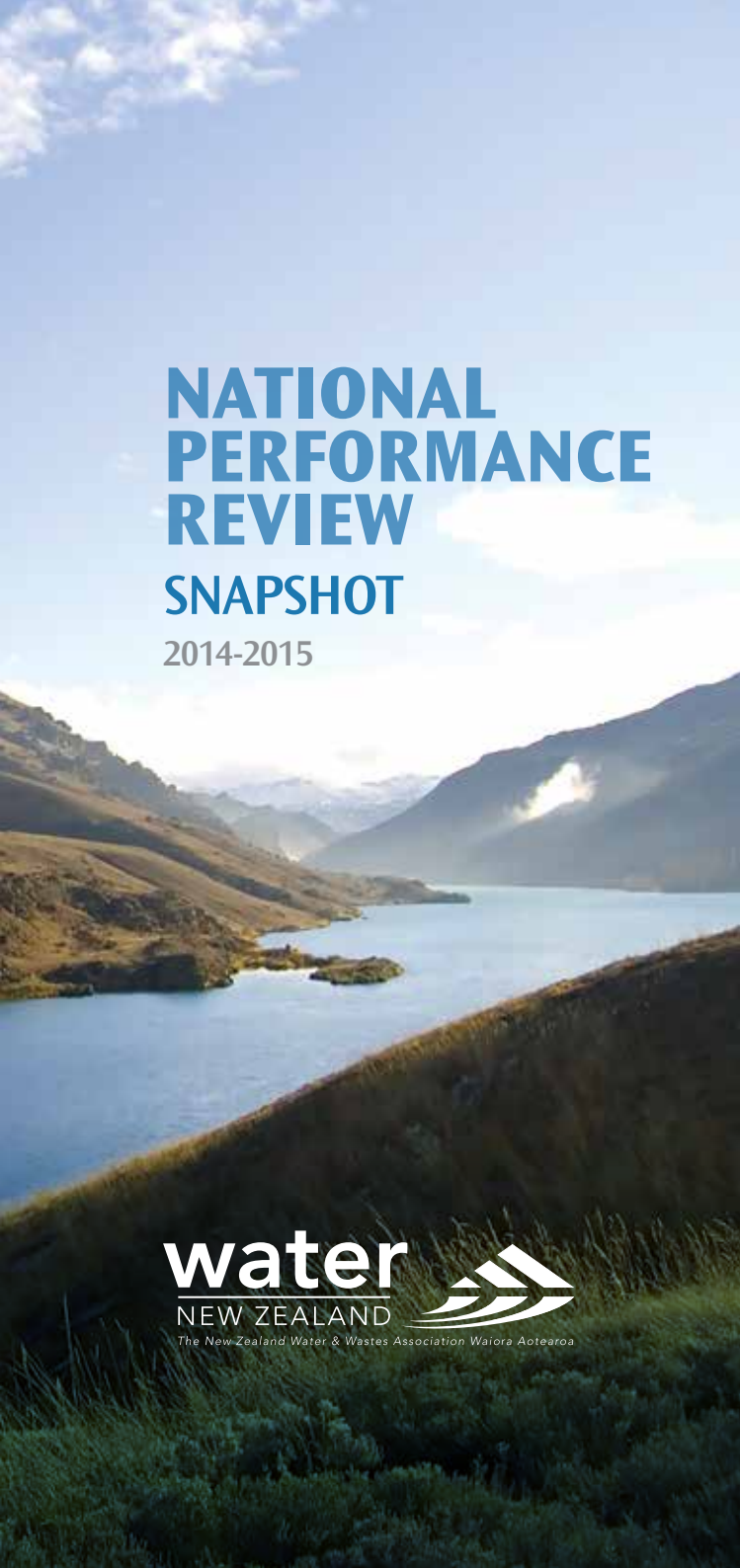


NATIONAL PERFORMANCE REVIEW

SNAPSHOT

2014-2015

water NEW ZEALAND

The New Zealand Water & Wastes Association Waiora Aotearoa

WELCOME

I am delighted to present Water New Zealand's *National Performance Review 2014-15*. It is the pre-eminent annual review of our drinking water, stormwater and wastewater (3-waters) services.

New Zealand's 3-waters' services are mainly managed by councils and council-owned organisations. Forty-one of them participated in the *Review*, committing resources and data to provide us with a comprehensive national snapshot.

The *Review* reports performance against relevant international benchmarks and against regulated Non-Financial Reporting Measure Rules. Benchmarking performance between participants enables us to identify ways to work with participants to improve New Zealand's 3-waters' asset management.

