Water Services Authority
Taumata Arowai

Annual Report 2025/26

Water Services Authority – Taumata Arowai

Presented to the House of Representatives pursuant to section 150 of the Crown Entities Act 2004.

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Te whakatauākı a Taumata Arowai

Ko te wai ahau
Ko ahau te wai
He whakaaturanga tātou nō te wai
Ko te ora te wai, ko te ora o te tangata
He taonga te wai me tiaki
Ko wai tātou
Ko wai tātou.

I am water, water is me
We are reflections of our water
The health of water is the health of the people
Water is a treasure that must be protected
We are water
Water is us.

This whakatauākī was gifted to Taumata Arowai
by Shane Te Ruki, Ngāti Maniapoto-Waikato, Ngāti Porou.

Foreword

Our mission remains clear: every New Zealander should be able to turn on the tap and trust that the water is safe to drink, and that our wastewater and stormwater systems are managed in ways that protect both public health and the environment. The Water Services Authority – Taumata Arowai (the Authority) safeguards the quality, reliability and sustainability of drinking water, wastewater and stormwater services for everyone in New Zealand.

In our fourth year of operation, the Authority has moved from establishment to confidently exercising its role as New Zealand's dedicated water services regulator. The legislative changes during the year have strengthened our leadership role and sharpened our strategic focus to take a whole-of-system view to lift the safety and performance of water services across New Zealand. Our leadership role in the sector is evidenced through our annual survey, where over 80% of respondents found the Authority a credible and responsive regulator.

Ensuring drinking water safety through regulatory intensity

Drinking water safety across New Zealand continued to improve with the implementation of our Compliance, Monitoring and Enforcement (CME) Strategy 2025–2028 which has promoted proportionate, cost-effective regulation. The Authority's targeted regulatory action has seen a significant uplift in access to safe drinking water, with approximately 4.5 million people now having access to safe drinking water through supplies that have critical treatment barriers in place.

The Authority has supported a significant improvement in drinking water safety for small rural communities through the pragmatic approach to introduce more affordable treatment options. 491 communities now have safe drinking water through implementing end point treatment devices that make drinking water safe at the household level through Acceptable Solutions. Our regulatory intervention to address issues in high-risk supplies has resulted in critical safety upgrades at over 60 self-supplied schools, which is another significant and impactful milestone.

Lifting environmental performance through standardisation

During the year, the Authority focused on strengthening nationally consistent approaches to wastewater performance to support more efficient investment, long-term resilience and more sustainable water infrastructure. One of the landmark achievements in this area was the release of New Zealand's first national wastewater environmental performance standards. The Standards support improved public health and environmental outcomes and greater consistency and cost-efficiencies in consenting and regulatory practice.

Following significant wastewater incidents during the year, the Authority has built a clearer national picture of wastewater performance and risks. The wastewater analytics dashboards developed by the Authority have strengthened system oversight by providing better insights into wastewater system performance and helping target future interventions. This information underpins our recent annual Network Environmental Performance Report 2024/25 which has provided the first comprehensive national picture of wastewater performance, creating an evidence base for targeted improvements across the sector.

Building sector capability through active outreach

This year, the water sector began a significant transformation as part of Local Water Done Well. With the establishment of the new water organisations, the Authority proactively engaged with incoming governors to understand our regulatory expectations and accountability standards, to support effective oversight and improved service delivery outcomes. This will continue to be a focus for the coming year as further organisations stand up.

The Authority's targeted engagement with community and private supplies addressed underlying issues affecting drinking water safety in small and rural communities. This included a particular focus on improving awareness and uptake of Acceptable Solutions in rural communities and schools. These engagements have provided the insights necessary for the Authority to ensure information is practical and targeted to sector needs through updated guidance and improved website accessibility.

Our collaboration across the water services sector, working closely with other regulators, has supported a more coordinated and efficient water services system, consistent policy settings, better information sharing and stronger collective system improvements.

Looking ahead

Our priorities for the year ahead will continue to focus on providing strong system leadership and oversight by promoting nationally consistent approaches across drinking water, wastewater and stormwater. A key focus will be the development of the National Engineering Design Standards to support infrastructure standardisation, the successful implementation of Local Water Done Well, and delivery of our expanded mandate. Investment in modern, fit-for-purpose systems and analytical tools will also enable innovation-driven regulation.

I want to acknowledge the Authority's inaugural Chair, Dame Karen Poutasi, and Te Puna (Māori Advisory Group) member Ian Ruru, who passed away this year. Both leave behind an indelible legacy which the Authority stands steadfast in delivering through ongoing drinking water safety improvements in every community.

I also want to acknowledge the Board members whose terms concluded this year: Anthony Wilson, Dr Virginia Hope and Loretta Lovell, who served since our establishment. Their governance and guidance have been foundational to our success. I thank our dedicated staff, whose expertise and commitment make this work possible. I acknowledge Te Puna for their continued guidance on our obligations under the Treaty of Waitangi (Te Tiriti o Waitangi).

Through stronger standards, evidence-based system oversight and genuine partnership with the sector, New Zealanders can look forward to water services they can trust and provide better value for money.



Raveen Jaduram

Board Chair



Allan Prangnell

Chief Executive

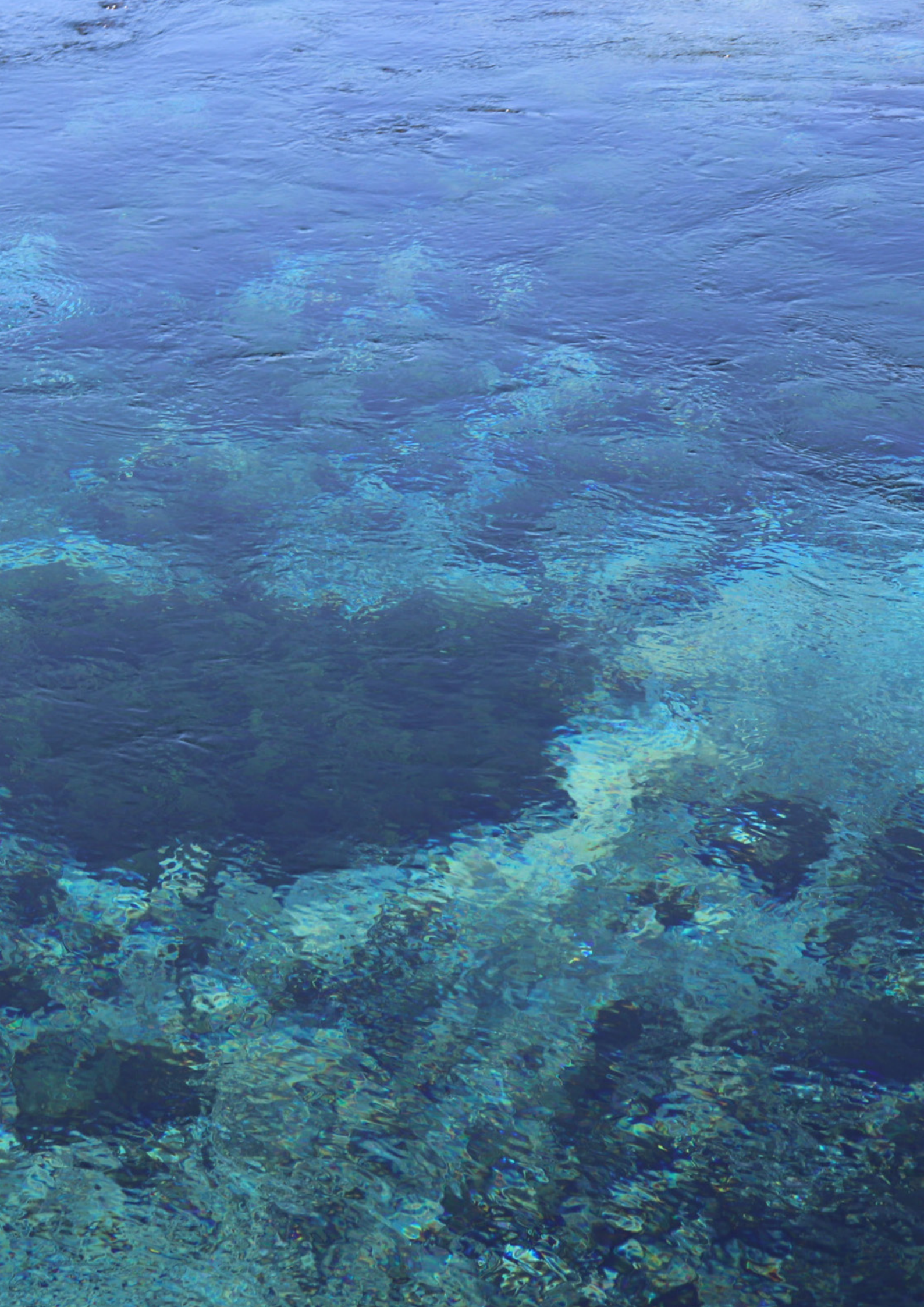


Table of contents

Foreword	2
Table of contents	5
Our year at a glance	6
How to read this Report	7
Statement of Responsibility	8
Statement from Te Puna (Māori Advisory Group) Chair	9
Legislative context	10
Key regulatory themes for 2025/26	11
Our year in review - Delivering on Government priorities	12
A year of strengthened regulatory performance	12
Improving environmental performance and infrastructure	13
Building sector capability and supporting transition	14
Organisational highlights	15
ICT and security	19
Our Board	20
Te Puna (Māori Advisory Group)	21
Audit opinion	22
Statement of Performance	26
Financial statements	38
Glossary of terms	57
Appendix 1: Disclosures	59
Appendix 2: Governance	61
Appendix 3: Climate change reporting	64
Appendix 4: Technical appendix for survey	66
Appendix 5: Data collection disclosures	73

