014

WUCAT Summary		
Financial year	Board approved applications	\$ Value
Jun-12	33	29
Jun-13	172	196
Jun-14	123	114
(YTD) Jun-15	74	71
Total	402	410

WUCAT Summary last 3 meetings		
Month	Board approved applications	\$ Value
Sep-14	16	19
Oct-14	15	10
Nov-14	11	13
Total	42	42

A total of 402 applicants have successfully completed the budget adviser review process and these applicants have had \$410k of hardship relief approved by the Trust. This has resulted in an actual write-off of \$320k as payment plans have been completed. For various reasons 39 applicants did not fully complete their agreed payment plans and they have foregone \$38k of approved hardship relief. A further 42 applicants continue with their payment arrangements with \$52k of approved hardship write-offs to be granted when they successfully complete their plan. Over the last 3 WUCAT meetings, 42 applicants have successfully completed the budget process and had \$42k of hardship relief approved by the Trust.

Restrictions

During November, 532 reminder notices were sent to customers warning that water restrictions may be actioned if payment was not received and 25 cards were sent to customers warning of possible restriction of their water supply in 48 hours. As a result, 14 new water restrictions were applied during November and four meters were derestricted as a result of payment being received.

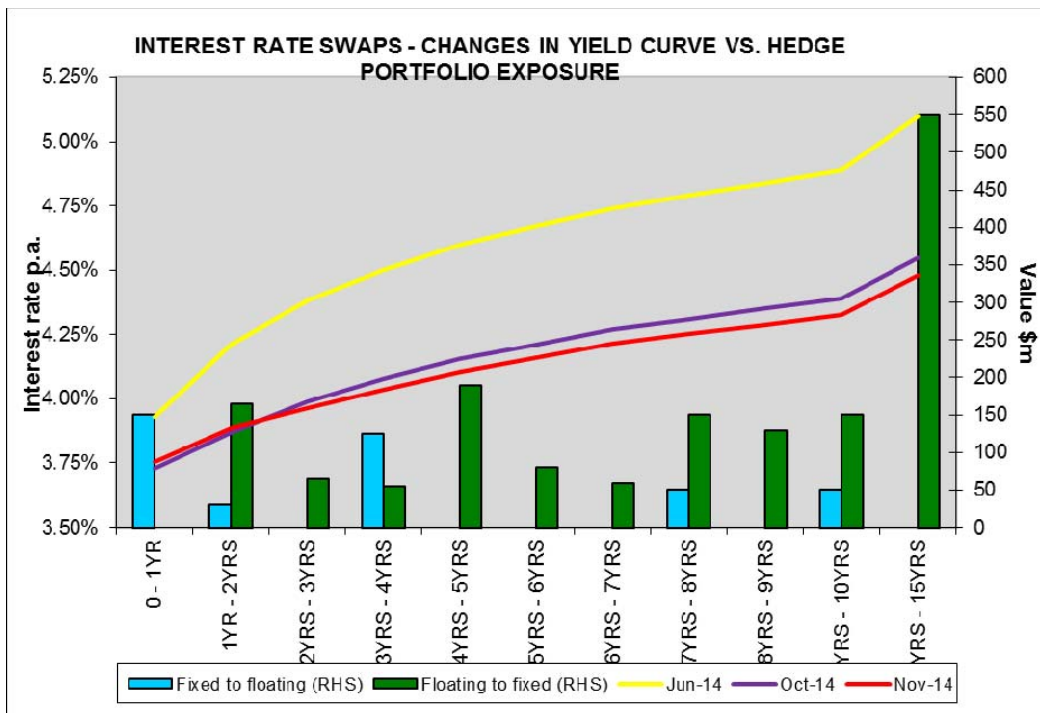
The table below summarises the restrictions carried out by Watercare Services Limited.

	Commercial	Residential	Total
Inherited 1 Nov 2010	0	4	4
Restricted since 1 Nov 2010	40	56	96
Derestricted since 1 Nov 2010	-33	-35	-68
Restrictions in place	7	25	32

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 20 residential restrictions remain in place on occupied properties and communication continues with these customers (includes six Water Pressure properties).
- Seven commercial properties remain restricted at the end of November and communication continues with these customers. One of these commercial properties is currently vacant.

Treasury



Interest Analysis \$million	Current Month			Year to date			Full Year		
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget	Var
Interest as per Statement of Financial Performance	6.02	6.47	0.45	30.73	32.54	1.81	77.57	80.57	3.00
Capitalised Interest	1.18	1.34	0.16	5.94	6.52	0.58	15.02	15.01	(0.01)
Gross Interest	7.20	7.81	0.61	36.67	39.06	2.39	92.59	95.58	2.99
Less Interest Income	(0.03)	0.00	0.03	0.03	0.00	(0.03)	0.04	-	(0.04)
Net Interest	7.23	7.81	0.57	36.63	39.06	2.43	92.55	95.58	3.03

For the month and year to date net interest was favourable with budget \$0.57m and \$2.43m respectively; largely due to lower debt and interest rates to budget.

Capital Expenditure

Capital expenditure for the month was \$25.4m against a budget of \$27.3m.

Summary Capital Expenditure (\$millions)	Month November 14			Year to Date			Full Year	
	Actual	Budget	Var	Actual	Budget	Var	Forecast	Budget
Infrastructure Wastewater Projects	10.3	11.6	1.3	51.2	56.7	5.5	144.8	141.3
Infrastructure Water Projects	11.5	9.4	(2.1)	51.9	52.5	0.6	113.2	116.2
Operations	1.6	3.0	1.4	5.4	12.6	7.2	24.9	32.7
Maintenance Services	0.0	0.0	0.0	0.2	0.0	(0.2)	0.2	0.0
Information Services	0.2	0.9	0.7	1.2	4.8	3.6	8.2	12.0
Other Projects	1.8	2.4	0.6	8.9	12.3	3.4	29.8	27.2
TOTAL	25.4	27.3	1.9	118.8	138.9	20.1	321.1	329.4
Includes:								
Water Projects Capitalised Interest	0.7	0.8	0.1	3.6	4.1	0.5	8.2	9.0
Wastewater Projects Capitalised Interest	0.5	0.6	0.0	2.4	2.5	0.1	6.8	6.0
Total Capitalised Interest	1.2	1.3	0.2	5.9	6.5	0.6	15.0	15.0

6. BOARD CORRESPONDENCE

There was no Board correspondence during the month.

7. EXECUTION OF DOCUMENTS

There were three documents executed during November in accordance with the delegated authority provided to the Chief Executive by the Board in relation to deeds, instruments and other documents. These included the registration of one easement, approval to renew an existing telecommunications licence and approval to remove a caveat over a title.

There were three capex approvals totaling \$7.234m signed in accordance with the delegated authority provided to the Chief Executive by the Board in relation to capex approvals below a threshold of \$15m.

Summary of Capital Projects approved by Chief Executive – November 2014		
C-11467A	Extend the Tamaki South East Branch Sewer - Stage 2	\$3,314,000
C-12425	DTMAN Shoreline Discharge and RC Blower Bus Duct Upgrades	\$470,000
C-12457	MS Field Service Management Solution	\$3,450,000

8. COMMUNICATIONS

The closure of the Rainforest Express was reported in the *Western Leader* and on Radio NZ's website: both reports were balanced and accurate, and generated no follow-up coverage. The tone of most responses was disappointment.

Communications provided detailed information to Tramline Society members and former RFE employees. A number of face to face meetings with key stakeholders have been held with further meetings planned. Advance notification to key stakeholders was appreciated, with the team receiving thanks from a number of parties.

The appointment of a new CEO was widely but briefly reported. Other news items of interest included an *NZ Engineering News* article on women in engineering, which featured two Watercare

staff members, and an *NZ Grower* article on Watercare's application to increase the maximum allowable take from the Waikato River.

All domestic customers will receive an insert explaining water and wastewater charges with their December invoice. An insert informing people about Auckland's water sources, including Waterwise tips for summer, is being prepared for distribution in January. Customers between Green Bay and Mangere are presently receiving the latest *Mangere Matters*, which includes articles on biosolids placement at Puketutu Island and Auckland Council's decision not to review the consent conditions covering the operation of the Mangere plant.

Communication activities in respect of infrastructure projects are continuing with a particular focus on the Hunua 4 construction and Sunnynook wastewater main upgrade, and on initial consultation and public communication regarding preparatory geotechnical investigations for the Central Interceptor.

9. WORKING WITH LOCAL BOARDS

November was an active month for local board interaction. Workshops were held with those local boards interested in more detail on the water and wastewater bylaw. The draft bylaw, approved by the Watercare Board last month, is also being shared with the local boards and feedback is being collated for consideration through the consultation process.

Information on the closure of the Rainforest Express was shared with the Chairs and with members of the Western Boards in advance of the media release. Feedback expressed included disappointment that the line had to be closed but there was an understanding of the public health and safety risks.

Local Board representatives attended two of the treatment plant liaison meetings in Helensville and Mangere. In agreement with Brenda Stelle, Chair of the Rodney Local Board, Watercare will prepare information on Helensville water and wastewater servicing for wider distribution to the local community.

Watercare engineers and project contractors met representatives of Auckland Council Parks and the Maungakiekie Tamaki Local Board at Van Dammes Lagoon to discuss project scope changes associated with the Eastern Interceptor strengthening project and AMETI's redevelopment work. The Local Board, in their capacity as landowners of the park, were very understanding and constructive which helped Watercare to address some challenging changes to the remediation while still maintaining public amenity.

The Upper Harbour Local Board was briefed on the Northern Interceptor Wastewater Project. In the interests of transparency Watercare discussed some of the proposed options with the local board which include the potential for both short and long-term impacts on a local park. Following feedback from the members, Watercare is reworking material on the options assessments and remains committed to working with the local board as the project develops further.

A range of local board interactions occurred over the month with local board Chairs and members. Local issues in Beachlands and Hunua were discussed with Malcolm Bell of the Franklin Local Board. David Moore, manager of the Hunua 4 watermain project maintained liaison with Lydia Sosene over works in Mangere. Watercare also attended Auckland Transport's public open days on the proposed Franklin Road upgrades which will involve associated water and wastewater network upgrades. The attached worksheet details these and other interactions with the Local Boards undertaken or planned between October and December 2014.

A full schedule of local board interactions is attached as Appendix D.

10. STATUTORY PLANNING

Auckland Proposed Unitary Plan

Hearings by the Independent Hearing Panel on the Regional Policy Statement (RPS) level of the Proposed Auckland Unitary Plan are underway. Hearings have been held on several topics important to Watercare including Significant Infrastructure and Transport, Mana Whenua, and Natural Resources (including freshwater). The Chief Executive was an expert witness for Council on the significant infrastructure topic in respect of Watercare's water supply and wastewater infrastructure.

Proposed Water Supply and Wastewater Bylaw

As approved by the Watercare Board in November, Watercare has requested that the Council's Regulations and Bylaw Committee recommend to the Governing Body that Watercare be granted approval to commence the special consultative procedures to consult with stakeholders on the proposed Water Supply and Wastewater Bylaw. This matter is on the Regulations and Bylaw Committee agenda for 16 December 2014. Subject to this recommendation, it is anticipated that this matter will go to the Governing Body at its December meeting.

Auckland Council Operative Plan Changes

There is currently one plan change of significant interest to Watercare:

- **Kingseat:** Additions to the wording of the plan change to reflect iwi's concerns have now been agreed and will be incorporated into the plan change. This matter is now not expected to proceed to Environment Court.

There are two additional Plan Changes that have emerged as being of interest to Watercare. These are private plan changes.

- **Snells-Algies:** There are two small private plan changes in this area seeking to rezone land that is out of Watercare's service area. Watercare cannot provide service to those areas until the wastewater treatment plant resource consent renewal application has been granted by Council and Watercare replaces the ocean outfall pipe. One of these plan changes is scheduled for a hearing in December. Watercare will table a letter confirming the approach to development proposed by the developer.

Maori Engagement

The Kaitiaki Managers held their fourth quarter meeting of the year in November. The agenda included:

1. Harbours Scorecard - Review of Auckland Council's scorecard report
2. Watercare Bylaws - Renewal of bylaws enabling various Watercare activities
3. Update on Wastewater Network Discharge Consent - Update on next steps now that consent is granted
4. Wastewater Field Trip Review - Review field trip report
5. Water Best Practice Seminar Report

The next meeting of the Mana Whenua Kaitiaki Forum is on 12 February 2015. The agenda will include the draft report of the findings of the Mana Whenua Forum tour of wastewater treatment plants in the Waikato and Bay of Plenty.

During November, the 19 Iwi of Tamaki Makuarau were provided with schedule of resource consent applications currently being prepared by Watercare. The intention of to provide Iwi with the opportunity for involvement at an early stage of the planning process so as to enable their input to be considered as part of the options analysis.

