



## Half-Yearly Report to 31 December 2022

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Wellington Water is council-owned and funded. We are the Wellington region’s professional water services provider, and our job is to provide safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

Our councils own the water infrastructure in the region. They set the level of funding into these assets and the levels of service. They then task us to manage the infrastructure and deliver water services to our communities.

This Half-Yearly Report covers the period 1 July 2022 - 31 December 2022. It sets out our progress against the goals and measures we set ourselves in our Statement of Intent 2023-26.

## In brief

This period has been one of concentrating on increasing the resilience of the region's water supply and looking forward to renewing aging assets.

In November 2022, on behalf of Greater Wellington Regional Council (GWRC) and Wellington City Council (WCC) the Omāroro Reservoir was opened in central Wellington. The reservoir more than doubles Wellington's water storage and is designed to withstand a 1 in 5000-year earthquake, providing much-needed resilience to the network.

Without knowledge about the state of councils' critical assets, it is impossible to provide comprehensive investment advice. Wellington Water assessed Very High Criticality Assets (VHCA) including wastewater, stormwater and drinking pipes, pump stations, reservoirs, and water treatment plants, as part of the Government's Water Reform Stimulus Funding programme. The project has identified that parts of the network are already operating at or close to the end of their useful life. Much of this was expected and a programme of renewal and repair work is already in place to address these issues.

Hand in hand with forward-planning has been the task of dealing with current failings in the water network. Leaks have become a very public indication of the consequences of historic underinvestment in the network. Over the summer Wellington Water supported our usual water conservation messages with a leak campaign. The campaign has raised awareness of the volume and complexity of leaks our crews are dealing with, and increased public knowledge about the prioritisation needed to ensure that those leaks with the most significant water loss are fixed first.

## Performance in detail

### Trusted by councils, iwi, customers and communities

We deliver a service that is vital for our communities not just to survive, but to flourish.

Underpinning this is earning and maintaining the trust of our key partners and the customers and communities we serve.

### Wastewater treatment

Treated wastewater must comply with certain standards before it is discharged to the environment. Wastewater treatment plant performance continues to be a concern for us, with both financial and human resource challenges putting compliance at risk.

Poor performance at several wastewater treatment plants has led to formal notices from GWRC during the first quarter of the year, with Wellington Water receiving five infringement notices, one abatement notice and one formal warning.

As at the end of December, two of the four Metropolitan Wastewater Treatment Plants (Moa Pt and Seaview) are non-compliant with resource consent conditions. We are awaiting a purpose-built replacement part for one of the clarifier tanks at Moa Point. With one tank out of action, we are more likely to see treatment process bypasses in the event of heavy rainfall. This is anticipated to be completed before the end of this financial year. At Seaview, a minor leak was found on 13 December and was successfully contained on 15 December. A permanent solution is being developed with our councils and will be completed between May and July 2023.

In South Wairarapa, three of the four wastewater treatment plants are compliant with resource consents, with the Martinborough plant being non-compliant. All four plants need significant investment to ensure compliance in the medium to long-term.

The lodgement of a new consent for the Featherston Wastewater Treatment Plant has been delayed until March 2023. This project has included iwi and community engagement since 2020, with the goal of providing a fit-for-purpose solution for mana whenua and local ratepayers.

### Fluoridating of the water supply

We didn't meet our councils', customers', and communities' expectations when it came to fluoridating drinking water. In 2021, we stopped the fluoride facilities at the Te Mārua Water Treatment Plant in May and at the Gear Island Water Treatment Plant in November due to operational and health and safety issues, which meant we could not guarantee that we could add fluoride safely.

