

Metrowater

Metrowater supplied around 45 billion litres of Ministry of Health 'Aa' grade water to Auckland homes and business in the 2006/07 year, while continuing to deliver on and exceed many of the performance targets set out in our Statement of Intent.

Some of the highlights for the 2006/07 year include:

- A capital investment programme which met our target of \$39.6 million. This was focused on environmental works and improving network reliability, including \$12 million on sewer separation in Orakei Basin, Motions, Pt Chevalier and Upland catchments.
- Exceeded our commitment to reducing water quality complaints, with 14% fewer water quality issues raised by customers.
- Achieved outstanding performance for responsiveness and frequency of unplanned water interruptions, as measured by the Water Services Association of Australia (WSAA).
- For the second year in a row, ensured the number of dry weather overflows were less than six per month on a rolling annual basis, which was better than our Statement of Intent.

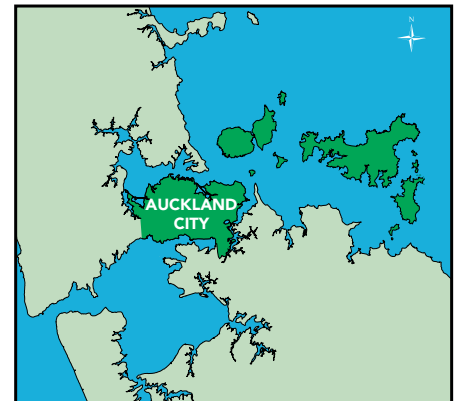


Fire flow testing with hydrant standpipe and flow meter.

In addition, we have achieved some other significant results:

- Major progress in reducing leakage, with several hundred underground leaks detected and rapidly repaired with an estimated saving in water losses of more than 1.5 billion litres per year.
- 33% reduction in long-term customer debt. This achievement minimizes the impact of bad debt on the water prices that customers are charged.
- Developed economic models to improve the accuracy of our forecasting and ensure we keep our commitment to maintaining affordable pricing.
- Established the first international best practice alliance structure in the New Zealand water industry. This supports achieving the increased capital works programme required to further reduce outflows of polluted water into streams and the Waitemata harbour.
- Procured a new Network Maintenance Contract provider, bringing new technology and innovation to the New Zealand water industry.

The year ahead calls for more of the same. An ongoing priority will be to accelerate our performance in water conservation. This contributes to our ability to optimise future investment and support affordability for current and future customers. We can also expect



Metrowater provides water and wastewater services to over 150,000 homes and businesses reaching 420,000 people across Auckland City. Our role is to ensure Auckland City customers receive a high quality, reliable water supply, and that the City's wastewater is managed in an environmentally sustainable way. Wholly-owned by Auckland City Council, Metrowater's water and wastewater network of more than 3,600 km of pipes is valued at more than \$1 billion. Metrowater is also responsible for the Oneroa Wastewater Scheme on Waiheke Island and operates the stormwater system under contract to Auckland City, the owner of the stormwater system.

to see further progress on our sewer separation programme under the Clear Harbour Alliance and, day-to-day, we will continue to meet and exceed our customers' expectations.



Metrowater maintenance crew