

TAPPED IN

Bringing you news, updates and information from Watercare

Striking a balance

The past 12 months have been challenging – around the world, across Aotearoa and here in Tāmaki Makaurau. As Aucklanders, we have been affected by both COVID-19 and the record-breaking drought. Now, with 2020 behind us, our focus at Watercare is on balancing our two major priorities: boosting our performance and ensuring our services remain affordable for customers.

Before the pandemic was on our radar, we developed a comprehensive plan that identified we needed to invest \$9 billion over the next 10 years to accelerate projects that would further reduce leaks in our network, improve beach water quality, cater for population growth and make us more resilient to climate change.

We pay for projects using money collected from our existing customers through monthly bills, from our new customers through infrastructure growth charges and from borrowings.

At Watercare, we have a strong balance sheet with more assets and less debt than similar companies internationally. Global comparisons suggest we should be able to fund our plan without higher-than-normal price rises. However, we are financially constrained because our ability to borrow is linked to Auckland Council group, which operates under the local government framework. In addition, the group's revenue has been significantly reduced because of COVID-19. Consequently, this reduces the amount of financing available to us.



Preparatory work on the Waikato watermain was carried out in late-December 2020 to increase the volume of water that can flow through the pipeline to 225 million litres a day.

Therefore, we have amended our plan to ensure future price rises are affordable for most households. Our revised plan will cost \$8.1 billion to implement and requires us to increase our prices. This means the average household will pay around \$1.50 more per week from 1 July this year; based on a 7 per cent increase in service charges for residential and commercial customers. Infrastructure growth charges will increase by 12 per cent.

The amended plan will see projects that are underway continue, such as the Central Interceptor and Northern Interceptor developments. However, some projects will be postponed for a few years. These include the replacement of the Huia Water Treatment Plant and the Rosedale Wastewater Treatment Plant upgrade. In this way, we

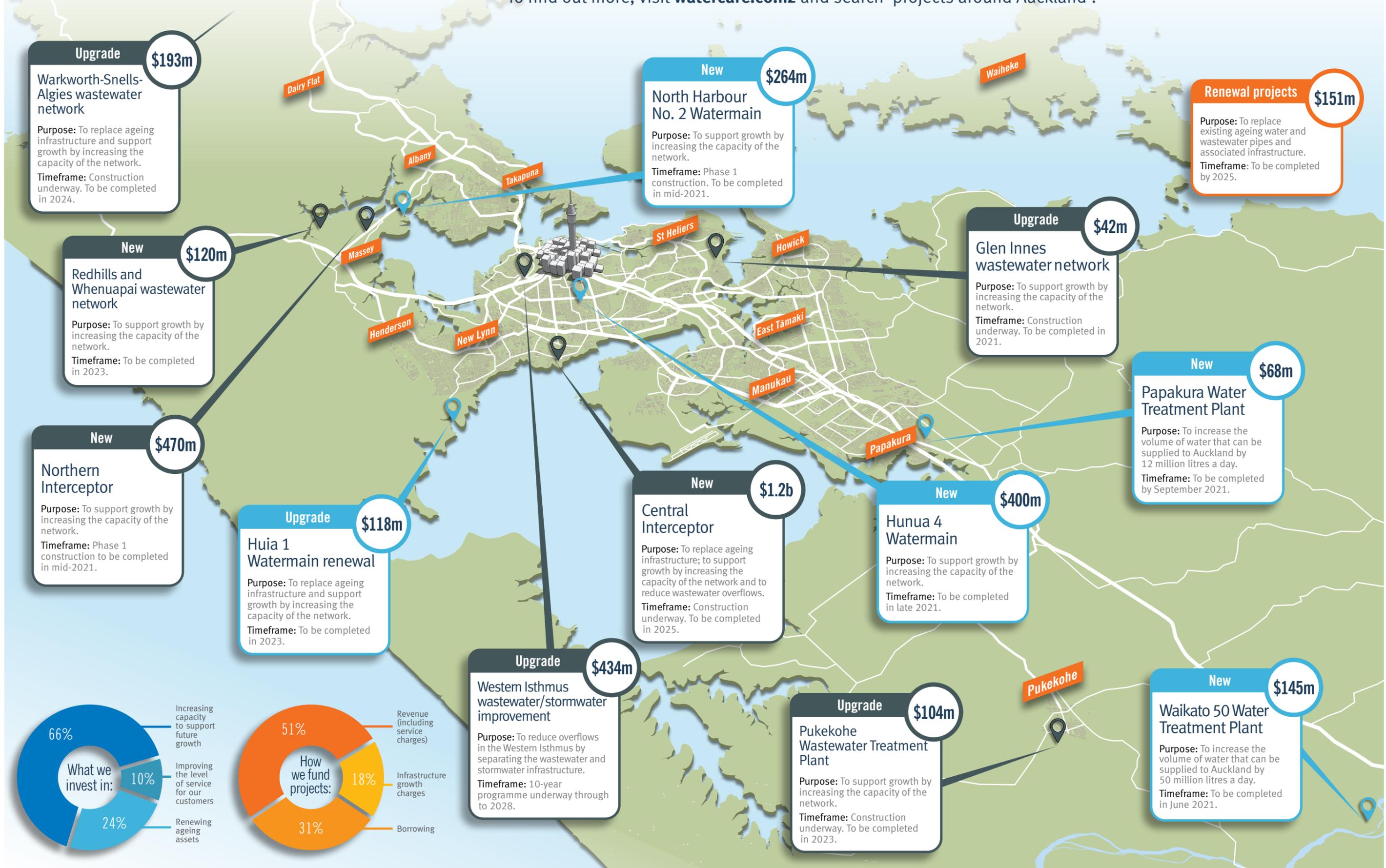
are spreading our investment more evenly across the 10-year period, whereas we had hoped to spend more heavily over the next three years to boost service performance and realise the benefits sooner.