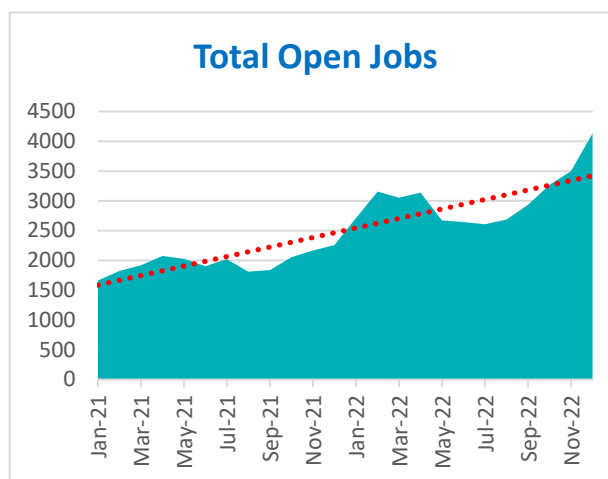
Following this, an independent inquiry was commissioned by our Board to understand how this occurred. The independent inquiry gave five recommendations, all of which have been addressed by the company this year, with our Board formally closing the inquiry in November 2022. We have built new fluoride facilities at Te Mārua and Gear Island, which are now capable of dosing within the Ministry of Health guidelines and have been doing so for several months. The final operational handover of these new facilities to our contractors is expected by the end of March 2023.

We have been keeping our customers, councils and the Ministry of Health up to date with regular reporting on fluoride levels from the Water Treatment Plants and will continue to do so for the remainder of the year.

## Our customer promise

Through our customer promise we committed to do all we can to minimise the impact on customers during disruptions to service.

Our customer satisfaction for the year is trending down, dipping below our target of 70%, and with a low of 62% in December 2022; our lowest monthly score for several years. The primary drivers of this are a record number of customers' jobs, with budget constraints and a tight labour market meaning that we are unable to address all issues in the network in a timely manner. At the end of December 2022, we had 4,100 open jobs, with that number expected to rise through the summer months.



We are receiving record numbers of reported leaks and in this reporting period we saw a spike in leaks in the network, which is a result of aging infrastructure and historical underinvestment. In response to increased leaks, our councils endorsed the decision for us to reallocate our operational funding to increase our efforts to find and fix the most significant leaks on the public network. Councils also increased their funding for this work, so we were able to continue to address leaks at the current levels of service for a longer period of time. While this is a positive step, there are a lot of leaks and due to a tight labour market, we simply can't fix them all, so we have to prioritise our efforts. This means that inevitably smaller, lower priority leaks continue for longer and can be more visible for our customers. One way we are addressing this, however, is by increasing our communications to highlight the leaks we are fixing and to manage customer expectations.

We expect that the number of open jobs will increase, and customer satisfaction will decrease, without significant investment in a work programme to stop this backlog increasing. Poor customer satisfaction has a negative impact on frontline staff, who deal with more complaints and frustrated customers.

| Trusted by councils, iwi, customers and communities |                                                                                                            |                           |                 |                                                                                                                                                     |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| #                                                   | Measure                                                                                                    | Target                    | YTD Result      | Commentary                                                                                                                                          |
| 1A                                                  | Compliance with Drinking Water Standards (DWS) Parts 4 and 5 (metropolitan Wellington)                     | Compliant                 | Compliant*      | Compliance with DWS Parts 4 and 5 was achieved for metropolitan Wellington.                                                                         |
| 1B                                                  | The percentage of time that we can demonstrate compliance with DWS Parts 4 and 5 in SWDC (for each scheme) | Compliant for all schemes | See table below | The target of being able to demonstrate compliance 99.9% of the time was met at Featherston. The other plants were marginally below this threshold. |