Our year at a glance

Key highlights from 2025/26

In 2025/26, the Authority strengthened drinking water safety, advanced national water infrastructure settings, and continued to apply a risk-based regulatory approach across the water services system.



Improving access to safe drinking water

84% of New Zealanders are now served by council and government drinking water supplies with the minimum treatment barriers needed to protect public health, reflecting continued progress in strengthening drinking water safety.



Improving environmental performance and affordability

New Zealand's first national wastewater environmental performance standards established clear expectations for managing wastewater, supporting more consistent public health and environmental outcomes and improved performance across the sector.



Extending the benefits of standardisation

Progress on the National Engineering Design Standards will support greater consistency in the design, construction and operation of water infrastructure, helping improve quality, reliability and efficiency across the sector.



Improving access to affordable drinking water

Continued growth in the use of Acceptable Solutions is helping small, rural communities receive affordable and safe drinking water at the household level.



Prioritising activity to greatest need

A strengthened risk-based approach is helping focus regulatory effort where risks to drinking water safety are greatest, supporting better public health outcomes and more effective oversight.



Reducing public health risk

Long-term consumer advisories were reduced through targeted interventions, active management and supplier engagement, lowering risks to communities and improving confidence in drinking water supplies.

How to read this Report

This Annual Report provides an overview of the work, performance, and stewardship of the Water Services Authority – Taumata Arowai during the period from 1 July 2025 to 30 June 2026. It explains how we have delivered our statutory functions, contributed to improved water services outcomes, and prepared for and actioned some of the expanded responsibilities introduced through legislative change during the year.

The Report is structured around our role as New Zealand's water services regulator and system leader. It demonstrates how our work contributes to safer drinking water, more affordable and effective water infrastructure, sustainable environmental performance, and improved sector capability.

Understanding the Report

The Report is organised into five key sections:

Section	Overview of content
Introduction and overview	The Foreword, Our Year at a Glance, statements from the Board and Te Puna (Māori Advisory Group), and an overview of the Authority's role and responsibilities.
Our year in review	A summary of the Authority's key achievements, priorities, challenges and progress during 2025/26, together with an overview of the Authority's governance arrangements, including the Board and Te Puna (Māori Advisory Group).
Performance reporting	Audited and non-audited performance information showing what we delivered during the year and the progress being made towards our medium-term impacts and long-term goals.
Financial statements	Audited financial statements and related disclosures, providing a transparent account of how public resources were managed and used to deliver regulatory outcomes.
Appendices and disclosures	Statutory disclosures, governance and workforce information, climate-related reporting, technical appendices, and supporting reference material.

Understanding our performance reporting

Our performance reporting is designed to show both what we delivered during the year and the difference that work is making over time. We report performance through three levels:

- **Activities** – the work we delivered during the year and the services we provided;
- **Impacts** – the medium-term changes we are seeking to influence across the water services system; and
- **Goals** – the long-term outcomes the Authority is working towards for New Zealand's water services system.

Together, these provide a line of sight between our day-to-day regulatory activities and the long-term outcomes we seek to achieve for people, communities, and the environment.

Reading performance results

Where performance measures are reported, we explain:

- what the measure assesses;
- why it is important;
- the result achieved during 2025/26;
- any significant factors affecting performance; and
- how the result contributes to wider system outcomes.

Some measures establish a baseline for future years or reflect changes to legislation, data collection, or reporting approaches. Where this occurs, explanatory notes have been included to assist interpretation.

Statement of Responsibility

Under the Crown Entities Act 2004, the Board of the Water Services Authority – Taumata Arowai (the Authority) is responsible for the preparation of the financial statements and statement of performance, and for the judgments made in them.

The Board is also responsible for any end-of-year performance information provided by the Authority under section 19A of the Public Finance Act 1989.

The Board is responsible for establishing, and has established, a system of internal controls designed to provide reasonable assurance of the integrity and reliability of the organisation's financial reporting.

In the Board's opinion, these financial statements and the statement of performance fairly reflect the financial position and results of the operations of the Authority for the year ended 30 June 2026.

Signed on behalf of the Board:



Raveen Jaduram
Board Chair
29 October 2026



Dr Frances Hughes CNZM
Chair, Finance Risk and Assurance Committee
29 October 2026

Statement from Te Puna (Māori Advisory Group) Chair

Kua tō te rā i te tihi o Maungahaumi,
Kua waipuketia te awa o Waipaoa e ngā roimata
Kua whati te ngākau a Te Whānau a Kai
Kua hinga tētahi tōtara haemata i te wao nui a Te Aitanga a Mahaki

Toitū te whenua, whatungarongaro te tangata.
Our work in water services is not simply about addressing the challenges of today. It is about leaving stronger foundations for those who follow.

On behalf of Te Puna, I firstly want to acknowledge our friend, colleague, and former Te Puna member Ian Ruru, who passed away earlier this year. Ian's remarkable legacy is hard to sum up into mere words, but his legacy and impact will live on for generations to come. Moe mai rā e te Rangatira.

Over the past year, Te Puna has continued to provide advice to the Water Services Authority – Taumata Arowai (the Authority) on how to support small, rural, and community supplies to build their capability to provide safe drinking water. These supplies often lack the infrastructure, expertise, or funding necessary to achieve compliance, and many service predominantly Māori communities. These challenges are often compounded by a tendency to focus on larger urban populations.

Te Puna has continued to advocate for Māori voices to shape the strategic direction of the Authority. This recognises that regulation alone cannot deliver safe and reliable water services without addressing the wider systemic inequities and the need for regulatory requirements to consider and respect tikanga, mātauranga Māori, and local context.

Over the year, our cross-agency mahi has continued to mature. We have established regular meetings with regulatory agencies, including the Commerce Commission and the Department of Internal Affairs (now the Ministry for Cities, Environment, Regions and Transport), to coordinate our activities and opportunities for collaboration.

Equitable access to safe drinking water has remained a central focus, and Te Puna acknowledges the efforts undertaken by the Authority to support capability uplift, outreach, and engagement with communities across the motu. Engagement with rural schools has been a particular highlight, and the Authority has worked hard over the past year to ensure that our most vulnerable tamariki and their kaiako can access clean water at schools.

Fit-for-purpose guidance and materials that are accessible, easy to use, and relevant to communities has been a focus over the past year, and Te Puna has seen the impact that this approach can have.

The year has also brought important progress as the Authority's regulatory role has extended further across the water services system. The completion of the first national wastewater standards, with Treaty settlement provisions preserved through Cabinet consideration, reflects the importance of early and meaningful iwi engagement. Stormwater work has also progressed with advice from Te Puna to develop a draft position paper to be shared for sector input.

As the Authority's role continues to develop, Te Puna has remained focused on ensuring mātauranga Māori and Treaty obligations are reflected in both policy design and implementation. The development of a Treaty obligations framework and ongoing monitoring provides a stronger foundation for continuous improvement in this space. I acknowledge my fellow Te Puna members, Stephanie Dijkstra and Bonita Bigham, and extend particular recognition to departing members Loretta Lovell and Te Huia Taylor for their contribution. I also acknowledge the Board, Chief Executive, and staff of the Authority for their commitment to advancing our shared kaupapa in a complex and changing environment.

Looking ahead, Te Puna will continue to support the Authority's priorities through strengthened cross-agency coordination, deepened engagement with iwi and Māori communities, extended outreach to rural schools and marae, and ensuring a strong Māori voice informs work in the infrastructure standardisation workstream.

While the challenges before the sector are significant, the commitment of Te Puna and the Authority gives me confidence that we will continue to make progress, steadily and together, for the wellbeing of people and wai across New Zealand.