John Pfahlert CE, Water New Zealand

PARTICIPANTS IN THE 2014-15 REVIEW

Metropolitan: Populations Exceeding 90,000	Provincial: Populations between 20,000 and 90,000		Rural: Populations under 20,000
Auckland Council	Invercargill City Council	Rotorua District Council	Clutha District Council
Hutt City Council	Palmerston North City Council	Selwyn District Council	Central Otago District Council
Wellington City Council	South Taranaki District Council	South Waikato District Council	Gore District Council
Christchurch City Council	Whangarei District Council	Taupo District Council	Hauraki District Council
Dunedin City Council	Whakatane District Council	Tasman District Council	Kaipara District Council
Greater Wellington Regional Council	Ashburton District Council	Thames – Coromandel District Council	MacKenzie District Council
Hamilton City Council	Porirua City Council	Timaru District Council	Ruapehu District Council
Tauranga City Council	Upper Hutt City Council	Waikato District Council	Westland District Council
Watercare	Horowhenua District Council	Western Bay of Plenty District Council	Wairoa District Council
	Kapiti Coast District Council	Waimakariri District Council	
	Marlborough District Council	Waipa District Council	
	New Plymouth District Council		

THE REVIEW'S PURPOSE

The Review:

Identifies opportunities to **improve service delivery**

Encourages learning opportunities by **sharing best practice** and celebrating strengths

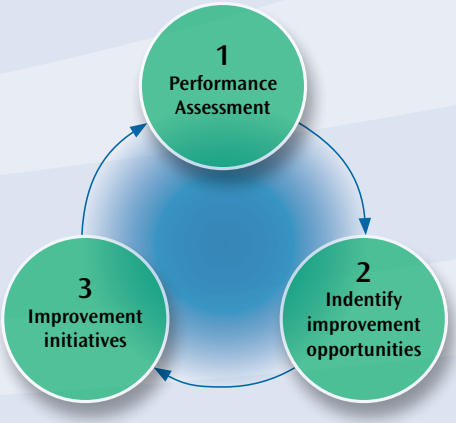
Identifies trends where collective action can improve service levels

Provides a collation of information to advance **informed decision making**

Includes performance indicators to **help set service levels**.

The data aligns with established reporting requirements. It provides a **single repository to help interpret** financial and non-financial reporting required by **Local Government Regulations**.

.



The *National Performance Review* components

ASSET MANAGEMENT

The *Review* reports on assets valued at over $26 billion net:

79,000 km of pipeline

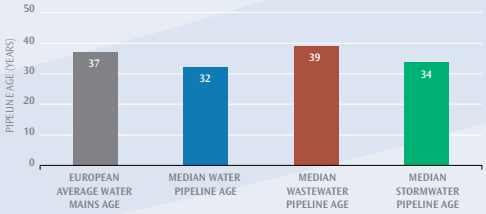
295 water, and **190** wastewater treatment plants

824 water, and **2688** wastewater pump stations

1,426 water supply reservoirs

Most participants had little confidence in their condition grading data, with only about a third rating its quality reliable.

A median of 15,802 participants have water supply system connections, about half the Australian median and a fifth of the Netherlands'. There are fewer New Zealanders to pay for services per pipe-kilometre than these international benchmark comparisons.



Pipeline age for European and New Zealand benchmark participants

Participants listed **seven standardised guidelines and numerous in-house methods for determining pipeline condition**. Guidance is produced by Water New Zealand, the Institute of Public Works Engineering Australasia, and New Zealand Asset Management Support. Co-ordinating pipeline condition assessment guidance would raise data quality.

Rural participants receive less asset condition information than their urban peers. Only half reported having reliable data about the age of their pipelines and under a quarter had reliable pipeline condition grading data. Rural and metro council secondments could help change this.

ACCESS TO SERVICE

Water and wastewater tariffs with user pays principles are not used in all regions. Regions without forms of user based charging could adopt similar schemes to their peers including:

- Commercial water use contaminant-based charging
- Charging schemes to account for visitor water use (often a charge per toilet pan).

It is difficult to interpret the overall price of services and compare water and wastewater tariffs as they vary around New Zealand.

Helping the public to understand water and wastewater charges would improve consideration of supply costs and their value.

Hardship support programmes should be examined in areas where 3-waters' charges are high.

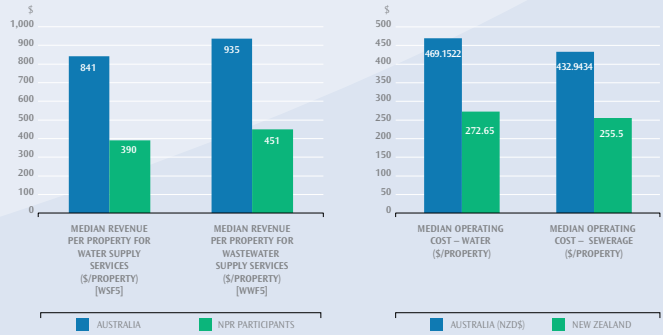
Contaminant and pan based charges help equitably assign costs of 3-waters' provision.

FINANCIAL PERFORMANCE

There is a large gap between 3-waters' revenue and expenditure.

Participants collected just over $1.38 billion in revenue for service management; expenditure on assets was over 2 billion dollars.

Although Australia's water and wastewater services receive nearly twice the revenue per property connection, they cost nearly twice as much to operate.