**Trusted by councils, iwi, customers and communities**

| #  | Measure                                                                                                                                                                                                                        | Target                                      | YTD Result                                                                 | Commentary                                                                                                                                                                                                                                                                          |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2A | We will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year                                                                           | Achieved                                    | Not achieved                                                               | We received 5 infringement notices, 1 abatement notice and 1 formal warning during the first quarter of the year. No notices or warnings were received during the second quarter.                                                                                                   |
| 2B | SWDC is kept informed of the risk of enforcement action (abatement notices, infringement notices, enforcement orders or convictions) for breaches of consent in the relevant financial year                                    | Achieved                                    | Achieved                                                                   | Enforcement risks were highlighted to SWDC through the monthly dashboards.                                                                                                                                                                                                          |
| 3  | The yearly average level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million)<br><i>Note: Targets were only set for Waterloo and Wainuiomata for 2022-23</i> | Achieved at Wainuiomata and Waterloo plants | Waterloo: 0.81<br>Wainuiomata: 0.75<br>Gear Island: 0.64<br>Te Mārua: 0.56 | Fluoridation was restored at Gear Island and Te Mārua during the first quarter of the year, with all plants now capable of dosing within the Ministry of Health guidelines.<br><br>Operational handover of Te Mārua and Gear Island is expected to be achieved in the next quarter. |
| 4  | 100% of actions on Wellington Water complete by date recommended in inquiry report                                                                                                                                             | All actions complete on or before due date  | Inquiry is closed. SOI measure completed.                                  | The Wellington Water Board have confirmed on advice from staff that all recommendations are complete and that they can close the inquiry.                                                                                                                                           |
| 5  | Customers rate their experience of our performance as 'Satisfied' or better                                                                                                                                                    | 70%                                         | 69%                                                                        | Customer satisfaction is trending down and for the first time is under the target of 70%.                                                                                                                                                                                           |
| 6  | The percentage of the time resource consents are processed within timeframes (5 working days)                                                                                                                                  | Set baseline                                | Annual target                                                              | A consent and application tracking process and tool has been implemented allowing a baseline to be measured.                                                                                                                                                                        |

\* Note: Taumata Arowai (TA) is the new drinking water regulator and the reporting requirements began on 1 January 2023. TA requirements differ slightly from Drinking Water Standards (DWS). WWL will continue to report on the DWS for the purposes of this measure (for 2022-23) and for the DIA performance measures set by councils.

| <b>SWDC Drinking Water Standards Compliance (Year to Date)</b> |               |               |                               |               |               |
|----------------------------------------------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| <b>DWS Part 4 (bacterial)</b>                                  | <b>Target</b> | <b>Result</b> | <b>DWS Part 5 (protozoal)</b> | <b>Target</b> | <b>Result</b> |
| <b>Featherston</b>                                             | 99.9%         | 99.95%        | <b>Featherston</b>            | 99.9%         | 99.95%        |
| <b>Greytown</b>                                                | 99.9%         | 99.88%        | <b>Greytown</b>               | N/A           | 0%            |
| <b>Martinborough</b>                                           | 99.9%         | 99.94%        | <b>Martinborough</b>          | 99.9%         | 99.74%        |
| <b>Pirinoa</b>                                                 | N/A           | 100%*         | <b>Pirinoa</b>                | N/A           | 100%          |

*\*Rounds to 100 at 2 decimal places*

## Our strategic priorities

Our strategic priorities are:

- Looking after existing infrastructure
- Supporting growth and land development
- Sustainable water supply and demand
- Improving environmental water quality; and
- Net zero carbon 2050

Wellington Water intends to deliver on council commitments to their communities to the extent that we are funded to, and by doing so make progress towards our strategic priorities and the goal of restoring balance to people, water and the environment; with the direction and investment set by councils in their 2021–31 long-term plans.

Councils have invested in the areas of Looking After Existing Infrastructure and Supporting Growth and Land Development. As such, only these two strategic priorities have performance measures for 2022-25 this year.

### Looking after existing infrastructure

#### Delivery of our capital works programme

Every year we provide councils with a range for the total programme size, rather than a specific amount. This is because we know factors outside of our control such as consenting delays, Covid-19, or labour shortages will affect delivery. A range provides a more realistic picture of likely performance. This year's range is \$174million – \$276 million.

Increasingly we are finding labour is the limiting factor on being able to carry out our work. Where funding or project delays once had the greatest impact, we are now in a market where getting enough people to do the work is an ongoing challenge.

We're in a better situation than many thanks to our design and construction panels. So far this year we have delivered \$121 million of capital projects, up \$54 million or 80 percent on the same period last year. We are forecasting to be above the midpoint of this range, with our current projection for delivery being \$239 million. We are also well on our way to developing our programme and awarding contracts for 2023/24, setting us up for successful delivery next year.

#### Managing water leakage

On average, around 40 percent of the total drinking water that we produce is lost through leaks before it reaches the tap, with leakage occurring on both the public network and private properties. This is evident, with the Wellington region currently producing 42 percent more water per person than the average across New Zealand.