Riki Ellison
Te Puna Chair

Legislative context

This Annual Report is a statutory document required under section 150 of the Crown Entities Act 2004. The Report covers the period from 1 July 2025 – 30 June 2026 and reflects the work completed by the Water Services Authority – Taumata Arowai (the Authority) during this timeframe.

A year of legislative transformation

The Local Government (Water Services) Act 2025 was enacted in August 2025, changing how water services are delivered across New Zealand. This resulted in amendments to the Authority's key legislation - the Water Services Authority – Taumata Arowai Act 2020 and the Water Services Act 2021. The amendments strengthened our system leadership role, revised our statutory objectives and provided new tools to support safer, more consistent and more sustainable water services.

The Water Services Authority – Taumata Arowai Act 2020 outlines our objectives, which are to:

- protect and promote drinking water safety and related public health outcomes;
- effectively administer the drinking water regulatory system;
- build and maintain capability among drinking water suppliers and across the wider industry;
- develop and administer National Engineering Design Standards for network infrastructure;
- provide oversight of, and advice on, the regulation, management, and environmental performance of drinking water, wastewater and stormwater networks; and
- promote public understanding of the environmental performance of drinking water, wastewater and stormwater networks.

The Water Services Act 2021 provides the main legislative framework we operate under for the regulation of water services.

Treaty of Waitangi (Te Tiriti o Waitangi)

The Authority has a responsibility to uphold its obligations in relation to the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles, and engage with and understand the perspectives of Māori.

The Authority also acknowledges its Treaty Settlement Act obligations including the Waikato/Waipā, Whanganui and Whangaehu River catchments.[1]

Responsible Minister and Monitoring Agency

The Minister of Local Government is the Authority's responsible Minister. The Minister oversees and manages the Crown's interest in, and relationship with, the Authority and exercises any statutory responsibilities given to the Minister with respect to the Authority, its duties and functions.[2] The Authority has delivered its functions as per the Minister's Letter of Expectations.

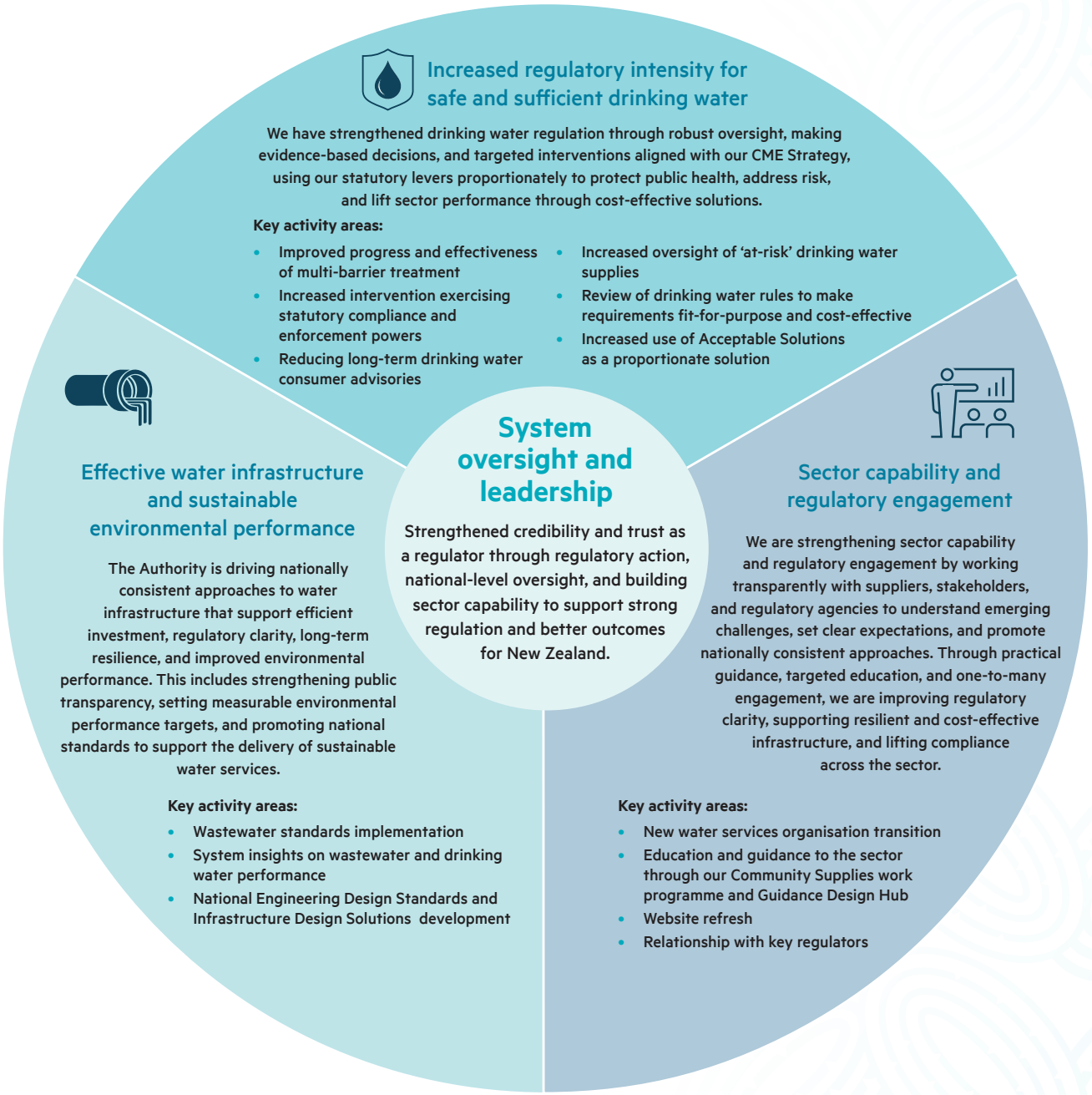
During the 2025/26 financial year, the Department of Internal Affairs was the Government's monitoring agency for the Authority. From 1 July 2026, the Ministry of Cities, Environment, Regions and Transport (MCERT) became the Authority's monitoring agency following its establishment.

1 In accordance with the Ngāti Tūwharetoa, Raukawa and Te Arawa River Iwi Waikato River Act 2010, the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010, the Nga Wai o Maniapoto (Waipa River) Act 2012, the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017, and the Ngāti Rangi Claims Settlement Act 2019.

2 Section 27, Crown Entities Act 2004.

Key regulatory themes for 2025/26

The diagram below illustrates the Authority's key areas of focus for 2025/26. System oversight and leadership sit at the centre of our approach, supported by targeted regulatory activity across drinking water safety, environmental performance, and sector capability. The activities shown under each theme highlight the work we are prioritising to strengthen regulation, support compliance, and improve water outcomes for New Zealanders.



Our year in review – Delivering on Government priorities

Legislative reforms in 2025/26 expanded the Authority's responsibilities. In response, the Authority strengthened national oversight, took targeted action, and helped water suppliers meet their obligations.

The Authority kept regulation proportionate and cost-effective by focusing its resources on the greatest risks to people and the environment. It also provided sector leadership by clarifying expectations and coordinating with other regulators and sector partners.

While the Authority made progress during 2025/26, challenges remain. Some consumer advisories continue to take time to resolve, public awareness of the Authority remains low, and further improvements are needed in source water risk management, monitoring, and treatment effectiveness across parts of the sector.

Key areas of focus aligned with Government priorities include:

- increased regulatory intensity and risk-based oversight to improve drinking water safety and public health outcomes;
- greater infrastructure standardisation and environmental performance to support cost-effective, sustainable water services; and
- stronger sector leadership, capability and engagement to improve performance across the water services system.

A year of strengthened regulatory performance

More New Zealanders now receive drinking water protected by effective treatment barriers

Maintaining multiple barriers of protection against contamination is an internationally recognised standard for safe drinking water. More water suppliers installed effective drinking water treatment barriers during 2025/26, with continued progress in bacterial treatment and residual disinfection. Authority data shows that more supplies had effective protozoa and bacterial barriers in place at year-end than at the start of the year. Local and central government suppliers serving approximately 84% of New Zealanders increased the use of these barriers.

The Authority issued directions to suppliers that had not implemented treatment barriers. The directions required funded plans to be provided by 30 June 2026 and for consumer advisories to be in place until the required barriers were installed.

Targeted improvements have reduced drinking water risks in self-supplied schools

The Ministry of Education owns 422 registered self-supplied school drinking water supplies. These supplies serve around 0.9% of New Zealand's population and accounted for 48% of microbiological contamination (*E. coli*) notifications reported by registered drinking water suppliers in 2025. The Authority worked with the Ministry of Education to oversee a risk-based programme of drinking water safety improvements, prioritising high-risk schools and schools reporting repeated *E. coli* detections. The programme included safety upgrades, condition assessments, and the use of Acceptable Solutions as a cost-effective compliance pathway where appropriate.