Ongoing engagement with Iwi continues in respect of the following particular resource consent projects:

- Waikato Future Take
- Warkworth WTP
- Greenhithe Bridge Watermain Duplication
- Hunua 4 Extension
- Mt Albert Reservoir Upgrade
- Mt Hobson Water Supply Upgrade,
- North Harbour 2 Watermain, Titirangi to Albany
- Army Bay WWTP Outfall Whangaparaoa Peninsula
- Pukekohe WWTP Capacity Upgrade
- Clevedon Future Discharge Options
- Glen Eden Upgrade and Storage Tank, Glen Eden
- Howick Diversion and Pump Station, Pakuranga
- Northern Interceptor, Henderson to Rosedale Wynyard Quarter South Local Reticulation, Auckland Central

11. LONG TERM PLAN 2015-2025

Watercare is continuing to work with Auckland Council on the development of the Long Term Plan (LTP). Feedback on the consultation document was provided during November.

Auckland Council has advised of the following key milestones over the coming months:

18 December 2014	Governing Body adoption of consultation document and draft LTP
23 January – 16 March 2015	Public consultation period
6 March 2015	CCO budget refresh submitted to Council
20 – 22 April 2015	Budget Committee briefings
1 May 2015	Budget Committee engagement with CCO's
25 June 2015	Governing Body adoption of final LTP

12. LETTER OF EXPECTATION AND 2015/18 STATEMENT OF INTENT

The Mayor's Letter of Expectation, which provides guidance for the 2015/18 Statement of Intent (SOI), was received during December.

The draft 2015/18 SOI is now being prepared and will be tabled for approval at the February board meeting. The approved draft 2015/18 SOI is required to be submitted to Auckland Council by 1 March 2015.

A copy of the Letter of Expectation is attached as Appendix E.

13. AUCKLAND HOUSING ACCORD – FIRST YEAR TARGETS

During November, Housing Minister Dr Nick Smith and Mayor Len Brown announced that the first-year target of the Auckland Housing Accord had been exceeded with 11,060 new sections and dwellings achieved for the 12 months ending 30 September 2014, against a target of 9,000.














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R Jaduram
CHIEF EXECUTIVE



WATERCARE SERVICES LIMITED

Nov-14



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 unfavourable variances

-  YTD Investing cashflows are \$2.9m unfavourable to budget due to higher than forecast capital expenditure accruals at 30 June 2014 which were paid in the 2014/15 financial year.

WATERCARE SERVICES LIMITED

Management Report

Nov-14

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Section A : Management Report		Page
1	Financial Results	
	• Statement of Cash Flows	A2
	• Statement of Financial Performance by Business Unit	A3
	• 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 CASH FLOWS

Nov-14

(\$000's)

NZ \$000s	Current Month				Year to Date				Full Year			
	Actual	Budget	Variance	Result	Actual	Budget	Variance	Result	Forecast	Budget	Variance	Result
Operating Cash flow:												
Operating Revenue	34,600	36,714	(2,114)	✘	196,239	188,351	7,888	✔	486,999	482,908	4,091	✔
Operating Costs	(15,098)	(13,630)	(1,468)	✘	(76,036)	(79,153)	3,117	✔	(202,284)	(201,687)	(597)	✘
Interest Paid	(5,518)	(6,471)	953	✔	(26,606)	(32,536)	5,930	✔	(73,444)	(80,573)	7,129	✔
OPERATING CASH FLOW	13,984	16,614	(2,630)	✘	93,597	76,662	16,935	✔	211,270	200,648	10,622	✔
Investing Cash flow:												
Capital Expenditure	(24,713)	(24,360)	(353)	✘	(132,092)	(128,607)	(3,485)	✘	(325,360)	(314,079)	(11,281)	✘
Capitalised Interest (CAPI)	(1,179)	(1,335)	156	✔	(5,942)	(6,525)	583	✔	(15,022)	(15,012)	(10)	✘
INVESTING CASH FLOW	(25,892)	(25,695)	(197)	✘	(138,034)	(135,132)	(2,902)	✘	(340,381)	(329,091)	(11,290)	✘
Financing Cash flow:												
Bonds/Term Debt Issued/(Repaid)	-	-	-	✔	-	-	-	✔	(150,000)	(150,000)	-	✔
Short Term Advances/(Repaid)	12,500	9,082	3,418	✔	28,000	28,000	-	✔	28,000	-	28,000	✔
Commercial Paper Issued/(Repaid)	3	-	3	✔	14,826	14,826	-	✔	14,826	29,464	(14,638)	✔
Auckland Council Borrowings/(Repaid)	(294)	(0)	(294)	✘	1,661	15,644	(13,983)	✔	236,335	248,978	(12,643)	✔
FINANCING CASH FLOW	12,209	9,082	3,127	✔	44,487	58,470	(13,983)	✔	129,161	128,442	719	✔
Net Increase (Decrease) in Cash and Cash Equivalents	301	-	301	✔	50	-	50	✔	50	(0)	50	✔
Opening Cash Balance/(Overdraft)	(154)	-	(154)	✔	97	-	97	✔	97	-	97	✔
Ending Cash Balance/(Overdraft)	147	-	147	✔	147	-	147	✔	147	(0)	147	✔

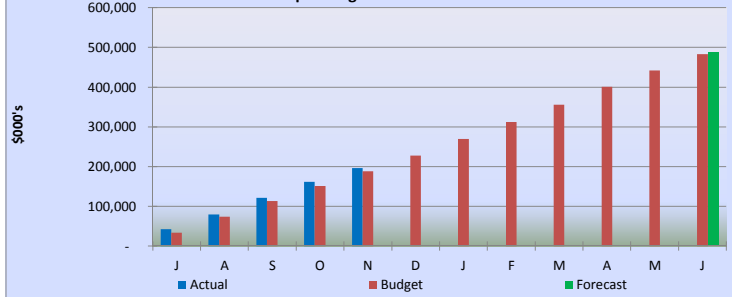
Key: Financial performance result

- ✔ Favourable variance - actual/forecast income above budget or actual/forecast expenditure below budget
- ✘ Unfavourable variance - actual income/forecast below budget or actual expenditure/forecast above budget

Reconciliation Operating Cashflow (\$000's)

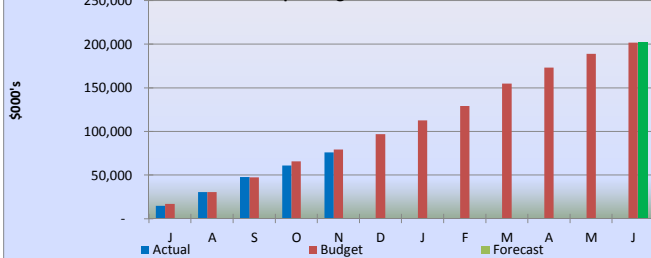
	Current Month		Year to Date		Full Year	
	Actual	Budget	Actual	Budget	Forecast	Budget
Net Surplus (Deficit) After Tax	(4,408)	704	(24,470)	(287)	(30,743)	(4,536)
Add back non cash items:						
Depreciation and amortisation	16,926	17,531	85,137	87,036	208,050	210,440
Financial instruments revaluation	5,949	-	45,858	-	45,858	-
Vested assets revenue	(1,640)	(1,383)	(9,509)	(6,917)	(18,706)	(16,600)
Other non-operating exp/(inc)	786	548	3,319	2,693	7,626	7,000
Income Tax Expense/(Benefit)	(1,615)	(845)	(9,455)	(5,637)	2,056	4,512
Movements in Working Capital	(2,014)	60	2,717	(226)	(2,872)	(167)
OPERATING CASH FLOW	13,984	16,614	93,597	76,662	211,270	200,648

YTD Operating Revenue - Cash Flow



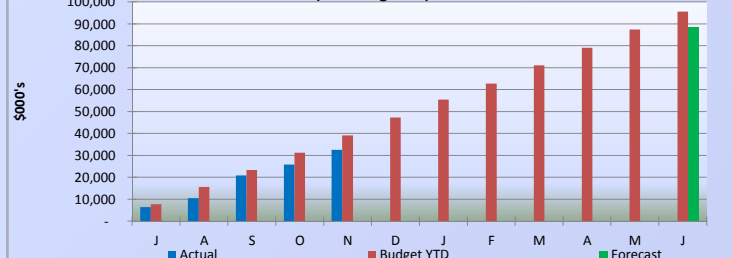
Increased YTD operating cashflow due to higher than budgeted IGC revenue.

YTD Operating Costs - Cash Flow



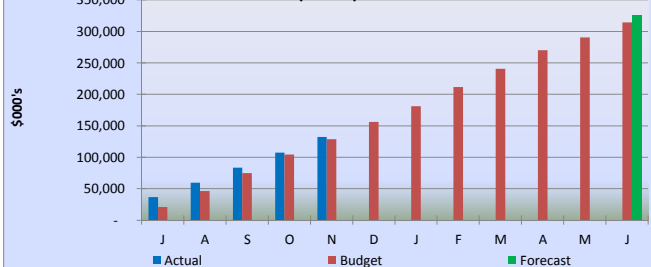
YTD is below budget due to cost savings in both labour and overheads

YTD Total Interest (including CAPI) - Cash Flow



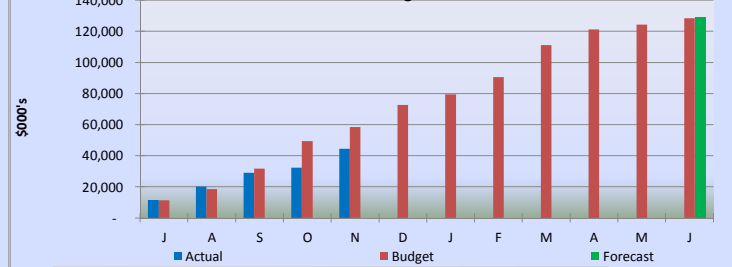
YTD savings in interest cost payments is due to lower than budgeted interest payments resulting from lower than anticipated borrowing.

YTD Capital Expenditure - Cash Flow



YTD capital expenditure cash flow currently exceeds budget due to higher than anticipated capex accruals at FY 14 year end paid in FY15 (\$17m initial difference)

YTD Financing - Cash Flow



YTD financing cashflow is favourable due to higher operating revenue and lower operating costs cash outflows compared to budget

WATERCARE SERVICES LIMITED
STATEMENT OF FINANCIAL PERFORMANCE BY BUSINESS UNIT

Nov-14
(\$000's)