Using this volume of water is putting pressure on the lakes and aquifers. We are running up against the limit in the amount of water that we can sustainably take and are at risk of having to implement more severe water restrictions than in the past, such as a ban on all outdoor water use.

Along with the council endorsed strategy of targeting the highest impact leaks first. While our crews are out there every day targeting the most significant leaks, we have also been running a campaign on leaks to raise awareness of what we are doing to find and fix them and to help manage customer expectations around lower priority leaks. and how communities can help.



## Delivering planned maintenance

The costs of maintenance and operating materials have continued to rise this year, as have other significant operating costs such as landfill disposal of wastewater biosolids, chemicals and energy.

While inflation was allowed for within the council long-term plans, the current costs are at least 20 percent higher than were allowed for when these were developed.

These constraints are coupled with aging council infrastructure networks with more than 30 percent of pipes at or beyond end-of-life and increasingly prone to bursts and breaks.

These challenges will make it difficult to reach our objective through our Statement of Intent to benchmark and ultimately increase the amount of planned maintenance that we deliver as a company. We have set this goal because doing planned maintenance reduces the likelihood of problems in the network.

We have had to redirect our funding and focus this year away from planned maintenance into reducing leaks, meaning that the level of planned maintenance will be lower. We continue to work through funding advice for planned maintenance in future years with our councils.

| Looking after existing infrastructure |                                                                |                                                         |                                               |                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| #                                     | Measure                                                        | Target                                                  | YTD Result                                    | Commentary                                                                                                                                                                                                                                                                                                                                                         |
| 7                                     | Percentage of three-year programme (2021-24) complete (\$267m) | 55%                                                     | 55% of three-year programme complete (\$147m) | We are on track to deliver the three-year programme.                                                                                                                                                                                                                                                                                                               |
| 8                                     | Total capital delivery is between \$174m and \$276m            | \$174m-\$276m                                           | \$120.6m                                      | As at the end of December, the capex programme is tracking within the capital range (the capital range is (\$174m to \$276m).<br><br>Year to date capex spend is \$121m (up \$54m or 80% on the same period last financial year) against a budget of \$131m. At a programme level, we are forecasting \$239m for the full year, with a medium level of confidence. |
| 9                                     | Ratio of planned to reactive maintenance increases             | To establish a baseline for this measure by end 2022/23 | Annual target                                 | Work is underway to baseline and report on this measure.                                                                                                                                                                                                                                                                                                           |

## Case study: demonstrating tangata tiaki (together we protect our most precious taonga)

Kurt Lindsay is a Technical Advisor in our drainage investigations team. He started working for Wellington Water in February this year, in fact on Valentine's Day. He likes to say that's why he loves his job so much.

On a day-to-day basis Kurt is doing investigations on Wellington’s drainage system. He tracks down cross connections with a goal of making sure stormwater and wastewater don’t mix and that they end up in the right place.

One of many times Kurt put the mahi in was a few months back. He got word on a hot Monday morning that wastewater was leaking into Kenepuru Stream. Keeping the region’s waterways in pristine condition is a vital part of our mahi, and Kurt and his team dropped what they were doing immediately to go and investigate. After opening an estimated 30 manholes on the day, they were able to discover where the wastewater was coming from and fix it.

Thanks to Kurt and his team’s mahi and efficiency, Kenepuru Stream was able to return to its regular, beautiful self in just a few hours!



## Supporting growth and land development

Thriving communities grow over time, and new buildings in our cities require access to drinking water and wastewater networks, and protection through the stormwater network. Population growth can place additional demands on existing infrastructure, and increases the demand for water, our discharges to the environment, and our carbon emissions.

Growth planning allows us to identify the best way to meet the demands of cities, towns and communities. Our activities in this area are led by our councils, who identify the areas of expected growth and direct funding for studies, growth investment plans and our participation in planning processes.

This year we continue to work with our councils to understand their growth aspirations and plan the networks for the people and places that need them.

The Wellington CBD and Northern Wellington growth studies are now at the stage where options are being considered and reviewed in terms of levels of service that need to be delivered with future population growth. The Featherston study is under way and indicating that there will need to be water and wastewater upgrades to support population growth.