By 30 June 2026, the Ministry had completed safety upgrades at 60 of the 64 highest-risk schools identified through the programme. Work continues at the remaining schools.

Progress towards safer drinking water from high-risk supplies

Communities can face drinking water safety risks for a range of reasons, including long-standing infrastructure and compliance issues, or emerging incidents that require immediate action. During the year, the Authority increased regulatory intervention where needed to protect public health and support the delivery of safe drinking water.

Kāeo (Far North) drinking water issues

Kāeo remained a significant and complex regulatory case during the reporting period. The community continued to experience long-standing drinking water quality issues, including an extended boil water notice.

During the year, the Authority escalated its regulatory response, moving from collaborative engagement to formal regulatory action. The Authority maintained close oversight of the supply and used its regulatory powers to require action on identified public health risks. A preferred long-term solution was identified to transition affected properties to self-supplied rainwater systems and discontinue the existing networked supply.

Greater Greymouth drinking water contamination issues

The Authority increased its regulatory focus on the Greater Greymouth drinking water supply following investigation of a drinking water contamination event in 2025. The Authority filed charges in relation to the supply in April 2026 alleging a failure to comply with the duty to supply safe drinking water. This is the Authority's first prosecution since it came into existence in 2021.

The Authority will continue to monitor drinking water services on the West Coast, working with Grey District Council and the new West Coast water services organisation to support safe and reliable drinking water for communities across the region.

Other high-risk drinking water supplies

The Authority continued to intervene in a range of other supplies where drinking water safety concerns required regulatory attention. These interventions included setting expectations for improvement, requiring corrective actions, monitoring progress against agreed timeframes, and using regulatory tools, where appropriate, to address risks to consumers. Together, these actions demonstrate the Authority's commitment to using a proportionate, risk-based regulatory approach that supports compliance, addresses identified public health risks and helps ensure communities have access to safe drinking water.

Long-term consumer advisories continued to decline

Consumer advisories are an important tool for protecting public health when drinking water quality is compromised. The Authority continued to focus on reducing long-term consumer advisories, which are advisories that remain in place for an extended period while suppliers address underlying drinking water safety issues. During the year, the Authority worked closely with suppliers to resolve long-standing issues, improve treatment systems, and implement effective drinking water safety barriers. Targeted engagement, regulatory oversight, and intervention helped suppliers understand available compliance pathways and take action to lift long-term advisories. The Authority also supported suppliers to manage temporary consumer advisories issued in response to short-term water quality incidents, including by providing advisory templates and guidance material to support public communications during water quality incidents.

During 2025/26, long-term consumer advisories affecting council supplies closed at a rate of 22.9%, while those long-term consumer advisories that were already in place affecting government and commercial supplies closed at a rate of 16.2%.[3]

Better use of data is allowing earlier identification of drinking water risks

To strengthen oversight of treatment barrier effectiveness for council and government supplies, the Authority developed a Compliance, Monitoring and Intervention (CMI) risk identification framework and dashboard. The framework uses self-reported non-compliance data from the Drinking Water Quality Assurance Rules and Drinking Water Standards to identify drinking water risks that require further assessment. The dashboard integrates regulatory data to provide views of national and supply-level risk, supporting the identification of high-risk supplies and the prioritisation of monitoring and intervention activities.

Improving environmental performance and infrastructure

New Zealand's first wastewater standards established to improve consistency and reduce compliance costs

The Authority established New Zealand's first national Wastewater Environmental Performance Standards, which came into force on 19 December 2025. The standards provide nationally consistent and cost-effective requirements for wastewater discharges to land and water, biosolids reuse and wastewater overflows. The Authority also started developing a second tranche of standards covering air discharges from wastewater treatment plants and networks, and discharges of heavy metals to water. Ongoing tranches of guidance on implementation of the standards, together with support to operators, is a continuing focus for the Authority.

Nationally consistent infrastructure standards are taking shape

The Authority progressed the National Engineering Design Standards (NEDS), that will provide a common national framework for the design, construction and operation of drinking water, wastewater and stormwater infrastructure. By establishing performance-based requirements and consistent codes of practice, NEDS will help reduce variation and support more cost-effective and efficient infrastructure delivery across New Zealand.

3 A closure occurs when the issues that led to the advisory have been addressed and the advisory is formally lifted. The closure rates relate to long-term consumer advisories that were already in place and were lifted during 2025/26. They do not include temporary advisories issued in response to short-term water quality incidents.

New Zealand now has its first complete national picture of drinking water and wastewater network performance

The Authority published the 2024/25 Network Environmental Performance Report, providing New Zealand's first complete national picture of public drinking water and wastewater network performance. The Report identified a number of system issues such as wastewater overflows, poor or unknown asset condition, water loss and data quality. The Report provides a national evidence base for infrastructure planning, investment decisions and oversight of water services performance. The Authority will be monitoring performance against the Report's recommendations.

Building sector capability and supporting transition

Updated Rules will support clearer and more proportionate regulation

The Authority completed a review of the Drinking Water Quality Assurance Rules for supplies serving more than 500 people, to ensure requirements were clear, proportionate, cost-effective, and aligned with supply size and risk. Following a six-week consultation, the Authority incorporated sector feedback and technical input from experts and water suppliers to update the Rules, including changes to reduce compliance requirements for high-quality sources and provide more workable reporting requirements. The updated Rules were Gazetted in June 2026 and will come into effect on 1 July 2027.

More suppliers used practical compliance pathways

Clearer expectations, practical compliance pathways and better access to guidance contributed to a step change in supplier performance during the year. Drinking Water Safety Plan submissions rose from 54.8% to 92.4%, uptake of Acceptable Solutions more than doubled, and treatment barrier coverage improved substantially.

The Authority worked with suppliers, stakeholders and regulatory agencies to improve understanding of regulatory requirements and support nationally consistent approaches to water services regulation. Through guidance, education, webinars, outreach and other engagement activities, the Authority clarified regulatory expectations and supported suppliers to meet their obligations.

Targeted regulatory support for community supplies

Community supplies remained a priority throughout the year. The Authority continued targeted engagement with community supplies to support progress on drinking water challenges and water service improvements. The Authority also provided guidance to schools and kura that manage their own drinking water supplies, including information on source water risks, treatment requirements and incident response.

Stronger regulatory partnerships are improving coordination across the water sector

The Authority strengthened collaboration with the Commerce Commission by updating the Memorandum of Understanding and progressing joint work on information sharing, performance monitoring and regulatory coordination.

The Authority also worked closely with sector partners, including iwi, councils, and organisations such as Te Uru Kahika during the dev elopment and implementation of the wastewater standards. These partnerships brought practical operational experience, environmental expertise and local perspectives to the development of the standards and supported nationally consistent approaches across the sector.

Looking ahead

The work undertaken during 2025/26 has strengthened drinking water regulation, established important foundations for nationally consistent infrastructure and environmental regulation, and improved the Authority's oversight of water services performance.

Looking ahead to 2026/27, the Authority will focus its efforts on:

- **supporting drinking water suppliers to improve compliance and risk management** through clearer guidance, cost-effective and practical tools and targeted engagement, particularly for community and smaller suppliers;
- **investing in digital tools and information systems** to improve regulatory oversight, decision-making, risk identification, and sector performance while reducing reporting burden;
- **building on work already underway to improve environmental performance and infrastructure consistency** that support cost-effective, consistent and sustainable water services. This includes supporting the implementation of wastewater standards, progressing the NEDS, improving environmental performance reporting, and strengthening system oversight through better use of information and data; and
- **continued support for the transition to new water service delivery arrangements** by helping organisations understand and meet regulatory expectations under Local Water Done Well.

Organisational highlights

Health, safety and wellbeing

Workplace health, safety and wellbeing remained strong

The Authority continued to strengthen its health, safety and wellbeing governance during the 2025/26 financial year. The Health and Safety Committee continued to play an important role in supporting health and safety governance and worker participation, with health and safety representative elections held in 2025. All four representative positions were filled, including two new and two returning representatives, demonstrating strong staff engagement in workplace safety. Site-specific health and safety plans were reviewed and updated during the year, and the Finance, Risk and Assurance Committee received regular updates on health, safety and wellbeing as part of Board-level oversight.

Board site visits strengthened oversight of workplace risks

The Board progressed its health and safety site visit programme to support its due diligence responsibilities under the Health and Safety at Work Act 2015. Through visits to regional offices, Board members gained direct insight into the Authority's work, key health and safety risks and controls, incident and near-miss management, and the experience of staff working across different locations. Findings and observations from these visits were reported back through established governance channels to support continuous improvement.