Median revenue and operating cost for Australian and New Zealand benchmarks

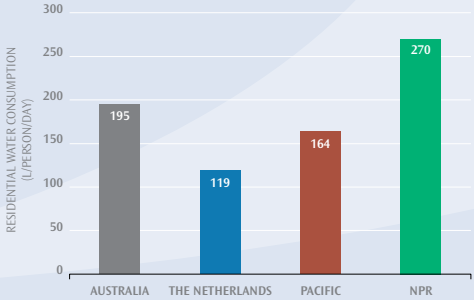
3-waters' infrastructure debt servicing is an issue for over 20% of participants. A benchmark showing councils' interest as a proportion of revenue for 3-waters' assets aligns with the debt servicing benchmark required by The Local Government (Financial Reporting and Prudence) Regulations 2014. The 3-waters' infrastructure for nine of the 41 participants did not meet the regulators debt servicing benchmark requirement that borrowing costs are equal or are less than 10% of annual revenue.

Actual expenditure trails budgeted expenditure by 34% – a decrease of 2% from last year.

WATER DEMAND MANAGEMENT

Participants reported 525 million cubic meters of water was supplied through their systems. Two thirds issued water restrictions in 2014/15, suggesting there is stress on water availability for urban supplies.

International benchmarks suggest urban water use can be reduced.



International residential water efficiency median values (L/person/day)

Water metering could be used more to improve water use efficiency. It is an important facilitator for improving residential water efficiency and water loss by enabling water losses to be identified and managed. It also provides water usage information so customers can value and manage their own usage.

Water metering is not yet commonplace amongst residential properties, though it is generally used for non-residential properties.

Five participants have yet to install water meters for non-residential water users

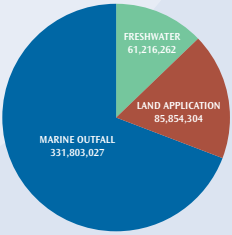
Seven have full residential water metering

Twenty-two have no or very low levels of residential metering coverage.

ENVIRONMENTAL MANAGEMENT

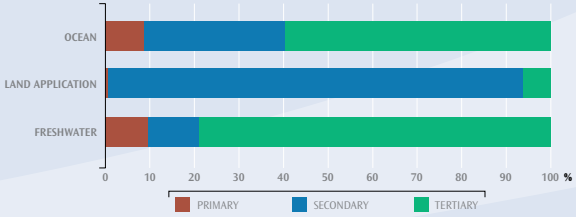
Participants treated 480 million cubic meters of wastewater at 190 wastewater treatment plants.

However, 26 of the 190 wastewater treatment plants were operating with expired wastewater discharge consents and around **18% of wastewater is discharged into freshwater bodies.**



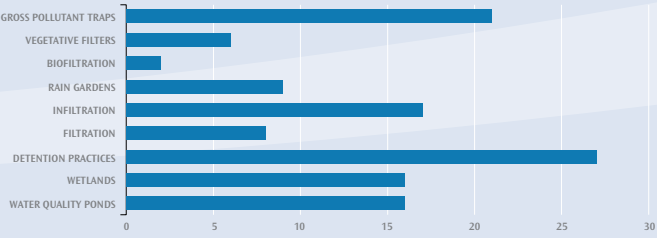
Receiving environment for treated wastewater by volume (m3)

Freshwater discharges have the highest level of treatment, while a number of innovative uses for wastewater sludge have been adopted throughout the country. These include composting, vermicomposting and mine rehabilitation.

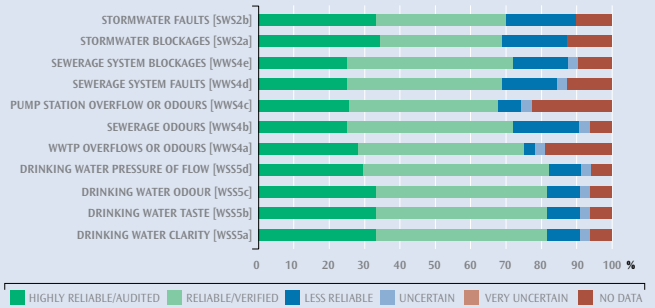


Level of treatment by receiving environment type

New Zealand has adopted a range of stormwater management methods to treat pollutants and mitigate against flooding and erosion.



Number of councils employing various stormwater management approaches



Confidence in complaints' data required for Non-financial Reporting Measure Rules

Although all participants are obliged to report data required by the Non-financial Performance Measure Rules, some have yet to use systems to record this.


“Reporting covers 41 councils and council-owned organisations delivering 3-waters services to 85% of New Zealanders”

ABOUT WATER NEW ZEALAND

Water New Zealand is a national not-for-profit sector organisation comprising approximately 1,500 corporate and individual members in New Zealand and overseas.

It is the principal voice for the water sector, focusing on the sustainable management and promotion of the water environment and encompassing the 3-waters.

To read the full *National Performance Review* go to www.waternz.org.nz/NationalPerformanceReview

Contact us:
Water New Zealand
PO Box 1316, Wellington 6140
Tel: +64 4 472 8925
Fax: 64 4 472 8926
www.waternz.org.nz