These studies, as well as other recent growth studies are highlighting that the current level of service is the key limiting factor in enabling growth. These studies show that significant investment is required to upgrade or replace existing infrastructure before any new infrastructure can be connected to the existing network.

| <b>Supporting growth and land development</b> |                                                                       |                                                                                                   |                   |                                                                                                 |
|-----------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------|
| <b>#</b>                                      | <b>Measure</b>                                                        | <b>Target</b>                                                                                     | <b>YTD Result</b> | <b>Commentary</b>                                                                               |
| 10                                            | Funded growth studies complete, and growth investment advice provided | Achieved for WCC (Central City & Northern Suburbs), PCC (Western Porirua) and SWDC (Spatial Plan) | On track          | All growth studies are under way and on track to be delivered by the end of the financial year. |

## Delivering for today, while preparing our people for the future

From 1 July 2024, the services currently provided by Wellington Water will be delivered by a new water services entity, Entity C, that will cover the area from the top of the South Island, Wellington through to the Manawatu and across to Tairāwhiti.

### Transitioning into the new Entity C

Transition as part of three waters reform is naturally of great interest to our staff, and we have set our intention to ensure this is a positive experience for them. We have stood up a transition programme to keep our whānau informed of changes and their ongoing impact on them, and support a seamless transition.

As part of this, a transition strategy has been developed with a number of workstreams including People and Workforce, and we are seeing positive signs that our whānau's understanding and feeling of support from the company is increasing.

We've also provided investment programmes for councils to supply to DIA, and, noting the requirement to notify DIA of significant decisions that may affect any new water service entity, have informed them about the costs of the Porirua City wastewater storage tank.

Other areas we are working on include data migration, providing an overview of our operational service delivery, commercial and legal requests for information, and participating in operational stocktakes with the NTU.

| Delivering for today, while preparing our people for the future |                                                                                     |                             |            |                                                                                                                                                                                 |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| #                                                               | Measure                                                                             | Target                      | YTD Result | Commentary                                                                                                                                                                      |
| 11                                                              | Health and Safety critical risks will be reviewed, and improvements are implemented | Two or more                 | On track   | The review of critical risks of Service Strikes and Mental Health in the Water Industry are under way.                                                                          |
| 12A                                                             | Staff feel supported by the organisation through water reform (staff survey)        | Greater than baseline (56%) | 62%        | We have seen an increase in our staff's understanding of water reform and feeling of support from the business this year with a focus on internal communications in particular. |
| 12B                                                             | Staff feel as if they understand water reform (staff survey)                        | Greater than baseline (57%) | 60%        |                                                                                                                                                                                 |

# Financial Statements

## INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2022

### **Basis of preparation**

Wellington Water Limited is a company registered in New Zealand under the Companies Act 1993 and is a Tier 1 Public Benefit Entity (PBE) for reporting purposes.

Accounting policies have been applied consistently throughout the period. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for billed receivables and payables, which include GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

### **Statement of compliance**

These interim financial statements are for the six months ended 31 December 2022 and are to be read in conjunction with the annual report for the year ended 30 June 2022. They have been prepared in accordance with the requirements of the Companies Act 1993, the Local Government Act 2002 and comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards and comply with PBE IAS 34 Interim Financial Reporting.

These financial statements have been prepared on a going concern basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

For the period ended 31 December 2022.