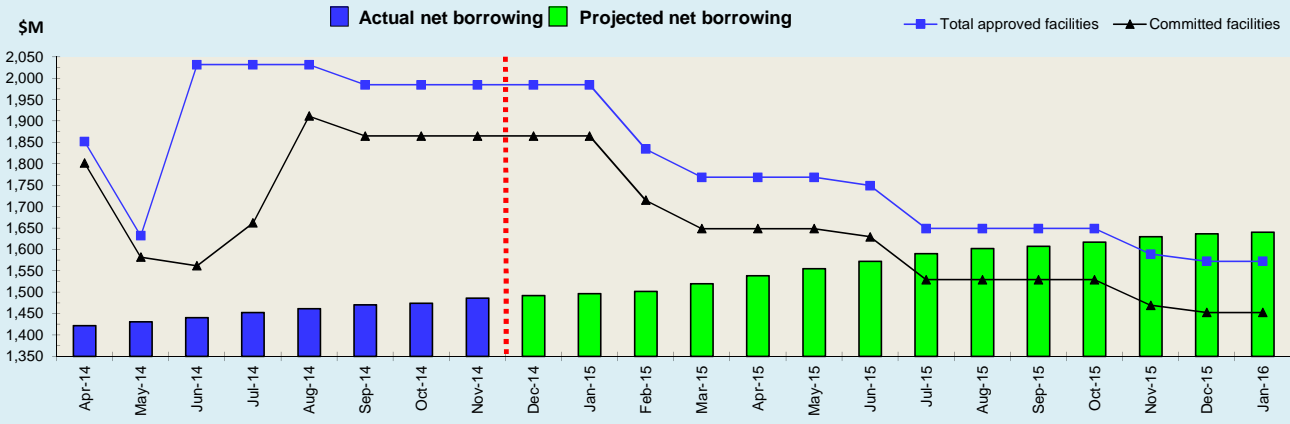
	Current Month						Year to Date						Full Year					
	Actual			Budget			Actual			Budget			Forecast			Budget		
	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total	Water	Wastewater	Total
Wastewater Revenue	-	23,327	23,327	-	24,280	24,280	-	118,174	118,174	-	118,177	118,177	-	289,012	289,012	-	289,578	289,578
Water Revenue	11,212	-	11,212	11,585	-	11,585	55,296	-	55,296	55,345	-	55,345	136,726	-	136,726	137,059	-	137,059
Laboratory Revenue	145	307	452	175	371	546	733	1,550	2,284	794	1,678	2,473	1,864	3,940	5,804	1,960	4,141	6,100
Infrastructure Growth Charge Revenue	1,591	682	2,273	2,030	870	2,900	16,950	7,264	24,214	10,150	4,350	14,500	30,670	13,144	43,814	23,870	10,230	34,100
Other Revenue	765	1,976	2,741	558	1,580	2,139	5,480	9,278	14,758	2,899	7,979	10,879	11,683	24,940	36,623	9,104	23,640	32,744
Total Revenue	13,713	26,291	40,004	14,349	27,101	41,450	78,459	136,267	214,725	69,188	132,185	201,374	180,943	331,036	511,979	171,993	327,588	499,581
Labour	2,194	3,647	5,841	2,230	3,755	5,985	10,824	17,924	28,747	11,046	18,671	29,718	26,573	44,229	70,802	26,767	44,855	71,622
Contract Labour	125	264	389	121	263	384	676	1,427	2,103	748	1,608	2,356	1,225	2,638	3,863	1,370	2,971	4,341
Oncosts	111	187	298	112	191	303	472	793	1,265	556	950	1,506	1,199	2,024	3,223	1,363	2,312	3,674
Labour Recoveries	(907)	(1,676)	(2,584)	(1,081)	(1,926)	(3,007)	(5,279)	(9,414)	(14,692)	(5,379)	(9,584)	(14,963)	(12,673)	(22,592)	(35,265)	(12,793)	(22,985)	(35,778)
Net Labour	1,523	2,422	3,944	1,382	2,283	3,665	6,693	10,730	17,423	6,971	11,645	18,616	16,325	26,299	42,624	16,708	27,152	43,860
Materials & Cost of Sales	57	121	178	54	115	170	306	641	948	275	584	859	695	1,466	2,162	665	1,409	2,074
Planned Maintenance	442	897	1,339	584	1,035	1,620	2,341	3,558	5,898	2,675	4,708	7,383	5,271	10,498	15,770	5,566	10,710	16,275
Unplanned Maintenance	716	1,377	2,093	1,206	1,278	2,484	6,562	7,319	13,880	5,852	6,681	12,532	16,119	16,156	32,275	15,410	15,696	31,105
Asset Operating Costs - Chemicals	297	583	880	388	635	1,023	1,627	2,728	4,356	1,462	2,995	4,456	4,124	7,002	11,126	3,958	7,141	11,099
Asset Operating Costs - Energy	285	847	1,132	370	859	1,230	2,155	5,164	7,319	1,789	4,993	6,782	5,162	17,766	4,798	12,345	17,143	
Operating Costs - Other	1,236	2,324	3,560	1,390	2,003	3,393	6,657	10,542	17,198	6,769	9,710	16,479	15,247	23,729	38,976	16,180	22,473	38,652
Depreciation and Amortisation	7,122	9,805	16,926	7,469	10,063	17,531	36,129	49,009	85,137	39,515	47,521	87,036	88,943	119,107	208,050	91,429	119,011	210,440
Total Asset Operating Costs	10,098	15,833	25,930	11,407	15,874	27,281	55,471	78,318	133,790	58,061	76,607	134,669	134,866	189,096	323,962	137,340	187,374	324,714
Communications	77	139	217	47	84	131	267	464	731	253	450	703	620	1,091	1,711	587	1,037	1,625
Professional Services	405	450	855	435	554	989	1,861	2,666	4,527	2,262	3,183	5,444	4,874	6,965	11,839	5,079	7,070	12,149
Interest	423	5,597	6,020	301	6,170	6,471	900	29,827	30,727	745	31,791	32,536	5,288	72,278	77,565	4,663	75,910	80,573
General Overheads	635	1,513	2,148	841	1,497	2,338	3,895	7,434	11,329	4,215	7,562	11,777	9,632	17,686	27,318	9,904	17,706	27,610
Overheads	1,540	7,700	9,240	1,624	8,305	9,929	6,924	40,390	47,314	7,475	42,986	50,461	20,414	98,020	118,434	20,233	101,723	121,957
Total Expenses	13,217	26,075	39,292	14,467	26,577	41,044	69,394	130,080	199,473	72,783	131,822	204,605	172,300	314,881	487,181	174,946	317,659	492,605
Total Contribution/(Loss)	496	216	712	(119)	524	406	9,065	6,187	15,252	(3,594)	364	(3,232)	8,643	16,154	24,798	(2,953)	9,929	6,976

WATERCARE SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION

Nov-14

(\$000's)

June 2014 Actual	October Actual		November			June 2015		
			Actual	Budget	Variance	Forecast	Budget	Variance
		Non-Current Assets						
7,988,872	8,131,350	Property, Plant and Equipment	8,149,223	8,126,294	22,929	8,276,205	8,425,067	(148,862)
456,588	403,794	Construction/Work-in-progress	410,520	444,446	(33,926)	439,573	462,776	(23,203)
(210,329)	(273,693)	Provision for Depreciation	(289,078)	(302,155)	13,077	(36,945)	(49,978)	13,033
8,235,131	8,261,451	Total Property, Plant and Equipment	8,270,665	8,268,585	2,080	8,678,833	8,837,865	(159,032)
39,784	44,103	Intangible Assets	43,674	41,836	1,838	46,501	44,837	1,664
24,208	24,041	Prepaid Expenses	24,004	24,073	(69)	23,745	23,815	(70)
3,459	4,098	Inventories	4,175	4,211	(36)	4,175	4,211	(36)
5,698	6,984	Derivative Financial Instruments	7,206	5,664	1,542	7,206	5,664	1,542
8,308,280	8,340,677	Total Non-Current Assets	8,349,724	8,344,369	5,355	8,760,460	8,916,392	(155,932)
		Current Assets						
97	-	Cash and Cash Equivalents	147	-	147	-	-	-
48,187	41,305	Trade and Other Receivables	46,471	43,140	3,331	44,062	42,760	1,302
19,452	23,698	Unbilled Revenue Accrual	22,852	19,628	3,224	22,072	18,459	3,613
4,146	3,634	Prepaid Expenses	3,081	2,548	533	1,732	698	1,035
4,500	4,016	Inventories	4,328	3,684	644	4,328	3,684	644
556	515	Derivative Financial Instruments	421	1,084	(663)	421	1,085	(664)
76,938	73,168	Total Current Assets	77,300	70,084	7,216	72,615	66,686	5,929
8,385,218	8,413,845	Total Assets	8,427,024	8,414,453	12,571	8,833,075	8,983,078	(150,002)
		Non-Current Liabilities						
30,000	30,000	Bonds (18/05/16)	30,000	30,000	-	30,000	30,000	-
75,000	75,000	Bonds (26/10/18)	75,000	75,000	-	75,000	75,000	-
50,931	50,848	Bonds (26/10/18)	50,822	50,847	(25)	50,822	50,667	155
150,000	150,000	Term Loan (13/10/16)	150,000	150,000	-	150,000	150,000	-
5,000	20,500	Bank Revolving Credit Facility	0	-	-	-	-	-
722,339	771,543	Auckland Council Loan	771,344	824,398	(53,054)	1,005,731	1,044,518	(38,787)
1,033,270	1,097,891	Total debt non-current	1,077,166	1,130,245	(53,079)	1,311,553	1,350,185	(38,632)
13,120	12,919	Other Accrued Expenses	12,821	12,826	(5)	12,821	-	12,821
1,201	1,180	Provision for Staff Benefits	1,180	1,017	163	1,019	13,255	(12,236)
63,490	104,759	Derivative Financial Instruments	110,841	62,576	48,265	110,841	62,576	48,265
965,231	957,391	Deferred Tax Liability	955,776	956,315	(539)	1,056,018	1,085,179	(29,162)
2,076,312	2,174,140	Total Non-Current Liabilities	2,157,784	2,162,979	(5,195)	2,492,251	2,511,195	(18,944)
		Current Liabilities						
133,811	148,634	Commercial Paper	148,637	119,036	29,601	148,637	119,036	29,601
250	250	Bonds (26/10/18)	257	231	26	257	264	(7)
150,000	150,000	Bonds (16/02/15)	150,000	150,000	-	-	-	-
-	-	Bank Revolving Credit facility	33,000	35,000	(2,000)	33,000	35,000	(2,000)
136,396	89,146	Auckland Council Loan	89,050	89,050	-	89,050	89,050	-
420,457	388,184	Total debt current	420,944	393,317	27,627	270,944	243,350	27,594
28,281	21,314	Trade and Other Payables	21,442	31,655	(10,213)	22,169	31,323	(9,154)
12,681	13,755	Interest Accrued	15,937	14,798	1,139	15,937	13,805	2,132
56,920	45,604	Other Accrued Expenses	44,774	37,170	7,604	44,354	55,121	(10,768)
6,382	6,339	Provision for Staff Benefits	6,466	4,950	1,516	5,850	5,483	367
928	1,016	Other Provisions	1,013	1,152	(139)	1,013	1,152	(139)
150	35	Derivative Financial Instruments	29	194	(165)	29	194	(165)
525,799	476,247	Total Current Liabilities	510,605	483,237	27,369	360,296	350,429	9,868
		Equity						
260,693	260,693	Authorised & Issued Capital	260,693	260,693	-	260,693	260,693	-
3,779,111	3,779,111	Capital Contribution Reserve	3,779,111	3,779,111	-	3,779,111	3,779,111	-
1,666,754	1,666,195	Revaluation Reserve	1,666,312	1,641,392	24,920	1,894,476	1,998,856	(104,380)
84,968	77,553	Retained Earnings	76,989	87,330	(10,341)	76,989	87,330	(10,341)
(8,419)	(20,094)	Current Year Earnings after Tax	(24,470)	(288)	(24,182)	(30,742)	(4,536)	(26,206)
5,783,107	5,763,458	Total Shareholders' Funds	5,758,635	5,768,238	(9,603)	5,980,527	6,121,454	(140,926)
8,385,218	8,413,845	Total Shareholders' Funds and Liabilities	8,427,024	8,414,453	12,571	8,833,075	8,983,078	(150,002)



Interest rates

	Actual YTD	Benchmark YTD	Year end forecast
Weighted averages (excl. fees and margins)	4.98%	4.86%	5.00%
Weighted averages (incl. fees and margins)	6.28%	N/A	6.21%

Debt (\$m)

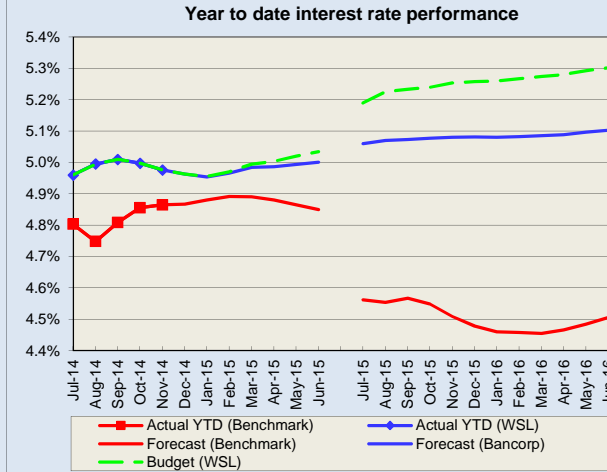
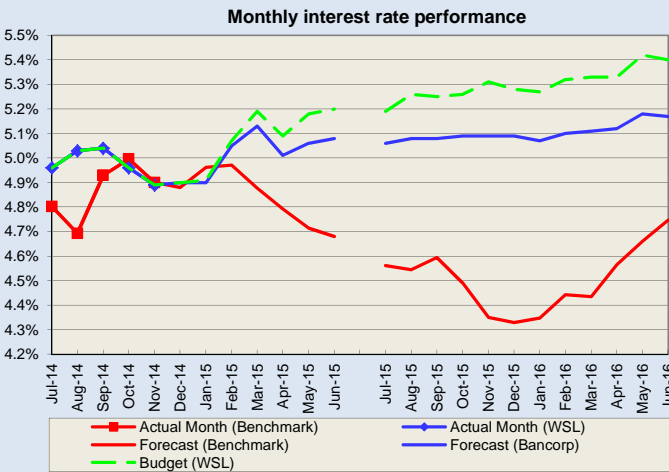
	Actual	Budget	Variance
Short-term borrowings	420.9	393.3	27.6
Long-term borrowings	1,077.2	1,130.2	(53.0)
Total gross debt	1,498.1	1,523.5	(25.4)
Less cash & deposits	0.1	-	(0.1)
Total net borrowing	1,498.0	1,523.5	(25.5)