Critical risks remained well managed

Health, safety and wellbeing risks remained well managed throughout the year, with critical risks relating to field work, visitor management, and psychosocial wellbeing monitored through established controls and assurance processes. An internal health and safety assessment commenced to identify opportunities for continuous improvement.

Workplace wellbeing indicators remained positive

The Authority recorded no significant workplace injuries or incidents during the year. Sick leave usage averaged 6.46 days per FTE. The Authority actively managed leave liability, with 10 staff holding more than 20 days of annual leave at the end of 2025/26.

The Employee Assistance Programme uptake increased during the year, which the Authority continues to monitor. The collective agreement was successfully ratified on 26 August 2025.

Training and development

The Authority invested in capability building for drinking water regulation during 2025/26. Technical training on drinking water treatment barriers was delivered to frontline regulatory staff, building internal expertise on compliance monitoring. Staff were also trained on the revised Acceptable Solutions framework following its publication in September 2025, and on the new Compliance Monitoring and Investigation (CMI) risk identification framework implemented in the third quarter. The Authority progressed its Organisational Development Plan as part of its wider Organisational Work Plan, supporting capability development and organisational effectiveness. This included group-level assessments of training needs.

The Authority launched a new Learning Hub as part of its website refresh, providing improved access to educational resources for both staff and the water services sector. Staff attended professional development events including the Water New Zealand conference, LGNZ conference, and Ozwater conference.

Māori-Crown relations capability

During 2025/26, the Authority strengthened its capability to uphold its obligations under the Treaty of Waitangi (Te Tiriti o Waitangi). In March 2026, the Board endorsed a framework to support the consistent consideration of Treaty settlement obligations across the Authority's regulatory activities. To support implementation, the Authority developed guidance and training for staff who regularly work on matters involving Māori interests.

The Authority also demonstrated its commitment to working in partnership with Māori through ongoing relationships with iwi, hapū, and marae communities. During the year, staff worked with Te Rūnanga o Koukourarata and Koukourarata Marae to provide practical advice on drinking water treatment and to test guidance materials from a marae operator perspective. The Authority also partnered with Te Rūnanga o Te Rarawa and representatives of the Matihetihe Marae water supply to develop guidance resources for marae drinking water suppliers. These activities built on trusted relationships established over several years and enabled Māori communities to directly shape the guidance and resources developed by the Authority.

Looking ahead to 2026/27, the Authority will continue to build organisational capability and understanding of the Treaty of Waitangi (Te Tiriti o Waitangi) and its relevance to our work. The Authority will continue to strengthen relationships and engagement with iwi and hapū to support meaningful participation in matters that affect Māori interests and to inform the development of its regulatory work and decision-making.

Organisational Risk Management

The Authority maintained strong organisational risk management practices throughout 2025/26. The Board and Finance, Risk and Assurance Committee provided regular oversight of strategic, operational, financial, legislative and health and safety risks, supported by routine monitoring, assurance activities and management reporting. While a small number of risks required active management during the year, the Authority's overall risk profile remained stable, with controls operating effectively and targeted actions implemented to address identified issues.

Pay gaps action plan

The Authority published its Pay Gaps Action Plan in August 2025. The plan focuses on addressing gender and ethnicity-based pay gaps through equitable and fair employment practices. As at 30 June 2026, the Authority's gender pay gap across the organisation (including the Chief Executive) was 4.6% (compared to 1.74% in 2025), while the Māori pay gap was 6.6%, based on median full-time equivalent salaries.[4]

As a relatively small organisation, individual appointments and changes in workforce composition can have a noticeable impact on pay gap results. Small changes in employee numbers, or the appointment or departure of individuals in particular roles, can have a disproportionate effect on the reported gender and Māori pay gaps from year to year. The Authority's gender pay gap is also influenced by workforce composition, with women more highly represented in lower-paid roles.

To help address pay gaps, the Authority monitors starting salaries, reviews remuneration settings, improves pay gap reporting and transparency, supports equitable career progression, and continues initiatives to reduce bias in recruitment and employment practices.

4 Ethnicity pay gap data is based on primary self-reported ethnicity. Where employees identified with more than one ethnicity, the first ethnicity selected has been used for reporting purposes.

Employee profile

Workforce figures are reported by headcount.

As at the end of June 2026, our employee profile was:

	FY2024/25	FY2025/26
Occupied roles	99.3 Full-time equivalents (FTE)	111.58 FTE
Gender profile (male/female)	35m/69f	40m/75f
Unplanned turnover*	8.57%	21.43%
Average length of service	25.0 months	25.65 months
Average age of staff	44 years	44 years
Staff identifying as having a disability	0.96%	3.47%
Gender pay gap	1.74%	4.6%

Note: Full-time equivalent (FTE) represents the workforce capacity expressed as full-time equivalent positions, based on contracted hours. Headcount represents the number of individual employees within the organisation.

Workforce demographic information is reported on a headcount basis in 2025/26. Previous annual reports included a mix of headcount and FTE measures. Using headcount provides a consistent basis for reporting the Authority's workforce demographics.

*Turnover is largely driven by organisational factors, including the size of the Authority, which limits career development opportunities internally. While the employment market has softened, challenges remain with appointing staff with the required skills and capabilities.

Diversity profile

Ethnicity and age of workforce

Self-reported primary ethnicity	% of total staff	
	2024/25	2025/26
African	0.96	0
Asian	7.7	7.8
European (all locations)	15.4	13.9
Pacific	0	0
NZ European / Pākehā	53.8	59.1
NZ Māori	16.3	13.9
South American	0.96	0.9
Other	2.9	1.7
Not declared	1.9	2.6

Age profile	As at 30 June 2025/26 (headcount)	
	2024/25	2025/26
60+	11	13
50 – 59	22	28
40 – 49	32	31
30 – 39	31	32
20 – 29	8	11
No data	–	–

Ethnicity and age are self-reported and reflect only staff who disclosed.

ICT and security

During 2025/26 the Authority strengthened the technology and information capabilities that support our regulatory functions across drinking water, wastewater and stormwater.

Review of the Hinekōrako core regulatory platform

Hinekōrako is the Authority's core information regulatory platform. The Authority progressed a review and business case to assess how the platform can evolve to support the Authority's growing regulatory responsibilities. This included considering upgrades that would allow Hinekōrako to better support drinking water, wastewater and stormwater information within a modern, centralised data environment.

The review confirmed that the foundations of the platform were strong and identified opportunities to improve the platform's capability, utility and accessibility.

Work during the year focused on identifying changes required to improve information quality, support data sharing and inform future platform development. The review also considered Māori data sovereignty and transparent management of information.

Building capability in artificial intelligence

The Authority continued to strengthen its digital capability by exploring opportunities to responsibly adopt emerging technologies, including artificial intelligence (AI). The Authority completed a comprehensive pilot and subsequent rollout of Microsoft Copilot Business Premium across the organisation to support productivity, information management and organisational efficiency. Throughout this work, we maintained a focus on appropriate governance, privacy and security controls to support the safe and responsible use of new technologies.

Priorities for 2026/27

During 2026/27, the Authority will focus on:

- completing the update to the Hinekōrako platform to support our expanded responsibilities across drinking water, wastewater and stormwater;
- progressing improvements to the quality, accessibility and use of regulatory information;
- strengthening information-sharing arrangements with regulatory partners;
- developing an approach to AI governance; and
- continuing to strengthen information management and security practices.

Our Board

The Board is responsible for the stewardship and future wellbeing of the Authority. Led by our Chair, Raveen Jaduram, the Board ensures that the Authority acts in a manner consistent with our objectives, functions, and operating principles. The Board meets its requirements under the Crown Entities Act 2004. The Board also met its collective duties under the Water Services Authority – Taumata Arowai Act 2020.

The Board had one subcommittee during the 2025/26 year which was the Finance, Risk and Assurance Committee (FRAC). This subcommittee provides oversight of:

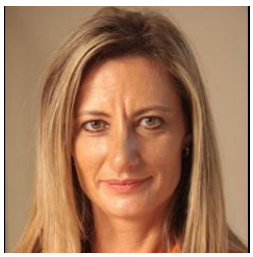
- financial review and reporting;
- external and internal audit;
- risk management;
- legislative compliance; and
- organisational health, safety and wellbeing.

The Board members bring combined expertise across water services regulation, compliance and enforcement, public health, governance, local government, infrastructure management, financial oversight and commercial leadership. This breadth of capability supports the Board to oversee the Authority's performance, manage organisational risks, monitor regulatory effectiveness, and provide strategic direction in a complex and evolving operating environment.

