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Report to the Utility Services Committee
from Andrew Samuel, Marketing Analysis Manager, Water Supply

Water Supply Annual Reporting

1. Purpose

To approve a change to the format and purpose of the Water Group's annual reporting of business activity

2. Background

Rationalisation of the provision of water services has been mooted at national and local levels in various forms over the last five years. The Council backs the principle of integrated water services to metropolitan Wellington, and has sought to play a leading role in any integrated water supply entity.

Since 1998, the Water Group of Utility Services has produced an annual business report, to document for its customers actual performance against key targets and service standards, and to raise awareness for its role, policies, objectives and achievements with a variety of influential politicians, government agencies and interest groups. The main purpose of the report has been to demonstrate to these stakeholders the WRC's suitability to manage an integrated water supply entity for greater Wellington. A limited number of copies of the report were also available to the public on request, and an electronic copy can be accessed via the Council's Internet site.

In July 2001, the WRC rejected an integration proposal developed jointly by officers of the WRC, Hutt and Wellington city councils. This proposal sought a workable compromise between the various requirements of the three councils. Notwithstanding the failure of this proposal, this paper assumes that the WRC continues to support integration or rationalisation of water supply management in principle, but that change will now only come through a significant change to the current legislative arrangements. This situation has led to consideration about whether the current reporting format remains appropriate.

3. **Current Reporting Format**

The Water Group's report of business activity, as published for the last four years, has two main sections. The first describes the main issues and achievements from the previous financial year, in relation to the Water Supply business goals. The second is a technical section, containing financial statements, data, and business performance standards. The full document has comprised 36 pages plus covers. To date, the report has been professionally designed and printed, with a mix of library and commissioned photography and illustration throughout the first section.

4. **Where To From Here?**

4.1 **Reporting to Customers**

Annual reporting of financial performance and key statistics is a commitment under the Water Group's Customer Service Standard. The ISO quality assurance standard that our quality system is audited to is being developed to incorporate measurement of customer satisfaction. We therefore see annual reporting of data in relation to business goals (which reflect customer requirements) as an important part of our ongoing customer commitment. However, customer reporting is content driven. Customer requirements can be met via a report produced 'in-house' with very modest production, copying and distribution costs.

4.2 **Reporting to Other Stakeholders**

Having established an annual reporting history with individuals and organisations that are particularly able to influence the structure or operation of water supply, and given that rationalisation of the industry is a reasonably probability in the medium term, we believe it is prudent to maintain this channel of communication.

As the preceding Water Supply Communication Strategy paper (Report **XX**) noted, given the Council's shift towards promoting sustainability and the modest level of public recognition for the WRC's role in regional water supply, raising awareness for our role and achievements in the wider community (with reference to sustainability) will be a communications priority.

Annual reporting to the public in the present paper based format is clearly too detailed to hold the attention of most citizens, and the cost of printing and distribution some 120,000 reports would be prohibitive. However, there are lower-cost options for achieving wide coverage of Wellington's public as well as our other audiences.

The desire to raise our public profile can be advanced by creating a brief annual highlights statement that summarises our business goals and major issues and achievements in terms of benefit to the public. Information will be presented graphically where appropriate. The emphasis will be to create a visually engaging, succinct and easy to follow report. The most cost-efficient method of delivery would be as part of the WRC newspaper *Elements*, although a personally addressed mailing to every household would probably reach a greater percentage of metropolitan Wellington's population.

The ‘influential’ stakeholder group can also be catered for via an annual highlights statement. The intention is to use the same content as for the public reporting. The format and layout would be determined in conjunction with design consultants, but something along the lines of a 6 page chairman’s statement, with key performance indicators presented graphically is envisaged.

5. Proposal

An annual budget of \$40,000 is currently available for the design and printing of the Water Group’s report of business activity. The following reporting options (together with estimated costs for design and printing) will achieve continued coverage of our existing mailing list and reach of the public of metropolitan Wellington at a significantly reduced total cost.

Format	Est. Cost
6-side A4 Report. Incorporating the main issues and achievements for the reporting period in bullet point format, together with key technical information (financial, water quality and supply data). 1,000 copies would be printed, for distribution to the current business report mailing list. Distribution would be via mail-out.	\$11,200
Detailed Customer Report. Incorporating the complete technical section from the existing report, together with a short ‘Chairman’s Statement’ of the main issues and achievements for the reporting period. The main resource cost would be staff time. The main external costs, for copying and binding, would be minimal.	<\$500
Public Reporting. Editorial coverage in <i>Elements</i> . Communication Section’s plans for annual reporting of the range of WRC work via <i>Elements</i> has not been finalised, but the cost to Utility Services is likely to be minimal if anything.	
Web-based Report. An electronic copy of the printed 6-side report, posted on the WRC Internet site.	\$300
Estimated Total (assumes no cost associated with <i>Elements</i>)	\$12,000

6. Summary

- In the medium term, change is likely to the way the water industry is structured in New Zealand, but the WRC will continue to advocate that it should have a major role in water supply.
- A Water Supply annual business report is an important tool for demonstrating to influential stakeholders the Council’s credentials for a continuing major role in water supply.
- Communicating our role and achievements to the public requires greater emphasis; therefore the allocation of budget for annual reporting must reflect this.
- Producing an ‘in-house’ detailed report for customers, an abbreviated ‘highlights’ report for other key stakeholders and a public report distributed via the WRC newspaper *Elements* will allow all three key groups to be reached for well within the current annual reporting budget.

7. Communications

There are no communications opportunities arising from this report.

8. Recommendations

(1) Notes and confirms the value of producing an annual business report for water supply

(2) Confirms the recommended approach of communicating with:

- (i) Bulk water supply customers*
- (ii) The wider community of influential stakeholders*
- (iii) The general public of the region*

(3) Confirms that the reporting tools used must be achievable within the existing budget.

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