|                                                 | Unaudited<br>31 Dec 2022<br>\$000 | Unaudited<br>31 Dec 2021<br>\$000 | Audited<br>30 June 2022<br>\$000 |
|-------------------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| Council opex programme                          | 43,723                            | 29,060                            | 66,822                           |
| Council capex programme                         | 120,625                           | 67,412                            | 179,618                          |
| Stimulus funding programme                      | -                                 | 21,410                            | 32,905                           |
| Management and advisory services                | 10,180                            | 9,385                             | 18,770                           |
| Other revenue                                   | 815                               | 1,376                             | 4,485                            |
| <b>Total revenue</b>                            | <b>175,343</b>                    | <b>128,643</b>                    | <b>302,599</b>                   |
| Salaries and wages                              | (15,727)                          | (12,291)                          | (25,699)                         |
| Superannuation                                  | (467)                             | (371)                             | (796)                            |
| Directors fees                                  | (79)                              | (73)                              | (146)                            |
| Audit fees - financial statements               | (130)                             | (125)                             | (369)                            |
| Audit fees - other                              | -                                 | -                                 | (18)                             |
| Council opex programme                          | (43,723)                          | (29,060)                          | (66,822)                         |
| Council capex programme                         | (120,625)                         | (67,412)                          | (179,618)                        |
| Stimulus funding programme                      | (22)                              | (21,410)                          | (32,905)                         |
| Operating leases                                | (625)                             | (570)                             | (1,113)                          |
| Other personnel expenditure                     | (927)                             | (669)                             | (5,213)                          |
| Other operating expenditure                     | (8,183)                           | (4,968)                           | (8,720)                          |
| Direct costs charged to capex programme         | 7,658                             | 4,824                             | 10,791                           |
| Direct costs charged to opex programme          | 6,823                             | 4,848                             | 12,655                           |
| <b>Total operating expenses</b>                 | <b>(176,028)</b>                  | <b>(127,793)</b>                  | <b>(297,973)</b>                 |
| Depreciation and amortisation                   | (803)                             | (515)                             | (1,252)                          |
| <b>Surplus/(deficit) before tax</b>             | <b>(1,487)</b>                    | <b>850</b>                        | <b>3,374</b>                     |
| Tax expense                                     | -                                 | -                                 | (838)                            |
| <b>Total comprehensive revenue and expenses</b> | <b>(1,487)</b>                    | <b>850</b>                        | <b>2,536</b>                     |
| <b>Attributable to:</b>                         |                                   |                                   |                                  |
| Wellington City Council                         | (595)                             | 340                               | 1,014                            |
| Hutt City Council                               | (297)                             | 170                               | 507                              |
| Greater Wellington Regional Council             | (223)                             | 128                               | 380                              |
| Porirua City Council                            | (178)                             | 102                               | 304                              |
| Upper Hutt City Council                         | (119)                             | 68                                | 203                              |
| South Wairarapa District Council                | (74)                              | 43                                | 127                              |
| <b>Total comprehensive revenue and expenses</b> | <b>(1,487)</b>                    | <b>850</b>                        | <b>2,536</b>                     |

### Comparison of results for the six months ended 31 December 2022 to the same period last year

There was a deficit of \$1.5m for the period ended 31 December 2022. This was mainly driven due to increased replacement costs for vacant positions filled with employees and contractors.

Revenue (and corresponding expenses) for the council capex programme have increased by \$53.2m and for the council opex programme have increased by \$14.7m. These programmes vary each year depending on what has been planned and budgeted in each individual council's Long-Term Plan.

## STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2022

|                                         | Unaudited<br>31 Dec 2022<br>\$000 | Unaudited<br>31 Dec 2021<br>\$000 | Audited<br>30 June 2022<br>\$000 |
|-----------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| <b>Surplus/(deficit) for the period</b> | <b>(1,487)</b>                    | <b>850</b>                        | <b>2,536</b>                     |
| Equity at the beginning of the period   | 4,525                             | 1,989                             | 1,989                            |
| <b>Total equity</b>                     | <b>3,038</b>                      | <b>2,839</b>                      | <b>4,525</b>                     |

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022.