The Board consisted of five members as at 30 June 2026. After year-end, Scott Pearson was appointed as a Board member, effective from 3 August 2026.[5] The Board member profiles and further details relating to the functions of the Board can be found on our website.[6]



Raveen Jaduram
Board Chair



Amanda Singleton
Board member



Dr Frances Hughes
Board member and Finance, Risk and Assurance Committee Chair



Langley Cavers
Board member



Julie Hardaker
Board member

New Board Member appointed on 3 August 2026



Scott Pearson
Board member

5 Hon. John Carter was appointed to the Board on 3 August 2026 and resigned in October 2026.
6 Our Board | The Water Services Authority - Taumata Arowai

Te Puna (Māori Advisory Group)

Te Puna is the Authority's statutorily appointed Māori Advisory Group, and provides independent advice to the Board and wider organisation on Māori interests and knowledge and the strategic direction of the Authority.

Te Puna members bring combined expertise across governance, environmental management, local government, iwi and hapū development, and Māori leadership. Through their expertise and connections with Māori communities, Te Puna supports the Authority to better understand Māori perspectives, strengthen relationships, inform decision-making on matters relevant to Māori and the water services system, and meet its Māori-related obligations as part of its compliance function.

Te Puna consisted of three members as at 30 June 2026. After year-end Soltice Morrison and Cheyenne Wilson were appointed as Te Puna members, effective from 3 August 2026. Our Te Puna member profiles and further details relating to the functions of Te Puna can be found on our website.[7]

Board and Te Puna Memorandum of Understanding

The Water Services Authority – Taumata Arowai Act 2020 requires the Board and Te Puna to jointly prepare a Memorandum of Understanding and agree on the Terms of Reference of Te Puna, identifying the scope of the advice that Te Puna will provide from a Māori perspective.[8] Following legislative changes during the 2025/26 financial year, the Memorandum of Understanding and Terms of Reference were updated. Te Puna continued to provide strategic advice to the Board through regular joint hui, ensuring Māori perspectives inform regulatory decisions and standards development.



Riki Ellison
Ngāti Toa Rangatira,
Ngāi Tahu, Te Ātiawa
Te Puna Chair



Stephanie Dijkstra
Ngāi Tahu, Ngāti Mamoe
Te Puna member



Bonita Bigham
Ngāruahine, Te Ātiawa
Te Puna member

New Te Puna members appointed on 3 August 2026



Soltice Morrison
Ngāti Whakaue,
Ngāti Rereahu-Maniapoto
Te Puna member



Cheyenne Wilson
Ngāi Tūhoe, Ngāti Awa
Te Puna member

7 Māori Advisory Group | The Water Services Authority - Taumata Arowai
8 Water Services Authority – Taumata Arowai Act 2020, sections 17(2) and 17(4).

Audit opinion

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of the financial statements and performance information of Taumata Arowai for the year ended 30 June 2026

The Auditor-General is the auditor of the Water Services Authority - Taumata Arowai ("the Authority"). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Authority that comprise the statement of financial position as at 30 June 2026, the cost of service statement, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 38 to 55; and
- the performance information that consists of the statement of performance, activities, performance overview and activity measures for the year ended 30 June 2026 on pages 26 to 32.

In our opinion:

- The financial statements of the Authority present fairly, in all material respects, its financial position as at 30 June 2026, and its financial performance and cash flows for the year then ended, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information is appropriate and meaningful and prepared in accordance with the Authority's measurement bases or evaluation methods and Public Benefit Entity Standards Reduced Disclosure Regime, and presents fairly, in all material respects:

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board are responsible on behalf of the Authority for preparing financial statements and performance information that are fairly presented and comply with Public Benefit Entity Standards Reduced Disclosure Regime. This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of performance, in accordance with the Authority's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it determines necessary to enable it to prepare financial statements and performance information that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board is responsible on behalf of the Authority for assessing the Authority's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Authority, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the financial statements and performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Authority's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We obtain an understanding of the process applied by the Authority to select its elements/aspects of service performance, performance measures and/or descriptions and the measurement bases or evaluation methods.
- We evaluate whether:
    - the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the entity's service performance; and
    - the performance information is prepared in accordance with the Authority's measurement bases or evaluation methods, and presents fairly, in all material respects in accordance with Public Benefit Entity Standards Reduced Disclosure for each class of reportable outputs;
        - the actual performance of the Authority as compared with the forecast standards of performance included in the Authory's statement of performance expectations for the financial year; and
        - the actual revenue earned and output expenses incurred as compared to the expected revenues and the proposed output expenses included in the Authority's statement of performance expectations for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual report, but does not include the financial statements, the performance information consisting of the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Authority in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand).*

Other than in our capacity as auditor, we have no relationship with, or interests in, the Authority.



Henry McClintock
BDO Wellington Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand
29 October 2026

Statement of Performance

Performance framework and changes to performance reporting

The Authority's performance framework was initially published in 2021 following our establishment as the water services regulator. In early 2024, the Authority updated its framework to reflect a shift into active regulation of water services. Alongside this, the suite of performance measures were reviewed and updated. During the 2025/26 year, following legislative changes, the performance measures were restructured to promote clarity of reporting through a split of the measures between the Authority's Statement of Intent (SOI) and Statement of Performance Expectations (SPE).

Our **amended SOI** sets out our long-term goals, and the medium-term impacts that the Authority is progressing.

Our **amended SPE** sets out the activities that are delivered each year. These activity measures are subject to the annual financial audit.

This updated approach provides a clearer line of sight between:

- what we did this year (SPE activities);
- what difference it is making (SOI impacts); and
- whether we are on track towards our long-term goals (SOI goals).

Together, these elements show how our day-to-day work contributes towards safe reliable water services in New Zealand.

Activites (SPE)	→	Impacts (SOI)	→	Goals (SOI)
What we deliver 11 audited measures Reported in SPE		**Medium-term changes** 4 impact measures Reported in SOI		**Long-term outcomes** 3 goal measures Reported in SOI

Reporting performance results

Each measure is assigned one of the following results and supported with notes to explain/discuss each result.

Trend	↗ Improving	→ Stable	↕ Baseline (new)	↘ Declining
Status	✓ Achieved in full	✓ Partially achieved	✓ Baseline established	✗ Not achieved

Statement of compliance

Our service performance information for the period from 1 July 2025 to 30 June 2026 has been prepared in accordance with the Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48). The Standard outlines requirements for selecting and presenting service performance information so that it is appropriate and meaningful to users. This section constitutes the service performance information presented in accordance with PBE FRS 48. Relevant contextual information is included in the other sections of this Report.

Disclosures

Under the reporting standard PBE FRS 48, the Authority must disclose the judgements that had the most significant effect on the selection, measurement, aggregation, and presentation of our performance information.

Judgements on the selection of performance information

In selecting performance measures, the Authority considered relevance, faithful representation, understandability, timeliness, comparability, and verifiability. Selection decisions were made in consultation with the Board and Management. The selected areas for reporting provide an appropriate and meaningful account of our performance and adequately inform users of what the Authority has achieved during the year, and the progress made towards achieving our long-term outcomes.

Judgements on the measurement, aggregation, and presentation of performance information

The Authority has discretion over how our performance information is measured, aggregated and presented. The Authority uses the best data available for each measure. Where applicable, results are based on registered supplies with verified information. Unverified supply records, including legacy Ministry of Health records, are excluded where their operational status or information currency has not been confirmed. Changes to data sources and measurement approaches have improved robustness but may affect comparability with earlier years. Where results differ, explanatory notes have been provided for clarity.

The relevant disclosures for this are outlined below, and measure-specific disclosures are included in the notes alongside each measure.

Disclosures

- **Measurement and presentation:** Following the restructuring of the performance measures for the amended SPE and SOI, the articulation of the results has been separated. The activity measures in the amended SPE 2025/26 are the primary focus of the performance results that are reported. Results on the outcome and impact measures in the amended SOI are included as 'other information' where this is critical to the progress of the Authority over the year.
- **Multi-year framing:** Consistent with the Treasury guidance, progress is presented as a trajectory rather than a single-year snapshot, referencing prior-year baselines where possible. Outcome/impact results that evidence goal progress are cross-referenced where relevant.
- **Baseline measures:** Some measures are reported as baseline in 2025/26. These establish a starting point for tracking performance over time and including in situations where mean results are not directly comparable with previous years. This baseline will be used as the comparator in future years. For several measures, 2024/25 established baseline data, with 2025/26 showing the first trends.
- **Changes to measures:** Some measures have been refined, added, and removed, to reflect the changes in the regulatory approach. These have been detailed in the report in the relevant sections.
- **Timing and limitations:** Some measures are reported less frequently, reflect earlier reporting periods due to data cycles and establish baselines rather than trends in their first year. These limitations are explained alongside each measure where relevant.