Committed facilities

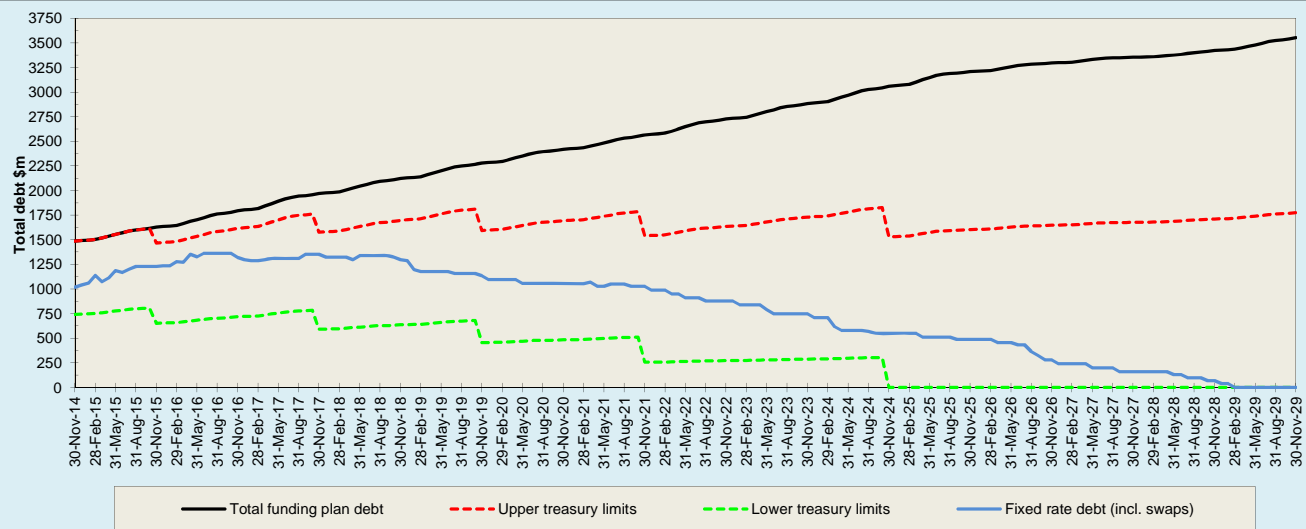
- Westpac Term Loan facility \$150 million
- ANZ CP Standby facility \$100 million
- BNZ CP Standby facility \$100 million
- Westpac Revolving Credit facility \$60 million
- Medium term notes \$305 million
- Auckland Council \$1,150 million
- Total committed facilities as at 30 November \$1,865 million**

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 30 November \$1,985 million**



Forecast total debt profile



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

Nov-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-	660,903	4,382	100,000	Limit OK	✓
Bank of New Zealand	A1+ / AA-	711,536	17,407	100,000	Limit OK	✓
ASB Institutional	A1+ / AA-	115,000	3,274	100,000	Limit OK	✓
Westpac Institutional Bank	A1+ / AA-	516,190	2,587	100,000	Limit OK	✓
		2,003,629	27,650	N/A		

Note: Credit exposures are the aggregate of direct exposures, 10% of the 'face' value of forward foreign exchange contracts, 15% of the 'face' value of electricity hedging contracts, and the sum of the MTM value of interest rate derivative contracts plus a 3% 'risk' factor (if this produces a positive value).

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	85,747	41,692	54,668	78,368	82,243	807,243	1,149,961
Total committed debt facilities		395,747	221,692	154,668	203,368	82,243	807,243	1,864,961
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		395,747	221,692	154,668	203,368	82,243	926,959	1,984,677
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		33,000					33,000
Westpac Term Loan facility (\$150m)	13/10/16				150,000			150,000
BNZ CP Standby facility (\$100m)	1/07/17							0
		0	33,000	0	150,000	0	0	183,000
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%	31.83%	✓
Total liabilities (including contingent) / total tangible assets - maximum	65%	31.84%	✓
Shareholders funds - minimum (\$000)	500,000	5,758,635	✓
EBITDA : funding costs ratio - minimum	1.75	3.96	✓
Funds from operations : interest cover ratio - minimum	2.00	3.32	✓
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 EXCHANGE, COMMERCIAL PAPER &
ELECTRICITY HEDGING**

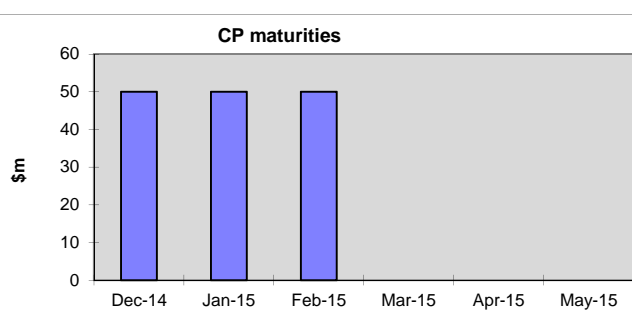
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Foreign currency exposures (NZ\$000) including hedging for chemical purchases	USD	AUD	Total
Total exposure to be hedged	3,255	232	3,487
Foreign exchange hedging	3,255	232	3,487
Percentage cover	100%	100%	100%
Treasury policy	100%	100%	100%
Treasury 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
272	50,000	3.680%	3.790%	1.98	91	22-Dec-14
273	50,000	3.700%	3.807%	1.92	82	20-Jan-15
274	50,000	3.670%	3.776%	2.42	92	25-Feb-15
	150,000		3.791%			



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

	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Beyond May-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	✓	✓	✓	✓	✓	✓		

Electricity hedging (NZ\$000)	0-6 months	6-12 months	12-18 months	18-24 months	24-30 months	30-36 months	36-42 months	42-48 months
Contract maturity								
Contract length								
Total value of outstanding contracts		0						
Treasury policy for maximum value of outstanding contracts		<= 10,000						
Treasury policy compliance		✓						

WATERCARE SERVICES LIMITED

Management Report

Nov-14

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- Customer Services Statistics Removed - replaced by scorecard
- Performance Against Statement of Intent Measures Removed - replaced by scorecard
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Confidential

Management Report

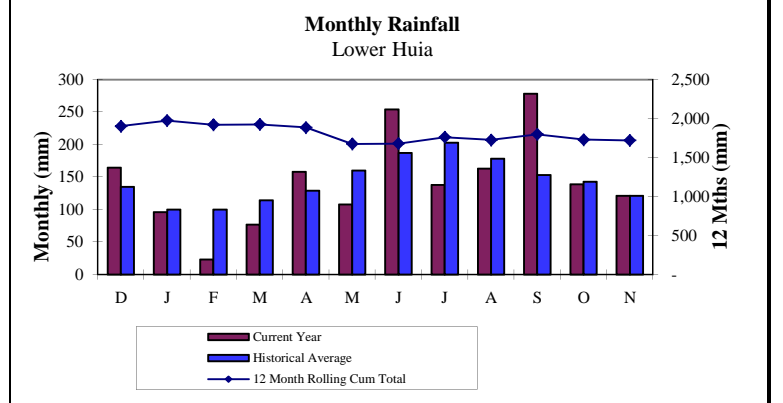
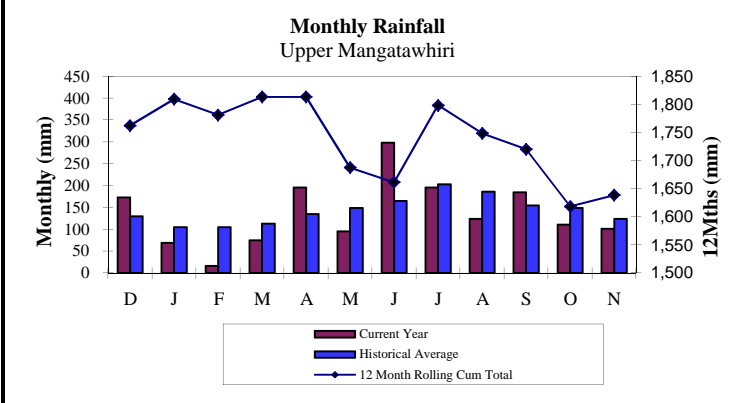
Monthly Statistics Update

WATERCARE SERVICES LIMITED

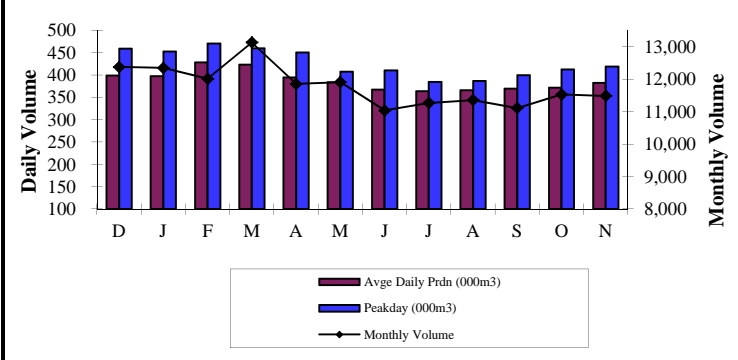
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Rainfall

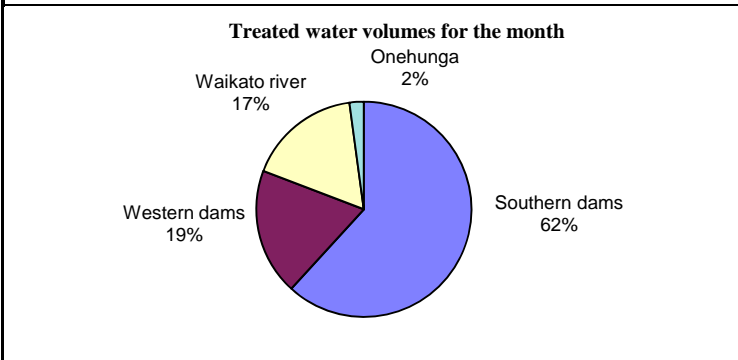
Rainfall	Current Month	12 Mth Cumulative Rolling	Rainfall	Current Month	12 Mth Cumulative Rolling
Actual - Upper Mangatawhiri	101 mm	1639 mm	Actual - Lower Huia	121 mm	1720 mm



Water Production - Metropolitan Supply

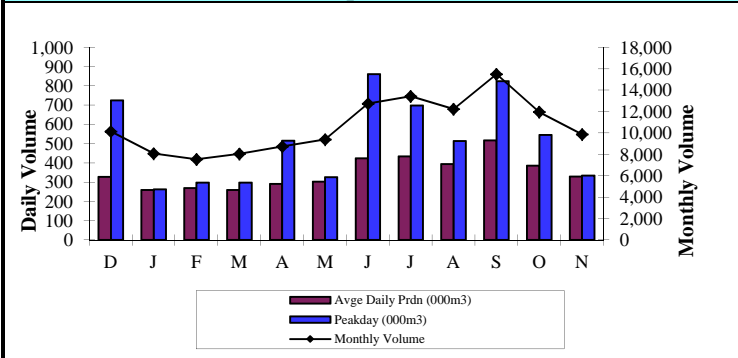


	Current Month	12 Month Rolling Ave
Monthly Volume (000m³)	11,488	11,788
Average Daily Production	383	388
Peak Day	419	426



Treated water volumes (000m ³)	Current Month		Year to Date	
Southern dams	7,098	62%	33,888	60%
Western dams	2,183	19%	12,009	21%
Waikato river	1,956	17%	8,857	16%
Onehunga aquifer	250	2%	2,011	4%
Total	11,488	100%	56,765	100%

Wastewater Treatment - Metropolitan Treatment



	Current Month	12 Month Cumulative Ave
Monthly Volume (000m³)	9,891	10,649
Average Daily Production	330	350
Peak Day Mangere	335	518