|                                                | Unaudited<br>31 Dec 2022<br>\$000 | Unaudited<br>31 Dec 2021<br>\$000 | Audited<br>30 June 2022<br>\$000 |
|------------------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| Cash and cash equivalents                      | 24,672                            | 27,144                            | 21,241                           |
| Receivables and prepayments                    | 14,113                            | 13,046                            | 34,309                           |
| Tax receivable/(payable)                       | 219                               | 45                                | -                                |
| <b>Total current assets</b>                    | <b>39,004</b>                     | <b>40,235</b>                     | <b>55,550</b>                    |
| Intangible assets                              | 117                               | 226                               | 229                              |
| Property, plant and equipment, vehicles        | 5,179                             | 3,900                             | 5,009                            |
| Deferred tax                                   | (358)                             | 409                               | (358)                            |
| <b>Total non-current assets</b>                | <b>4,937</b>                      | <b>4,535</b>                      | <b>4,880</b>                     |
| <b>Total assets</b>                            | <b>43,942</b>                     | <b>44,770</b>                     | <b>60,430</b>                    |
| Payables and provisions                        | 38,746                            | 40,004                            | 53,885                           |
| Employee entitlements                          | 2,038                             | 1,811                             | 1,891                            |
| Tax payable                                    | -                                 | -                                 | 19                               |
| <b>Total current liabilities</b>               | <b>40,784</b>                     | <b>41,815</b>                     | <b>55,795</b>                    |
| Employee entitlements-Long-term                | 27                                | 23                                | 17                               |
| Capital grant in advance                       | 93                                | 93                                | 93                               |
| <b>Total non-current liabilities</b>           | <b>120</b>                        | <b>116</b>                        | <b>110</b>                       |
| <b>Total liabilities</b>                       | <b>40,904</b>                     | <b>41,931</b>                     | <b>55,905</b>                    |
| <b>Net assets</b>                              | <b>3,038</b>                      | <b>2,839</b>                      | <b>4,525</b>                     |
| Issued capital                                 | 1,000                             | 1,000                             | 1,000                            |
| Accumulated comprehensive revenue and expenses | 2,038                             | 1,839                             | 3,525                            |
| <b>Total equity</b>                            | <b>3,038</b>                      | <b>2,839</b>                      | <b>4,525</b>                     |

### Comparison to Statement of Financial Position at 30 June 2022

Cash increased by \$3.4m. This is driven by the payables balance decreasing (cash outflow) by more than the receivables balance decreased (cash inflow). Reasons for this are below.

Receivables decreased by \$20.2m as councils were invoiced in arrears at 30 June and invoices have since been paid. In December, they were invoiced in advance.

Payables have decreased by \$15.1m due to a reduction in the number of days (between invoice date and payment date) that we are currently paying our suppliers.



## STATEMENT OF CASH FLOWS

|                                                     | Unaudited<br>31 Dec 2022<br>\$000 | Unaudited<br>31 Dec 2021<br>\$000 | Audited<br>30 June 2022<br>\$000 |
|-----------------------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|
| Receipts from councils                              | 198,604                           | 140,197                           | 281,788                          |
| Interest received                                   | 357                               | 55                                | 214                              |
| Employees and suppliers                             | (194,449)                         | (140,523)                         | (286,280)                        |
| Tax (paid)/received                                 | (237)                             | (166)                             | (173)                            |
| Interest paid                                       | -                                 | -                                 | -                                |
| <b>Net cash flow from operating activities</b>      | <b>4,275</b>                      | <b>(437)</b>                      | <b>(4,452)</b>                   |
| Purchase of property, plant and equipment, vehicles | (860)                             | (2,373)                           | (4,176)                          |
| Purchase of intangibles                             | -                                 | (30)                              | (121)                            |
| Proceeds of sales from vehicles                     | 16                                | 25                                | 31                               |
| <b>Net cash flow from investing activities</b>      | <b>(844)</b>                      | <b>(2,378)</b>                    | <b>(4,266)</b>                   |
| <b>Net cash flow from financing activities</b>      | <b>-</b>                          | <b>-</b>                          | <b>-</b>                         |
| <b>Net cash flow</b>                                | <b>3,432</b>                      | <b>(2,815)</b>                    | <b>(8,718)</b>                   |
| Add: cash at the beginning of the period            | 21,241                            | 29,960                            | 29,959                           |
| <b>Cash at the end of the year</b>                  | <b>24,672</b>                     | <b>27,145</b>                     | <b>21,241</b>                    |
| Comprised of:                                       |                                   |                                   |                                  |
| Cash at bank and on hand                            | 24,672                            | 27,144                            | 21,241                           |

# Your public water company



greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao



porirua**city**



SOUTH WAIRARAPA  
DISTRICT COUNCIL  
*Kia Reretahi Tātau*



Absolutely Positively  
**Wellington City Council**  
Me Heke Ki Pōneke