At a glance: What the results tell us

The Authority delivered a strong year of performance in 2025/26, with significant improvements in drinking water safety compliance, treatment barriers implementation, and supplier confidence in the Authority as a regulator. The results indicate that the drinking water regulatory system is continuing to mature and that suppliers are increasingly meeting their regulatory obligations.

Three key insights emerge:

1. **Major gains in compliance and safety measures:** Drinking Water Safety Plan submissions rose from 54.8% to 92.4%. Uptake of Acceptable Solutions more than doubled, and treatment barrier coverage improved substantially across the sector.
2. **Growing confidence in the Authority as a regulator:** Supplier perceptions of the Authority improved markedly, with strong increases in the Authority's credibility, responsiveness, and the accessibility of its standards and guidance.
3. **Some persistent challenges remain:** Consumer advisories continue to take time to resolve, public awareness of the Authority remains low, and further improvements are needed in source water risk management, monitoring, and treatment effectiveness across parts of the sector.

Overall, the year was characterised by strong improvements in compliance, safety planning, treatment effectiveness, and stakeholder confidence, demonstrating that the drinking water regulatory system is becoming more mature and effective.

Activities

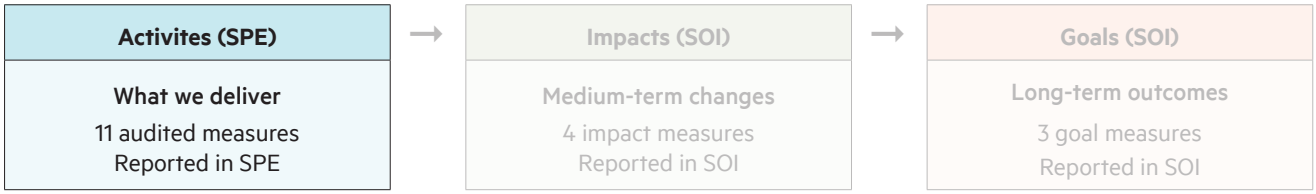
Progress on achieving our activity measures

How to interpret this section

This section details the Authority's activity measures included in the amended SPE 2025/26 and reports on the results of the activity measures for the 2025/26 year. Supporting details explain how these activity results were achieved. Some activity measures establish a baseline for the first time in 2025/26 and will be used to track trends in future years.

Summary of activity measure results

The graphic on the next page provides an overview of all 11 activity measures for 2025/26 showing the current targets, trends over time, and the progress of each measure.



Performance overview

Status Key				
	Achieved	Partial	Baseline established	Not achieved
	Improving	Stable	Baseline (new)	Declining

Activity Area		Performance Measure	2023/24 Result	2024/25 Result	2025/26 Target	2025/26 Results	Trend	Status
Set standards and make expectations clear	1	No secondary legislation made or issued by the Authority is disallowed by Parliament	0%	0%	0%	0%	↗	✓
Provide a range of options to comply	2	Percentage of registered supplies that have chosen an Acceptable Solution as a pathway to compliance	9.6%	12.5%	≥12%	30.3%	↗	✓
	3	Number of downloads of our guidance that is developed for suppliers and network operators	8,700	13,953	≥13,950	15,860	↗	✓
Take action when needed	4	Percentage of selected decisions made under Part 3 of the Act that meet internal process and policy criteria, as determined by a quality assurance review	N/A	N/A	100%	100%	↕	✓
	5 New	Number and percentage of long-term drinking water consumer advisories (warning to boil, not drink or not use) closed for council, central government and commercial supplies	2025/26Target **Councils: ↓10%** (5 advisories) **Government & Commercial: ↓10%** (3 advisories)			**Councils** ↓22.9% (11) **Government & Commercial** ↓16.2% (6)	↕	✓
Maintain oversight of supplier response to incidents and emergencies	6	Median resolution times for our work when responding to "critical" notifications	N/A	2 days across 1,038 notifications	≤2 days	1 day across 901 notifications	↗	✓
	7 New	Percentage of cases closed with required intervention implemented	N/A	N/A	Baseline	97%	↕	✓
Provide transparency to the public on the performance of their water services	8	Operators' confidence in the quality of data they report for network environmental performance measures	N/A	N/A	Baseline	4.25 out of 5	↕	✓
	9	Percentage of public surveyed who know our information exists and/or have accessed it	45%	Biennial	≥45%	25%	↘	✗
	10	Number of visitors that engage with the pages in the public section of our website (click-through engagement)	N/A	8,003 users	≥8,000 users	6,886 users	↘	✗
Service critical asset performance	11 New	The amount of time that Hinekōrako (registration and notifications system) is available for users	99.76%	99.75%	≥98% available	99.86%	→	✓

Activity measures

Status Key				
	Achieved	Partial	Baseline established	Not achieved
	Improving	Stable	Baseline (new)	Declining

Set standards and make expectations clear

1

No secondary legislation made or issued by the Authority is disallowed by Parliament

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
0%	0%	0%	0%	↗	✓

Discussion

This measure tracks whether any secondary legislation developed by the Authority is disallowed by Parliament. Secondary legislation includes instruments such as compliance rules, Acceptable Solutions, and certain exemption decisions, which are reviewed by Parliament's Regulations Review Committee. We met our target, with no secondary legislation presented by the Authority disallowed during the year.

Provide a range of options to comply

2

Percentage of registered supplies that have chosen an Acceptable Solution as a pathway to compliance

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
9.6%	12.5%	30.3%	≥12%	↗	✓

Discussion

This measure tracks where Acceptable Solutions are chosen by drinking water suppliers as a compliance pathway. Acceptable Solutions provide a cost-effective compliance pathway that recognises differences in the scale, complexity, and risk profile of drinking water supplies. Uptake increased to 30.3% of verified supplies by June 2026, compared with 12.5% in 2024/25 and 9.6% in 2023/24. Growth during the second half of the year was driven by stronger engagement with key supplier groups, including the Ministry of Education's adoption of Acceptable Solutions for a large number of its supplies.

3

Number of downloads of the Authority's guidance that is developed for suppliers and network operators

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
8,700	13,953	15,860	≥13,950	↗	✓

Discussion

This measure tracks how easily suppliers can find and access guidance provided by the Authority on our website. This measure focuses on the user journey to guidance materials. During the year, visits to guidance pages increased following the Authority's website refresh, supported by improved navigation and the conversion of guidance content from PDFs to web pages.

Provide a range of options to comply

4

Percentage of selected decisions made under Part 3 of the Act that meet internal process and policy criteria, as determined by a quality assurance review.

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
N/A	N/A	100%	100%	↕	✓

Discussion

A quality assurance review examined five of the seven directions issued under Part 3 of the Water Services Act 2021 (a large sample), and found that all five decisions met the Authority's internal process and policy criteria. The decisions were legally compliant, aligned with the Compliance, Monitoring and Enforcement Strategy, and appropriately documented. Minor administrative improvements were identified, but these did not affect the validity of the decisions. As the review is conducted biennially and was not completed in 2024/25, this result provides the baseline for future comparisons.

5

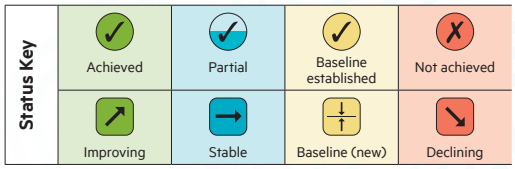
Number and percentage of long-term drinking water consumer advisories (warning to boil, not drink or not use) closed for council, central government and commercial supplies.

2025/26 Result	Target	Trend	Status
Councils: ↓22.9% (11 advisories) **Government & Commercial:** ↓16.2% (6 advisories)	**Councils:** ↓10% (5 advisories) **Govt & Commercial:** ↓10% (3 advisories)	↕	✓

New

Discussion

This measure tracks progress in reducing long-term consumer advisories, which indicates ongoing issues affecting drinking water supplies that require investigation and resolution. The measure existed previously, but its scope changed following the December 2025 SPE amendment to focus on long-term advisories and report by supplier group. Because of this change, results are not yet directly comparable over time. During 2025/26, the number of active advisories reduced overall, including the closure of 17 boil water advisories, demonstrating continued progress in reducing long-term consumer advisories.



Maintain oversight of supplier response to incidents and emergencies

6

Median resolution times for our work when responding to "critical" notifications

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
N/A	2 days across 1,038 notifications	1 day across 901 notifications	≤2 days	↗	✓

Discussion

'Critical' notifications are those that pose a risk to public health. The median resolution times for critical notifications remained strong, with most resolved within 1 day. This continues the improvement from 2024/25 when results were more variable. Performance stabilised from December 2025 through to June 2026, indicating a more consistent and efficient response process. Although resolved notification volumes were lower than earlier years, the overall trend shows faster and more reliable resolution of critical notifications.