Goal Seven: Public Perception

Date	Outlet/Publication	Headline	Opening text	Hit sentence	Positive	Neutral	Negative
1/11/2014	Ponsonby News	Franklin Road Upgrade	Last month behemoths moved into Franklin Road to dig up sections of the downhill left-hand loop and plonk unsightly patches of tarmac on the surface as necessary maintenance work in preparation for the Christmas lighting extravaganza that occurs each year.	Another pamphlet was recently delivered to residents alerting them to a major upgrade planned for the road... The upgrade works will incorporate Watercare Services in order to minimise disruption and deliver an integrated works programme.		✓	
1/11/2014	NZ Grower		Pukekohe and Pukekawa vegetable growers are being warned that access to water used to irrigate their crops may be severely restricted after 2030 if an Auckland Council application to increase its present take is granted. A Waikato Regional Council spokesman said Watercare's application had been received but was not able to be processed at present. It could not say when processing of the application would start and also couldn't say yet what the process would involve.			✓	
1/11/2014	Channel Magazine	Recent property revaluations and the Long Term Plan	I've been around local government for over 16 years - first as Mayor of the former North Shore City and now as a Ward Councillor. After all this time Council, the recent revaluations present one of the greatest local government dilemmas that I have encountered. These new CV figures will cause much heated discussion between Councillors as we look towards the draft Long Term Plan and the subsequent rate levels.	One of the big issues to be resolved will be the level of the Uniform Annual General Charge (UAGC) that Auckland Council charges. Under the Local Government Rating Act, Councils are able to charge up to 30% of the rates as a fixed fee (that does not include the charges for water and waste water which is now separately billed directly by Watercare).		✓	
1/11/2014	New Zealand Engineering News	Engineering yields to family needs	When engineers Nicky Smith, Sarah Sinclair and Simonne Eldridge got up to talk about balancing engineering and raising children at the University of Auckland's School of Engineering in September, it highlighted a steadily changing gender balance and warned employers to start thinking about family-friendly policies...	Operating in a totally different environment are Watercare's Wastewater senior engineer, Maire Lenihan and Head Works manager and mum of three, Suzanne Naylor. Watercare employs twice the women engineers it did in 2007 and now women make up 20 percent of the CCO's female engineers overall. "I found in the early stages I had to work so hard - more so than anyone, so that whenever I was challenged, I could justify my thinking," says Ms Lenihan. She has no plans to start a family yet and wonders if she did so, how she would be able to work fulltime and responsibility sign off on \$1 million spending decisions in anything less than full-time hours. Ms Naylor agrees it's tough, saying this is why her husband decided to be a stay-at-home dad and support her in a promising career.	✓		
1/11/2014	Onehunga Community News	MHRS review questions state of Manukau	A review submitted to Auckland Council assessing the results of testing carried out on the Manukau Harbour before and after the upgrade of the Mangere Wastewater Treatment Plant disputes many of the conclusions drawn from Watercare monitoring reports, regarding the state of the Manukau Harbour post upgrade.	In a letter to the Council, Deputy Chair of the MHRS Bronwen Turner states, "Based on a review of the Harbour Water Quality Monitoring Report MHRS believe some aspects of the operation of the MWTP are having adverse effects on the water quality and biota of the harbour".			✓
5/11/2014	Yahoo.com	New Watercare CEO announced	The Board of Watercare Services Ltd is pleased to announce the appointment of Raveen Jaduram as new CEO, effective immediately. Mr Jaduram's appointment follows a national and international recruitment search. Mr Jaduram has been acting CEO since January when the previous CEO, the late Mark Ford, went on long-term sick leave. Mr Jaduram has been involved in the management of water and wastewater for 24 years - water management is his passion.			✓	
5/11/2014	Guide2.co.nz	New Watercare CEO announced	The Board of Watercare Services Ltd is pleased to announce the appointment of Raveen Jaduram as new CEO, effective immediately. Mr Jaduram's appointment follows a national and international recruitment search. Mr Jaduram has been acting CEO since January when the previous CEO, the late Mark Ford, went on long-term sick leave. Mr Jaduram has been involved in the management of water and wastewater for 24 years - water management is his passion.			✓	
5/11/2014	Scoop.co.nz	New Watercare CEO announced	The Board of Watercare Services Ltd is pleased to announce the appointment of Raveen Jaduram as new CEO, effective immediately. Mr Jaduram's appointment follows a national and international recruitment search. Mr Jaduram has been acting CEO since January when the previous CEO, the late Mark Ford, went on long-term sick leave. Mr Jaduram has been involved in the management of water and wastewater for 24 years - water management is his passion.			✓	
5/11/2014	Voxy.co.nz	New Watercare CEO announced	The Board of Watercare Services Ltd is pleased to announce the appointment of Raveen Jaduram as new CEO, effective immediately. Mr Jaduram's appointment follows a national and international recruitment search. Mr Jaduram has been acting CEO since January when the previous CEO, the late Mark Ford, went on long-term sick leave. Mr Jaduram has been involved in the management of water and wastewater for 24 years - water management is his passion.			✓	
5/11/2014	Stuff.co.nz	Auckland Council votes to hike rates	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years but how much extra householders will pay is not yet certain. Auckland Council voted 16-7 in favour of the overall rise today. It will be set out for public consultation in January.	It means the net debt of the council group, which includes the city's Council Controlled Organisation's such as Watercare and Auckland Transport, would be expected to hit \$11 billion by 2025.		✓	
5/11/2014	Manawatu Standard	Auckland Council votes to hike rates	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years but how much extra householders will pay is not yet certain. Auckland Council voted 16-7 in favour of the overall rise today. It will be set out for public consultation in January.	It means the net debt of the council group, which includes the city's Council Controlled Organisation's such as Watercare and Auckland Transport, would be expected to hit \$11 billion by 2025.		✓	
5/11/2014	Taranaki Daily News	Auckland Council votes to hike rates	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years but how much extra householders will pay is not yet certain. Auckland Council voted 16-7 in favour of the overall rise today. It will be set out for public consultation in January.	It means the net debt of the council group, which includes the city's Council Controlled Organisation's such as Watercare and Auckland Transport, would be expected to hit \$11 billion by 2025.		✓	
5/11/2014	Dominion Post	Auckland Council votes to hike rates	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years but how much extra householders will pay is not yet certain. Auckland Council voted 16-7 in favour of the overall rise today. It will be set out for public consultation in January.	It means the net debt of the council group, which includes the city's Council Controlled Organisation's such as Watercare and Auckland Transport, would be expected to hit \$11 billion by 2025.		✓	
5/11/2014	Southland Times	Auckland Council votes to hike rates	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years but how much extra householders will pay is not yet certain. Auckland Council voted 16-7 in favour of the overall rise today. It will be set out for public consultation in January.	It means the net debt of the council group, which includes the city's Council Controlled Organisation's such as Watercare and Auckland Transport, would be expected to hit \$11 billion by 2025.		✓	
5/11/2014	East and Bays Courier		Noah, Isla and Ruby Chenery check out the machinery at the Watercare open day held at Madills Farm on October 18. Hundreds of locals turned up to see the progress on Kohimarama's wastewater storage tank.		✓		
6/11/2014	Radio New Zealand News (online)	Watercare cuts top salary for new CEO	Auckland's water company has cut hundreds of thousands of dollars from the salary of its chief executive. The council-owned company appointed acting-CEO Raveen Jaduram into the role, following the retirement on his grounds of long-serving Mark Ford, in September.			✓	
6/11/2014	Waikato Times	Watercare confirms acting CEO as new chief	The new chief executive of Auckland's water supply company Watercare will be its former chief operating officer Raveen Jaduram. Since January Jaduram had been acting CEO after his predecessor, the late Mark Ford, went on long-term sick leave.			✓	
6/11/2014	New Zealand Herald	\$590K salary	Auckland Watercare Service's new chief executive Raveen Jaduram could earn up to \$590,000 a year, making him the third highest paid of the council's bosses. Mr Jaduram's appointment was confirmed yesterday by Watercare board chairman David Clarke. He said Mr Jaduram had shown extraordinary ability in taking over the reins when previous chief Mark Ford went on long term sick leave. A Herald survey last month found Auckland Transport chief executive David Warburton was highest paid on a salary of \$640,000 to \$660,000 and Auckland Council chief executive Stephen Tope earned the most on \$620,000.			✓	
6/11/2014, 9:02am and 10:02am	Radio New Zealand		The Auckland Council's Watercare has reduced the salary of its new chief executive, Raveen Jaduram.			✓	
7/11/2014, 6:52am	3 News		Since 2009 over a million litres of rubbish has been cleared from New Zealand, and a new art initiative will encourage people to vote for which beach will receive a \$40,000 clean up. Artist Meghan Galetza says the Phoenix Love Art initiative involves Sustainable Coastlines and Tangaroa Blue Foundation. Sustainable Coastlines's Sam Judd says that the amount of rubbish taken off New Zealand beach is close to how many litres of concrete is in the Sky Tower. Judd thinks that people do not realise dropping litter in drains on roads means that it will eventually end up in the ocean. He notes that the Watercare Harbour Clean-Up Trust has claimed the rate of accumulation on Rangitoto Island is declining.		✓		
7/11/2014	East and Bays Courier	Len Brown backtracks on rates rise	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years.	Under this decision the net debt of the council group, including CCOs such as Watercare and Auckland Transport, is expected to hit \$11 billion by 2025.			✓
7/11/2014	Auckland City Harbour News	Len Brown backtracks on rates rise	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years.	Under this decision the net debt of the council group, including CCOs such as Watercare and Auckland Transport, is expected to hit \$11 billion by 2025.			✓
7/11/2014	Central Leader	Len Brown backtracks on rates rise	Auckland's overall rates bill is set to rise by 3.5 per cent every year for the next 10 years.	Under this decision the net debt of the council group, including CCOs such as Watercare and Auckland Transport, is expected to hit \$11 billion by 2025.			✓
10/11/2014	New Zealand Herald	Short and Sweet: On Watercare salaries	I cannot understand why Watercare bosses have such extravagant salaries. All they have to do to balance the books is increase their rates. And to make a good profit, they can increase them a bit more without any worries of being undercut by competition. L. F. Jones, Te Atatu Peninsula.				✓
11/11/2014	Manukau Courier	In brief: New CEO	Former Manukau Water boss Raveen Jaduram has been appointed chief executive of Watercare. Jaduram has been acting chief executive since January when the late Mark Ford went on long-term sick leave. Jaduram has been involved in the management of water and wastewater for 24 years and was chief operating officer at Watercare during the 2010 integration of the water services across the Auckland region. Before returning to Watercare in 2012 he was the chief executive of Murrumbidgee Irrigation in Australia.			✓	