We are working collaboratively with Auckland Council and government to find a way to remove our financial constraints, ahead of the water industry reform. We hope a solution can be found in the coming months but in the meantime, we must plan based on our current situation.

In this issue of *Tapped In*, we highlight some of the construction projects currently underway in Auckland. This year, we will invest \$710 million in dozens of initiatives across Auckland to maintain our level of service to customers.

Putting your money to work

Below are some of the large projects we are delivering around Auckland. To find out more, visit watercare.co.nz and search 'projects around Auckland'.



Supporting growth in new neighbourhoods

We will be delivering significant water and wastewater projects that will help enable social housing and urban development.



Funded by the Government's Shovel Ready programme, these projects will support Kāinga Ora's developments in Mt Roskill, Māngere and Tāmaki.

Kāinga Ora brings together people and resources from Housing New Zealand, KiwiBuild and its development subsidiary HLC to deliver the Government's priorities for housing and urban development. We are working closely with Kāinga Ora to support their redevelopment areas across Auckland.

In Tāmaki, we are building a new wastewater pump station and wastewater pipe at Dunkirk Reserve to replace an existing pump station which would not have the capacity for the large number of planned houses in the area. This new pump station and infrastructure will enable the next stages of the Tāmaki Regeneration Project.

In Māngere, we are carrying out significant upgrades to critical wastewater pipes that will support the Kāinga Ora developments.

In Mt Roskill, we are building a new water boosting pump station and putting in new major water connections to provide for additional water supply to the area. We're also building new watermains to support upcoming neighbourhood developments in the area.

We were able to use some of the Shovel Ready funding to make modifications to some of the Central Interceptor shafts as well, to accommodate the increased growth in Mt Roskill.

The final design work and consenting for these projects is being completed and construction is expected to start by the middle of the year, with the aim of completing all the work by June 2024.



Need help paying a bill?

We want to help customers who are facing financial difficulty to manage their payment commitments during these unprecedented times.

Your bill is due 21 days after the date on your invoice. If you're likely to struggle to pay your bill by the due date, please get in touch with us as soon as possible – preferably before it becomes overdue.

We'll discuss your bill with you, so we understand your circumstances. Whether you are facing a change in work hours, difficulty finding a job or experiencing other financial pressures, there are a number of options we can recommend.

We can organise a payment arrangement with you to pay the amount due. If you are a residential customer or small business owner, you can apply to the Water Utility Consumer Assistance Trust (WUCAT) for financial support.

WUCAT authorises financial support using payment and write-off plans for our customers who are struggling to manage their water and wastewater charges.

If your debt is less than \$500, you can complete the application form yourself. If the debt is more than \$500, you will need to see a budget advisor to have the financial section completed. Budget advisors may also be able to assist you with managing other debt you may have.

In addition, WUCAT provides advice on saving water, leak testing and referrals to EcoMatters Trust. EcoMatters carries out water audits to identify issues and to help reduce excess water use.

If your application is approved, WUCAT will provide you with the terms and details of your payment arrangement, which will need to cover your future monthly Watercare bills, and any amounts being written off.

To get in touch with WUCAT, call 0800 625 8176 or visit waterassistance.org.nz. To register for a free water audit, call EcoMatters on (09) 826 0563 or email water@ecomatters.org.nz.



Thank you Aucklanders

Since restrictions were put in place in May 2020, Aucklanders have saved an estimated 10 billion litres of water.

Our city's total water consumption in 2020 was less than it was in 2019 by an average of 9 million litres a day.

KEEP IN TOUCH

Tapped In is your newsletter. If you would like to talk to us about any stories from this edition or your ideas for future issues, we'd love to hear from you. To get in touch, please email our communications team at communications@water.co.nz.

You can learn more about what we do at www.watercare.co.nz.