12/11/2014	Papakura Courier	In brief: New CEO	Former Manukau Water boss Raveen Jaduram has been appointed chief executive of Watercare. Jaduram has been acting chief executive since January when the late Mark Ford went on long-term sick leave. Jaduram has been involved in the management of water and wastewater for 24 years and was chief operating officer at Watercare during the 2010 integration of the water services across the Auckland region. Before returning to Watercare in 2012 he was the chief executive of Murrumbidgee Irrigation in Australia.						✓		
17/11/2014	New Zealand Herald	Short and Sweet: On Watercare and rainwater	With the increasing marketing of domestic rainwater harvesting systems, will Watercare aim to recover the cost of treating this water when it is processed as wastewater? Because wastewater charges are based on the volume of potable water metered into a house, any rainwater that is flushed to waste is not recognised in the customer's charges. K. O'Sullivan, Mt Wellington						✓		
19/11/2014	New Zealand Herald	Short and Sweet: On Watercare and rainwater	Your correspondent K. O'Sullivan is under a misapprehension if he thinks Watercare does not recover the cost of tank water flushed down the wastewater system. I have a dual supply town/tank and am billed for wastewater at 100 per cent of the metered volume, whereas those on metered supply are billed only 78.5 per cent of the volume as wastewater. W. Davison, Manly						✓		
21/11/2014	Hamilton News	Collaboration investigation	Waikato Regional Council will also look at the possibility of working closely with Watercare Services Ltd, which manages Auckland's water. They will pay an additional \$55,000 for the business case to explore this option further. Hamilton City councillor Martin Gallagher, who was not in support of the business case, said, "It is an interesting issue, because you are going to pay \$350,000 to a project, that gives Waikato District two roads... and potentially remove one of the partners. "You don't surely spend this quantity of money unless we are fairly confident of the outcome. If they're not part of the new COO or shared services model, where do we stand?" Strategy and research general manager for Hamilton City Council Blair Bowcott said that is something to be examined in the next stage. "They have some geographical connection to Watercare, but ultimately if Waikato chose not to be part of an entity we and Waipa are part of that would have a different outcome, but the purpose of this study is to examine for the three of us, the nature and shape of how we can collaborate."						✓		
24/11/2014, 1.34pm	Radio New Zealand		A popular bush railway in west Auckland will be permanently closed to the public on safety grounds						✓		
24/11/2014	Radio New Zealand (online)	Popular Akl railway will not reopen	A popular bush railway in west Auckland will be permanently closed to the public on safety grounds. The Rainforest Express in the Waikare Ranges was closed 18 months ago after a landslide, and its owner Watercare said it could not be made completely safe. The two narrow gauge lines carried visitors for 15 years, as well as moving Watercare staff and equipment to facilities in the ranges						✓		
25/11/2014	North Shore Times Advertiser	Letters: Lake Rd plan	So Auckland Council/Auckland Transport will not improve Lake Rd. It had to be dropped from the 10-Year Plan (unlike ethnic festivals, council overseas travel, etc)...	Our local situation stands as an image for larger Auckland. Keep pouring people into the city like rabbits into a bag. Speak/ create crisis. Insist on an intensified housing programme; lament the lack of infrastructure, transport options. Enter Auckland Transport and Watercare, two operators distinct from the super-city, uncontrolled by this council. Give us billions to administer the roads and the sewer system we already own, we ratepayers, I mean. Michael Richards, Belmont					✓		
27/11/2014	Yahoo.co.nz	Update: Gentrack chairman says it's a long term game to win back investor confidence	Gentrack Group chairman John Clifford said the software company's share price, still trading 35 cents below its listing price, will take care of itself once it starts delivering projected profits over time...	Worldwide water management was undergoing change which created opportunity for Gentrack, he said. Australia was pulling water billing and customer management out of councils to create larger water entities similar to Auckland's Watercare and the UK was creating a competitive water market to enable consumers to buy from multiple retailers.					✓		
27/11/2014	Western Leader	Letters: Pensioners suffer	Thousands of pensioners, who are also ratepayers, face the prospect of having their homes seized and sold by the Auckland Council because they cannot afford to pay their rates...	The best thing for our so called super city would be for the mayor to resign. We need a new pilot at the helm, a person with their feet on the ground, who will cut budgets and reduce staff levels. The new mayor should also borrow a chainsaw to slash executive salaries in such outfits as Watercare. Johann Norrberg, Te Atatu South.					✓		
27/11/2014	New Zealand Herald	Ask Phoebe: Costs of landslide repair and risk to public shunt the Rainforest Express into mothballs	Inspired by your recent question regarding the One Tree Hill little train, I am wondering about a slightly bigger one, the Waikare Trampoline. When will it be open again? It was announced on Monday that Watercare has decided that the Rainforest Express will remain out of service indefinitely. The decision will also mean an end to the passenger service previously operated by the Waikare Trampoline Society. An independent geotechnical report has identified 20 at-risk sites across both tramines, nine of which posed a significant risk to public safety. The report put the cost of reducing risk to an acceptable level for public use at these nine sites at more than \$11 million, and noted that even then, the residual risk could be "significant".						✓		
28/11/2014	Western Leader	Rainforest Express permanently stopped	Two popular tourist trains have been stopped in their tracks - and this time it is permanent. Jim Eyre and Bill Eaton have been committee members of the Waikare Trampoline Society for more than 20 years and say they are "gutted" by the decision which was announced this week. Eaton said Watercare is being "overcautious". Watercare chief executive Raveen Jaduram is sad to see the end of a West Auckland icon but said the decision was straight forward. "As a provider of water and wastewater services, public health and safety sits at the core of what we do as business. The board considers it is impossible to reopen these lines for general use in a way that meets our statutory requirements and our responsibilities regarding the welfare of the public," he said. Waikare Ranges Local Board chairwoman Sandra Coney said she is disappointed with the decision to close down the trains. Former Watercare and Rainforest Express employee Cathy Bentley believed Watercare has wanted to shut						✓		
28/11/2014	NBR Summaries	Ignore the scaremongers - concentrate on culture. Author: Gretor Coster and David Clarke	The Health and Safety Reform Bill is now before the transport and industrial relations committee in Parliament. It has been said that once the proposed new laws are passed, WorkSafe New Zealand is not set to swoop on company directors. The bill aims to make health and safety a responsibility of everyone in a business. ... David Clarke is a director of Cranleigh and other companies such as Watercare, Ngai Tahu Tourism, Jucy Group and Health Alliance.						✓		
28/11/2014	Devonport Flagstaff	Devonport's water exposed to possible contamination	A manhole cover on the Mt Victoria reservoir was forced open last weekend, leaving Devonport's water supply exposed for more than a day. Watercare have isolated both reservoirs (even though only one was affected) as a precaution and are carrying out extensive testing. "We are using alternative sources to ensure supply to the Devonport area is not interrupted. "We're confident that this was an act of vandalism," a spokesperson said. There is no visible evidence of contamination of the water supply. The manhole is to the 2,000-cubic-metre litre water tank that feeds Devonport's water. Local resident Roger Giles noticed the cover had been prised open during his Sunday morning walk across Mt Victoria. The lock of the gate leading to the gun emplacement was broken as well, he says. Giles called Actionline at 11 am on Sunday morning but noticed on Monday that the cover was still unsecured. He called Watercare to alert them to the safety breach and was told an officer would be at the site within an hour to fix it.						✓		
					Totals:				3	27	8

Social media

Date	Media outlet	Posted by	Link	Content	Positive	Neutral	Negative
1/11/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/16858229971309/posts/372055186291278	Here is an article on Watercare being given the consent to put in the Central Interceptor, including a consent to discharge raw sewage into the harbour in storm events.... http://www.stuff.co.nz/.../Big-sewerage-project-gets-resource-...			✓
		Comments					
			Jeff King	Thanks Len Brown!! Why isnt the media commenting on this?			✓
			Friends of the Manukau Harbour	We posted this pic on February 2014. Part of the Unitary plan that had just been passed = P is a Permitted activity [pic available at link]			✓
			Jeff King	I only "like" this to get it to show in my news feed. I wonder if Len Brown would take a swim or catch a fish close to where these permitted activities are taking place?			✓
3/11/2014	Facebook	Penny Bright	https://www.facebook.com/10000081045781/posts/913017078710985	Having fun exposing the Committee for Auckland on Kiviblog...: Advice on how many of the members of the Committee for Auckland and the New Zealand Council for Infrastructure hold contracts with council. The following contract data includes Auckland Council & its CCO's (except Watercare Services and Auckland Transport), Committee for Auckland, Contract with Council? - Yes 63, Contract with Council? - No 9			✓
3/11/2014	Facebook	Penny Bright to Grant Robertson	https://www.facebook.com/469506176414952/posts/912923175387042	...No wonder I'm being 'neck-stamped' as an 'anti-corruption whistle-blower'? Who else is trying to help shine a public spotlight on these BIG business interests? Is it any wonder that Auckland Council and other Auckland Council Controlled Organisations (CCOs), have failed to follow the law and provide genuine transparency in rates spending on private sector consultants and contractors? Just look at who are 'corporate members' of the Committee for Auckland: Auckland Council Logo 2014, ATEED Logo 2014, Regional Facilities Auckland Logo 2014, Watercare Services Logo 2014, Waterfront Auckland Logo 2014.			✓

Comments (selected, from Friends of the Manukau Harbour page)						
		Wayne Mackenzie	Not happy. I was also very disappointed when they closed road access to the Lower Huiua dam. My Great Aunt who was born on Huiua Dam road was not capable of walking to the dam and she loved going there. She was excluded from our own asset. Her father helped build the Upper Huiua Dam. They did say to me they might consider occasionally having an open day - but they never did and I never followed up.			✓
		Winnie Charlesworth	Noooo !!! Soo sad !!!!			✓
		Joy Vivian-Gree	Nooo!!! These are real assets for our area. I have done both innumerable times with kids and even my Grandmother...only way she could really experience our beautiful bush and birds!			✓
		Hilary Jackson	Only interested in profit, not giving a crap about community and adding life to it. Just so sad!			✓
		Tracy Love	Not!!! We got married down there and used the train to get our guests to Seavers Camp.....			✓
		Katrena Drum	Yeah, I love this, it beautiful, very sad it's closing, its one of our little treasures out this way.			✓
		Carmel Jones	Thank goodness my children have had the opportunity to ride both trains and will remember the experiences for their life times. Dark tunnels and wetas are the best when your a kid	✓		
		Friends of the Manukau Harbour	LET WATERCARE KNOW HOW YOU FEEL! Communications Manager			✓
		Hilary Jackson	Can I suggest you do another post to the main Titirangi page with these details. Say that there's an upswelling of support to try and get this decision changed and we need a deluge of correspondence to be sent to them. You could even write a short blurb for people to copy and paste into an email to make it super easy. :)			✓
		Jonny Knox	I recall Deputy Mayor Hulse and several Local Board members saying that these were purely temporary measures (Sept 2013, Meet the Candidates meeting, Oratia).	✓		
		Kerry James Goodhue	Super city ...yeah right! Goes with other national delusions "Clean Green" "100% Pure". NZ politicians and bureaucrats have even hoodwinked the Chinese President Jiping with him referring "100% Pure" WHAT A TRAVESTY!			✓
		John Palmer	"Health and Safety" is the biggest risk Kiwis face these days. It operates at a level we don't need nor can afford.			✓
		Jacqueline Leigh	NO :(:(:(:(:(:(✓
		Malcolm McDonald	No way....this is a huge loss to our community...			✓
		Julian Moore	This is shocking and a huge loss for the community; having walked it as part of the Oxfam walk was hoping to ride it by train this summer. I will be emailing			✓
		Friends of the Manukau Harbour	TOP OF PAGE link to the new Rainforest Express FB page and a PETITION to sign, it only takes a few minutes to fill in. Cheers L	✓		
		Helen Greenland	Lets all go and lie on the tracks. That is a part of any child's right of passage out the west cant close down			✓
		Mara Skokandich Vitasovich	So sad. I have taken many school groups here. Cannot believe it is happening. So many people have enjoyed this experience. Sign the petition! Where was the Waitakere Ranges Local Board and how did they not let us know sooner?			✓
		Friends of the Manukau Harbour	I think you will find that the WRLB/Auck Council (and therefore Watercare by default) are partly behind this because of the agenda in the Waitakere Ranges Visitor Management Plan Background Report.... to "minimise the impacts of visitors on the environment and local communities" This is good read for some background on what is going onhttp://www.piharegion.govt.nz/...waitakere-ranges-management.../Waitakere Ranges Visitor Management Plan - SubmissionWe have been working with the Waitakere Ranges Combined R&R Group on a submission to the Waitakere Ranges Management Plan. The Submission as presented to Auckland C through the Waitakere Ranges Local Board is below of			✓
		Bronwen Turner	Another poor move by Watercare. The Rainforest Express was such a great way for people of all ages and physical abilities to experience the beauty of the Waitakeres, wetas, glow worms,... and thru that become advocates for its preservation.			✓
25/11/2014	Facebook	Waitakere Tramline and NZ Regional Trains	https://www.facebook.com/www.waitakere-tramline.org.nz/#/www.waitakere-tramline.org.nz/photos/a.212546935446717.59360.212345058800238/878314856309227/?type=1	THE END OF 40 YEARS OF RUNNING ON WAITAKERE TRAMLINE. See explanation below. Thanks to everyone who has supported us		✓
		Comments (selected)	Friends of the Manukau Harbour	Shared - with over 2000 views! Watercare don't care!		✓
		grant Pendergras	Very sad to hear this - it was always a great experience. Thanks to all of your team (past and present) for your passion, dedication, and hospitality over the years.			✓
		Rex Grace	Very sad to see the end of the service!			✓
		Simone Nokes	That's so sad. This is a special part of Waitakere!			✓
		Andy Foulds	No indeed. I've been on the tramline several times and it's terrible to think others won't get the chance			✓
		Vicki Moffat	Nooooo!!!!			✓
25/11/2014	Facebook	Waitakere Tramline and NZ Regional Trains	https://www.facebook.com/www.waitakere-tramline.org.nz/#/www.waitakere-tramline.org.nz/posts/878719208829433	PLEASE SHARE>. What a sad day for tourism around West Auckland (Official Page), and locals who have had many happy memories of these beautiful and iconic narrow gauge bush tramlines that have been built over a century ago. Young lovers have m...et their future partners on the lines while either volunteering (the Waitakere Tramline Society have a wonderful couple that met that way) and couples have proposed at the line(s). We were driving the Harvey Stewart loco with a full train, one day and saw an amorous couple at Picnic Flats on the journey to the dam, and when we cruised past on the return from the dam, the same couple was there, and the guy yelled out to us ecstatically "She said YES!" And couples have been married at Waitakere Line . Birthday parties, a halloween style engagement party (I know of one), and many other celebrations have occurred in the course of the public running of trains on these lines. We have even had interest from a tourist operator wanting to partner with us a long time ago which we had to politely decline. AUCKLAND COUNCIL. Please reconsider your decision to close both lines. This facebook page, Friends of the Manukau Harbour, Waitakere Ranges - WEST, West Auckland for Kids, West Auckland (official page) all support these lines and the interest and disappointment in your current decision has been overwhelming. Public>> Please feel free to copy and paste this article and any anything you might like to add, to an email to J.Redwood@water.co.nz (Watercare) or http://aucklandcouncil.custhelp.com/app/ask (A query form) (Auckland Council). Phone (09) 301 0101.		✓
25/11/2014	Change.org		https://www.change.org/p/save-the-rainforest-express-save-the-rainforest-express/u/88457967/recruiter=5171790&utm_source=share_update&utm_medium=twitter&utm_campaign=share_twitter_responsive	Letter to CEO of Watercare Raveen Jaduram. Good Morning Raveen, Further to my conversation earlier with your PA please find an ongoing petition from many of the community regarding the closure of the Rainforest Express. Our community see this as a great loss, both from a historical and future perspective. Part of the council remit is to see a flourishing thriving Waitakere, one that builds on the beauty of our natural environment and invites people to explore its uniqueness. Please see attached on ongoing petition that in a mere 24 hours has 1,340 supporters. This is a reflection on how many people believe in keeping such a significant part of our heritage in the Waitakere's open, providing ongoing employment and tourism opportunities to the Ranges. You can find it here. https://www.change.org/p/save-the-rainforest-express-save-the-rainforest-express. We will keep campaigning for change. Please reconsider this. We love our community, the ranges and the Rainforest Express. Yours sincerely,		✓
26/11/2014	Facebook	Friends of the Manukau Harbour	https://www.facebook.com/www.waitakere-tramline.org.nz/#/FriendsOfTheManukauHarbour/posts/382509241912539	We may find that part of the reason the Rainforest Express has been canned is because of the Waitakere Ranges Visitor Management Plan..... This snippet is from a submission on the Plan from the Pihia Residents & Ratepayers (From Combined Residents and Ratepayer Group Waitakere Ranges Heritage Area) "We also strongly support the policy of Council not to actively promote the Heritage Area as a destination for overseas tourists "to help protect the valued qualities of the Ranges". We note that the Background Report's Conclusions state that "these management policies are working". We would like the Plan to recommend strongly the continuation of this approach" and also from their submission.... "We feel the impact of boating activities on Manukau Harbour communities has not been adequately considered. The Little Huiua boat ramp attracts significant numbers of trailer boats and Cornwallis Wharf is a very popular site for kayakers to launch. These activities have increased significantly recent years and will continue to do so." This could be why there have been moves to NOT upkeep the boat ramp at Little Huiua... even the local fishing competitions are held there annually... the report can be downloaded here under the heading Waitakere Ranges Visitor Management. It is quite large http://www.waitakereranges.org.nz/heritage-area-act.html		✓
		Comments (selected)	Julie Stirling	Do they want to turn the Waitakere Ranges, and environs, into some sort of Mausoleum?		✓
		Friends of the Manukau Harbour	YES!			✓

			Friends of the Manukau Harbour	...and the 'combined Residents and Ratepayer Group Waitakere Ranges Heritage Area' submission does NOT include me or a huge majority of people that live in Pita, do NOT want visitor numbers to increase, whether it be locals or tourists...." We are concerned at ATEED's proposed promotion of the Waitakere Ranges and the inaccurate premise on which it is based, e.g. P18 of the Background Report: "... many walking trails, including the Hillary Trail . . . which are not well used either by locals or visitors . . ." and the proposal to develop attractions such as "a canopy walk". The Background Report states clearly that most visitors to the Waitakere Ranges Regional Park come to walk, tramp, swim, surf and picnic - all low impact activities - and that 95% of visitors have a high or very high level of satisfaction with their visit. This suggests that they do not need more "attractions" in order to better enjoy their experience and that they are coming to do activities that are already provided by the minimal facilities currently existing. Camping sites and beds in the Heritage Area are stated as being used well below their current capacity, which implies that new developments to cater for increased numbers of visitors are not required."... and further from the submission "... We strongly support the statement made in the Background Report that "site hardening could create a vicious cycle whereby more facilities encourage more visitors, so more facilities are required". This is a real concern and should be clearly stated as a risk in the Plan." Friends of the Manukau Harbour http://www.phia.org.nz/~waitakere-ranges-management/	✓		
			Friends of the Manukau Harbour	Waitakere Ranges Visitor Management Plan - Submission We have been working with the Waitakere Ranges Combined R&R Group on a submission to the Waitakere Ranges Management Plan. The Submission as presented to Auckland C through the Waitakere Ranges Local Board is below or can be downloaded HERE	✓		
			Bobbie Carroll	Very sad the Rainforest Express is closing. Other's thoughts ???		✓	
			Duncan Stuart	This is a travesty, how is this council serving the people of Auckland when they close everything? Surely a peer review of the Opus report (ex min of works) is required, unless there is an agenda of locking down the Waitakere Ranges and preventing tourists!		✓	
			Bronwen Turner	The Ranges are a regional park established for all Aucklanders not a select few. With thoughtfulness, good planning and good facilities we can accommodate a lot of diverse activities and people and still protect the Ranges' special qualities. And this means providing for the people who want to get out on the Manukau whether to fish, ski, dive or kayak. With Auckland growing more people are going to want to enjoy the Ranges and the Harbour. By sticking our heads in the sand and pretending they're not going to come the Ranges will be damaged.	✓		
			Friends of the Manukau Harbour	From Green Bay FB page re the Rainforest Express: Cathy Bentley: Please note that the report on which this decision was based is actually based on a previous report done by another company. Both reports are flawed as they rely on information given to them by Watercare. Some of this information is deficient, incorrect or subjective. The original reports had been requested and access was denied. They have been re-requested and the Ombudsman is looking into this. If every road or railway was closed because of the possibility of rock fall or slip NZ would stand still. Also, as an asset of Auckland City we have a duty to preserve this important piece of history. Funds could be available from Auckland Heritage organisations - and any work required wouldn't be \$11m	✓		
			Lynne Bray	They spent \$30million on the Te Uru Te Uru Waitakere Contemporary Gallery surely the cost to keep this going wouldn't require that amount!		✓	
			Julie Stirling	Is it possible to make these positions of power only open to applicants born in Auckland? So sick of imports - from anywhere - telling Aucklanders what we must give up and accept, without consultation	✓		
26/11/2014	Twitter	Jane Lee	https://twitter.com/JaneYee/status/537343672426061824	Letter to CEO of Watercare Raven Jadaram @Change .		✓	
26/11/2014	Twitter	Aphrodite Hannah	https://twitter.com/BettyBoopeddoo/status/537442988842962944	Monday 1st December 2014. This week's Speaker is our own David Worsnop. David grew up on the shores of Panmure Basin and the early years of sailing, anytime the tide was in, has had a significant impact on his life so far... David had had a series of senior business roles in the New Zealand operations of Alstom, Transfield and Hestie Group. His more recent roles have been as the Operations Manager of Vector and more recently Watercare	✓		
27/11/2014	Facebook	Pakuranga Rotary Club	https://www.facebook.com/576785002358711/posts/767806793256530	Penny hits out at WaterCare using restrictions for bad debtors.	✓		
27/11/2014	Twitter	Allaboutauckland.com	https://twitter.com/allaboutAKL/status/537708462353182720	Penny says Councilors are where the buck stops with WaterCare.		✓	
27/11/2014	Twitter	Allaboutauckland.com	https://twitter.com/allaboutAKL/status/537709121454485504	Penny Bright going to court over Auckland Council rates assessments, and expects Watercare to take her to court for undermining a water block		✓	
27/11/2014	Twitter	Bob Dey	https://twitter.com/bobdey/status/537710541159284736	Penny Bright suing Council and Watercare (again).		✓	
27/11/2014	Twitter	Ben Ross	https://twitter.com/BenRoss_AKL/status/53771087470773249	What dump will there be today to try to distract the public this fiasco?		✓	
27/11/2014	Twitter	Damien Spurdle	https://twitter.com/DamienSpurdle/status/537710758717452288	@DamienSpurdle The Governing Body of Auckland Council as especially Penny Bright taking them and Watercare to Court		✓	
28/11/2014	Change.org	Ben Ross	https://www.change.org/p/save-the-rainforest-express-save-the-rainforest-express-u/8867596	2,000 supporters to keep the Rainforest Express. In only a few days we have reached 2,000 supporters. Thank you for this. I have emailed Raven Jadaram and his PA at Watercare, and although I was told that I would hear something back yesterday, I haven't. Please don't lose faith we can only keep getting support and find other channels to voice our opinion about the Rainforest Express closure. I have also contacted the Western Leader. Thanks again everyone.		✓	
28/11/2014	Transportblog.co.nz		http://transportblog.co.nz/2014/11/28/housing-accord-first-year-results/	Housing Accord first year results. The results for the first full year of the Housing Accord between the government and Auckland Council have just been released. Developers are keen on the "one stop shop" where stakeholders such as Auckland Transport, NZTA, Watercare and the council consents team are all available to talk through the issues, and the consent process has been streamlined. Perhaps these are things that the council should have gotten going itself anyway, but maybe it needed a nudge from the government.		✓	
28/11/2014	Restless-kiwi.blogspot.co.nz		http://restless-kiwi.blogspot.co.nz/2014/11/day-25-auckland-to-manakau.html	Follow the adventures of Kristine as she attempts to complete the Te Araroa Trail a continuous 3,000km walking track from Cape Reinga to Bluff, New Zealand. Day 25. Auckland to Manukau... The trail then joined a gravel road and followed this for 7 km along the Watercare Track which is refurbished land from the old sewage treatment area.		✓	
28/11/2014	Twitter	Western Leader	https://twitter.com/WesternLeader/status/538121314100600832	The Rainforest Express and the Harvey Stewart locomotive are no longer. Watercare is permanently closing the... http://fb.me/1FUWUY3vn		✓	
Totals (including comments):					5	47	50
					B13		

Local Board Interaction

Local Board	Chair	Deputy Chair	Oct-14	Nov-14	Dec-14
Albert - Eden	Peter Haynes	Glenda Fryer		Notification of Rain Forest Express closure (24 Nov)	
Devonport - Takapuna	Mike Cohen (<i>4 November 2013 to 4 May 2015</i>) Joseph Bergen Watercare Rep (<i>5 May 2015 to end of the 2013-2016 term</i>)	Joseph Bergen – (<i>4 Nov 2013 to 4 May 2015</i>) Grant Gillion (<i>5 May 2015 to end of the 2013-2016 term</i>)	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Attended briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct). Feedback provided on public attendance at local boards workshops.	Notification of Rain Forest Express closure (24 Nov)	
Franklin	Andy Baker	Jill Naysmith	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Pukekohe WWTP open evenings invite (2 Oct). Pukekohe WWTP Consents open day (14,16 Oct). Info on Dam water contamination (14 Oct). Update on wastewater project work at Beachlands (16 Oct)	Local Board services celebration re Southern Local Board Plans (14 Nov). John Redwood met Malcom Bell to discuss local issues (20 Nov). Notification of Rain Forest Express closure (24 Nov). Liaison with Chair re grazing around Drury water pump station (26 Nov).	
Great Barrier	Izzy Fordham	Susan Daly			
Henderson - Massey	Vanessa Neeson	Shane Henderson	Letter from Chief Executive re water & wastewater bylaw review (6 Oct).	Notification of Rain Forest Express Closure (24 Nov)	
Hibiscus and Bays	Julia Parfitt	Greg Sayers	Attended briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct). Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Local Board representative briefing re Mairangi Bay Christmas parade (6 Oct). Site meeting with Te Herenga Waka o Orewa Marae relocation in Silverdale (21 Oct).	Update and project flyer sent on works in Mairangi Bay (5 Nov). Workshop briefing on water and wastewater bylaw (5 Nov). Information sent to Chair re cleaning of the coastal walkway over the sewer main (11 Nov). Notification of Rain Forest Express closure (24 Nov)	<i>Site visit at Mairangi Bay Pump Station re proposed road relocation as part of Reserve Management Plan and pump station upgrade (5 Dec)</i>
Howick	David Collings	Adele White	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Local Board briefing on Howick wastewater diversion project (16 Oct).	Project liaison updates to Jenni Wild (AT) and local board (20 Nov). Notification of Rain Forest Express Closure (24 Nov). Local wastewater upgrades project information flyer (Nov 25).	
Kaipatiki	Kay McIntyre	Ann Hartley	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Attended briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct)	Notification of Rain Forest Express closure (24 Nov). Workshop briefing on water and wastewater bylaw (27 Nov). Information on fat blockage and overflow to local stream in Highbury (25 Nov), Anin Nama and Brent	<i>Infrastructure Committee Briefing (17 Dec).</i>

APPENDIX D

Local Board	Chair	Deputy Chair	Oct-14	Nov-14	Dec-14
				Evans to meet community representative as a follow up (28 Nov).	
Mangere - Otahuhu	Lydia Sosene	Carrol Elliott	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). General workshop briefing (17 Oct)	Dave Moore (Hunua 4 watermain project manager) liaison with Chair re local works (11 Nov). Local Board services celebration re Southern Local Board Plans (14 Nov). Notification of Rain Forest Express closure (24 Nov). Mangere WWTP Community Liaison Group – attended by Local Board representatives (28 Nov)	<i>Mangere workshop and site visit (15 Dec) (Involves Operations and Major Projects staff)</i>
Manurewa	Angela Dalton	Simeon Brown	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Information re resolution on Mangere monitoring (26 Oct)	Local Board services celebration re Southern Local Board Plans (14 Nov). Notification of Rain Forest Express closure (24 Nov)	<i>Mangere workshop and site visit (15 Dec) (Involves Operations and Major Projects staff)</i>
Maungakiekie - Tamaki	Simon Randall	Chris Makoare	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Further details on bylaw sent to Chairman.	Site meeting at Van Dams Lagoon re changes to project scope (5 Nov). Notification of Rain Forest Express closure (24 Nov). Eastern Interceptor, Van Dammes Lagoon site visit re project variation (28 Nov).	Mangere workshop and site visit (1 Dec) (Involved Operations and Major Projects staff).
Orakei	Desley Simpson	Mark Thomas, Kit Parkinson, Colin Davis (Watercare Rep)	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Madills Farm Storage Tank Open Day (18 Oct). Ridell Rd Reserve Storage Tank site visit (14 Oct). Update on St Heliers water main works (15 Oct).	Discussion re Orakei Coastal Walkway clean-up by Harbour Clean-up Trust (12 Nov). Notification of Rain Forest Express closure (24 Nov). Information re works in Ridell Rd Reserve in response to questions from local board member (26 Nov). Correspondence with Parks Portfolio Holder on Kohimarama field reinstatement (26 Nov).	
Otara - Papatoetoe	Fa'anānā Efeso (Efeso) Collins	Ross Robertson	Letter from Chief Executive re water & wastewater bylaw review (6 Oct).	Local Board services celebration re Southern Local Board Plans (14 Nov). Notification of Rain Forest Express closure (24 Nov)	
Papakura	Bill McEntee	Michael Turner	Letter from Chief Executive re water & wastewater bylaw review (6 Oct).	Notification of Rain Forest Express Closure (24 Nov)	
Puketapapa	Julie Fairey	Harry Doig	Letter from Chief Executive re water & wastewater bylaw review (6 Oct).	Workshop briefing on water and wastewater bylaw (6 Nov). Notification of Rain Forest Express closure (24 Nov)	Mangere workshop and site visit (1 Dec) (Involved Operations and Major Projects staff).
Rodney	Brenda Steele	Stephen Garner	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Attended	Community liaison meeting re Helensville wastewater treatment plant – attended by	<i>Rodney Local Board's Transport, Planning and Infrastructure Committee</i>

APPENDIX D

Local Board	Chair	Deputy Chair	Oct-14	Nov-14	Dec-14
			briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct)	Local Board representatives (11 Nov). Workshop briefing on water and wastewater bylaw (13 Nov). Notification of Rain Forest Express closure (24 Nov). Heads up on proposed upgrades for the Snells Algies wastewater treatment plant and outfall (26 Nov). Draft water and wastewater bylaw distributed along with response to questions from the workshop (28 Nov.)	<i>workshop re Algies Bay wastewater (15 Dec)</i>
Upper Harbour	Brian Neeson (4 November 2013 to 4 May 2015) Lisa Whyte (5 May 2015 to end of the 2013-2016 term)	Lisa Whyte (4 November 2013 to 4 May 2015) Brian Neeson (5 May 2015 to end of the 2013-2016 term)	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Attended briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct)	Workshop briefing on North Harbour No. 2 watermain and Northern Interceptor (11 Nov). Notification of Rain Forest Express closure (24 Nov). Draft water and wastewater bylaw distributed (27 Nov).	<i>Briefing on Water and Wastewater Bylaw (2 Dec)</i>
Waiheke	Paul Walden	Shirin Brown	General workshop briefing on wastewater servicing (3 Oct), subsequent feedback also received from the Local Board. Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Attended briefing on Spatial priorities and the draft Infrastructure Strategy (2 Oct)	Correspondence and feedback on wastewater servicing (12 Nov). Notification of Rain Forest Express closure (24 Nov).	
Waitakere Ranges	Sandra Coney	Denise Yates	Letter from Chief Executive re water & wastewater bylaw review (6 Oct).	<i>Discussion with Local Board Services staff re dedicated workshop on Huia water treatment plant upgrade and associated works.</i> Notification of Rain Forest Express closure (24 Nov)	
Waitemata	Shale Chambers	Pippa Coom	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Auckland Transport and Watercare workshop re Franklin Road upgrades (7 Oct).	Attendance at public open days re Franklin Road (5 & 8 Nov). Notification of Rain Forest Express closure (24 Nov)	
Whau	Catherine Farmer	Susan Zhu	Letter from Chief Executive re water & wastewater bylaw review (6 Oct). Workshop briefing on water and wastewater bylaw (29 Oct).	Notification of Rain Forest Express closure (24 Nov)	
Manukau Harbour Forum	Jill Naysmith			<i>Discussion with Local Board Services staff re presentation to Forum on Mangere WWTP and Manukau Harbour in early 2015.</i>	

27 November 2014

Mr David Clarke
Chair
Watercare Services Limited
BY EMAIL

Tēnā koe David

RE: Letter of Expectation for 2015/2016

Auckland Council continues to value the important contribution Watercare makes towards the vision of Auckland becoming the world's most liveable city, through the delivery of the Auckland Plan. This Letter of Expectation is intended to provide direction on issues that are important to Auckland Council, and to assist in the development of Watercare's 2015-2018 Statement of Intent (SOI).

Issues of importance

Engaging with councillors

Working to no surprises is an important principle for the council group. In all matters that are of material consequence, councillors should be made aware of key risks and issues.

Working together

The council and its CCOs are one group working together for Auckland. It is expected that Watercare will continue to work in a collaborative manner with the wider group to ensure that its policies and decisions represent the best interest of the council group, and ultimately the ratepayer.

CCO review

The CCO Review is an important opportunity to assess the structure under which our activities are delivered, the governance arrangements and how the council group works better together. We request that Watercare continues to support the work undertaken by the review.

Delivering value for money

Delivering value for money to the ratepayers of Auckland is critical. Watercare should continue its prudent financial management.

Council plans and policies

Watercare will continue to have an important role in the implementation of key council strategies and policies. We expect Watercare's support in these areas, with particular focus on environmental policies and urban amenity.

Public engagement and satisfaction

Public engagement and satisfaction is important to the council group. We expect this to be a on-going focus for Watercare.

Working with Local Boards

Local Boards play an important role in communicating and advocating community preferences and needs. In developing work plans, we request that Watercare continues to engage with, and consider the views of Local Boards.

Direction for the development of the 2015-2018 Statement of Intent

Key strategic priorities

At the outset of developing the LTP, focus was placed on the Auckland Plan transformational shifts. In developing work plans for inclusion in the SOI, focus should be placed on supporting Auckland Plan transformational shifts.

The Watercare work programmes should continue to support growth, including the geographic priorities and special housing areas.


Long-term Plan 2015-2025

In finalising the LTP, the financials should reflect similar pricing increases (including Infrastructure Growth Charges) as per council rates increases and prudent debt management and the implementation of an actively managed water demand management programme.

Contributing to Māori well-being and Māori outcomes

Promoting Auckland's Māori identity as Auckland's point of difference in the world and lifting Māori social and economic well-being are council priorities. To achieve this, we expect support from Watercare on the council's responsiveness and continued contribution to Māori well-being. In particular, infrastructure support and technical advice on marae development and papakāinga housing. This contribution should be outlined in Watercare's strategic priorities, work programme, and performance measurement in the SOI.

Nāku noa, nā


**LEN BROWN
MAYOR OF AUCKLAND**

cc. Deputy Mayor Penny Hulse, Chair, CCO Governance and Monitoring Committee
cc. Stephen Town, Chief Executive, Auckland Council
cc. Raveen Jaduram, Chief Executive, Watercare Services Limited

Report to the Board of Watercare Services Ltd

Subject: Application of Sodium Fluoroacetate (1080) in the Hunua Catchments

Date: 3 December 2014

1. Background

The Hunua Ranges is the largest forest in mainland Auckland, and while the majority of the Hunua Ranges sits within the Waikato Regional Council jurisdiction, the regional park is owned by Auckland Council. Auckland Council has the responsibility for the management and pest control of this park.

The Hunua Ranges is home to the only naturally occurring population of kokako in mainland Auckland. It is also the habitat for a number of rare and endangered fauna and flora. Monitoring in the Hunua Ranges is showing extremely high rat and possum populations, which is placing great pressure on the unique wildlife habitat and high ecological values of the park.

Auckland Council have determined that the current strategy for pest management is ineffective and that an aerial application of 1080 (Sodium Fluoroacetate) is required to manage pest numbers.

The Regional Strategy and Policy Committee of Auckland Council voted to approve this change in pest management on 9 October 2014. As it is an aerial application, approval from the Ministry of Health, through the Medical Officer of Health is required.

The timing of the application is scheduled for August – September 2015.

2. Watercare Response

The Hunua Ranges provides up to 65% of Auckland's drinking water through four reservoirs, therefore Watercare is an affected party, and has been in consultation with Auckland Council on this matter. As the landowner, Auckland Council are required by the Lease Agreement with Watercare not to undertake any activities that may adversely impact on the water supply.

Watercare will ensure significant controls are implemented during this programme to reduce the risk of contamination of the water. The controls will include:

- Application to a single catchment at a time
- Each reservoir will be isolated from supply during the application
- There will be a minimum 200m setback from the top water level of each reservoir
- Helicopters will not be able to fly across the reservoir
- Staff will be positioned on the reservoir to confirm no product is applied directly to the water
- Pre application monitoring and post application monitoring at a number of points within the reservoir will be undertaken.

Prior to the application occurring, agreement with the Medical Officer of Health will be reached on the location, frequency and conditions for obtaining Medical Officer of Health approval for the return to service of each reservoir. It is Watercare's expectation that a reservoir will only be returned to service if all sample results are at "not detected" limits for 1080.

3. Potential Risks to Watercare

In 2011, the Parliamentary Commissioner for the Environment evaluated the use of 1080 for pest control. The report (available on request) concluded that Parliament does not support a moratorium on 1080. However, there remain some risks to Watercare that will arise from an application, and are discussed below.

Adverse Impact on Raw Water Quality and Environment

1080 naturally breaks down in the environment and does not leave permanent residues in the water, soil, plants and animals. If 1080 enters the water, it will break down into non-toxic by-products within two to six days. Therefore by having the lake isolated over the course of the application, this risk will be mitigated.

There is the potential for by-kill of animals, in particular birds and dogs, from an application of 1080. Improvements have been made to the bait design to make them less attractive to non-targeted animals, and the amount of bait applied, but it is inevitable that there will be a level of by-kill associated with the operation. This will be an issue for Auckland Council to manage.

Adverse Impact on Drinking Water Quality

The controls proposed, associated sampling regime (funded by Auckland Council), coupled with the rapid degradation of any 1080 that enters a waterway will ensure that there will be no adverse impact on drinking water quality supplied from Ardmore WTP.

Loss of Supply Capacity Due to Lake Isolation

Lakes will be isolated over the course of the application, with flow balancing among the remaining available Hunua sources to ensure flows into Ardmore WTP remain stable. These short term isolations have no impact on the yield of the system, as the short term over abstraction can be mitigated by a period of under abstraction. Further mitigation of this risk is achieved by having this application occur in the period of low demand, and when lakes will be recharging.

Additional Costs due to Increased Usage of Waikato WTP

If lakes are required to be isolated for an extended period, then increased use of Waikato WTP will be required to minimise the impact on system storage. Based on making up a shortfall of 50,000m³/day, additional operating costs of approximately \$8,000 per day will be incurred.

Reputational Damage

There will need to be full disclosure of all results to maintain transparency with the public and prevent reputational damage occurring. The return to service of isolated lakes will need to be communicated, along with the fact that the Medical Officer of Health has approved this.

4. Next Steps

Auckland Council have begun the preparation of an operation plan for the application, along with commencing consultation with the wider community, all affected parties and the regulator to enable the target application date to be met. Included in this process is ongoing reporting to Councillors.

Watercare continues to work with Auckland Council on ensuring that our requirements (as per Section 2) for this operation are included in the operational plan.

Watercare has begun preparation of an Approval Plan for this application, which will be submitted to the Medical Officer of Health for approval. The Plan will detail the staging of the application, the controls to be applied, sampling locations, frequency of sampling and what the process will be for requesting a lake to be returned to service.

Regular updates will be provided, to ensure the Board is fully informed on this proposed operation.

5. Recommendation

It is recommended that the Board receives the report.

Report prepared by:



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S Cunis
Operations Manager
Water Supply

Reviewed by:

.....
D Worsnop
Chief Operations Officer

Approved for submission by:

.....
R Jaduram
Chief Executive