7

New

Percentage of cases closed with required intervention implemented

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
N/A	N/A	97% 30 cases closed	Baseline	↓↑	✓

Discussion

The baseline for this measure was established during 2025/26. Thirty cases were closed (97%) achieving implementation of the required intervention by the Authority. This demonstrates a high level of effectiveness in ensuring that regulatory interventions were completed and aligned with the Compliance Monitoring and Enforcement Strategy. The result indicates that the vast majority of closed cases achieved the intended regulatory outcome, supporting improvements in drinking water compliance and safety.

Provide transparency to the public on the performance of their water services

8

Operators confidence in the quality of data they report for network environmental performance measures

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
N/A	N/A	4.25 out of 5	Baseline	↓↑	✓

Discussion

The baseline for this measure was established during 2025/26. Network operators reported an average confidence score of 4.25 out of 5 in the quality of the data provided for Network Environmental Performance Measures. This result is above the Authority's baseline level of 4 (Reliable) and indicates that operators generally consider the information they provide to be reliable to highly reliable. High-quality data supports the Authority's ability to provide transparent and meaningful information about water infrastructure performance to the public.

9

Percentage of public surveyed who know our information exists and/or have accessed it

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
45%	N/A	25%	≥45%	↘	✗

Discussion

This measure is based on the biennial survey that tracks public awareness of information provided by the Authority about its role and the responsibilities of water services providers. The 2025/26 survey results did not meet the SPE target, indicating that awareness of the Authority's information remains low and that public recognition and understanding of the Authority needs to improve. Compared with previous surveys, the 2025/26 survey included a larger and broader participant sample, which may have contributed to the lower result.

10

Number of visitors that engage with the pages in the public section of our website (click-through engagement)

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
N/A	8,003 users	6,886 users	≥8,000 users	↘	✗

Discussion

This measure tracks how people engage with public information on the Authority's website by measuring click-through engagement to public-facing content. Click-through engagement shows whether visitors go beyond the main page and access additional information. During the year, the number of unique users accessing public content decreased from the previous year. We attribute the decrease to the restructure of the Authority's website, which better directs drinking water suppliers to relevant content. The Authority intends to review this measure as part of its ongoing performance reporting framework to ensure it remains fit for purpose.

Status Key				
	Achieved	Partial	Baseline established	Not achieved
	Improving	Stable	Baseline (new)	Declining

Service critical asset performance

11

The amount of time that Hinekōrako (registrations and notifications system) is available for users

2023/24 Result	2024/25 Result	2025/26 Result	Target	Trend	Status
99.76%	99.75%	99.86%	≥ 98%	→	✓

New

Discussion

This is a new measure for 2025/26, although previous years' comparative results were available. It was added to meet a new Treasury requirement for agencies to report each year on the availability of critical systems (CO(23)9). Hinekōrako was available to users 99.86% of the time during the year. It was offline for about six hours (0.139% of the time) for planned maintenance and renewing security certificates. Because the downtime was planned and limited, users could access the system for almost the entire reporting period.

Goals

Other progress information

Progress towards achieving our long-term goals

How to read this section

This section demonstrates how the Authority is tracking against its long-term goals in our SOI, which are outcomes the Authority is working towards to achieve within the next 15 years. Progress is reported where the activity measures have contributed to progress on the Authority's long-term goals.

The Authority is focussed on three goals:

- **Goal One:** Safe and sufficient drinking water;
- **Goal Two:** Effective water infrastructure; and
- **Goal Three:** Sustainable environmental performance.

How we are tracking against our long-term goals

For each goal, we have included explanations on what it means, indicate our progress this year, and highlight where we are on track or where more work is needed. Some changes take time, so not all progress will be visible yet.

Progress acknowledgement

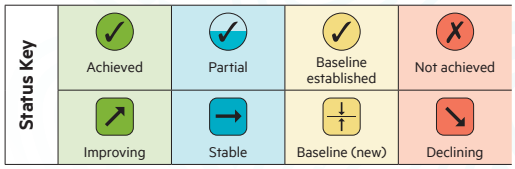
The Authority is making progress, but acknowledge challenges remain:

- long-term advisory duration (987 days) exceeds our target (≤500 days); and
- source water monitoring compliance sits at 42.7% (a known sector challenge).

We are addressing these through increased regulatory intensity, targeted guidance, and our Compliance, Monitoring and Enforcement Strategy 2025-28.

Activites (SPE)	→	Impacts (SOI)	→	Goals (SOI)
What we deliver 11 audited measures Reported in SPE		Medium-term changes 4 impact measures Reported in SOI		Long-term outcomes 3 goal measures Reported in SOI

Goals overview



Goal 1

Safe and sufficient drinking water

All New Zealanders can trust that the water coming out of their tap is safe to drink. Water supplies are registered, checked, and have proper treatment systems in place.

Number and percentage of the population that have access to drinking water from a registered, verified supply

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
84.2% 4,448,012	83.7% 4,458,538	83.8% 4,469,851	83.7% 4,458,538	→	✓

Discussion

Access to drinking water from registered and verified supplies remained high, with 83.8% of New Zealanders (approximately 4.47 million people) served. Coverage has remained consistently strong over time, reflecting a mature and well-established regulatory system. While growth is expected to be gradual, the measure remains important for tracking newly registered suppliers, with the registration deadline now extended to November 2028.

Percentage and number of registered supplies that require and have submitted a Drinking Water Safety Plan (DWSP)

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
48.6% 888	54.8% 1,023	92.4% 705 of 763	54.8% 1,023	↗	✓

Discussion

Suppliers are required to lodge DWSPs that outline how they will manage risks to ensure their drinking water is safe. The Authority is expecting the number of suppliers submitting DWSPs to trend upwards as more supplies are registered with the Authority, and as our activities result in more suppliers being aware of their compliance requirements. DWSP submission rates increased significantly since 2024/25, with the year-end result being 92.4%. This means more registered suppliers have documented how they will manage risks to provide safe drinking water.

Note: Percentages for previous years were much lower because unverified community supplies were included. This year, numbers have excluded unverified community supplies and consequently the percentage has increased significantly.

Median duration of drinking water consumer advisories (warnings to boil, not drink or not use) by category of advisory

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
26 days (temp) 257 days (long-term)	6 days (temp) 620 days (long-term)	40 days (temp) 987 days (long-term)	6 days (temp) (≤10 days) 620 days (long-term) (≤500 days)	↘	✗

Discussion

Consumer advisories help protect public health when there are risks to drinking water quality. A downward trend in the time suppliers take to lift an advisory will indicate that drinking water safety issues are being resolved more quickly. The increase in the median duration of temporary consumer advisories in 2025/26 reflects a small number of advisories that remained in place for extended periods while suppliers addressed underlying drinking water quality issues. School supplies contributed to longer resolution timeframes due to the complexity of corrective actions and capacity constraints. Severe weather events earlier in the year also contributed to an increase in advisories. In addition, the Authority strengthened its approach to confirming that risks to drinking water safety had been addressed before advisories were lifted, with a greater focus on resolving underlying causes. The Authority continues to work with suppliers to support the timely resolution of drinking water safety issues and reduce the duration of consumer advisories.

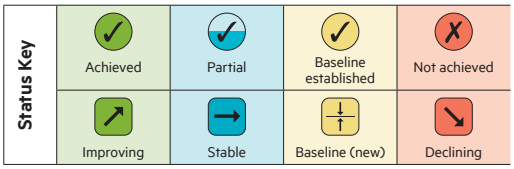
Number of notifications of unplanned restriction or insufficient supply

New

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
169	202	199	Increasing until 2027/28 202	→	✓

Discussion

Overall, performance in 2025/26 was broadly stable compared with the previous year, with a small year-on-year reduction and fewer sharp monthly increases than in 2024/25. The year was characterised by a strong first half, including higher notification volumes in October 2025 and January 2026, followed by a steady reduction over the final quarter. Notifications fell from 16 in April to 14 in May and 10 in June 2026, ending the year below the same month in both 2024 and 2025. This late-year improvement suggests a more favourable trend heading into the next reporting period, although notification levels remain above those seen in 2023/24.



Goal 2

Effective water infrastructure

Pipes, treatment plants, and water systems across New Zealand are designed, built, and maintained to the same high standards, no matter where you live.

Percentage of suppliers that meet the source water rules in relation to having a plan for cyanobacteria management.

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
N/A	N/A	42.70%	Baseline to be established in 2025/26	Baseline (new)	Achieved

Discussion

Less than half of suppliers (42.7%, or 259 supplies) met requirements for having a cyanobacteria management plan in 2025/26. The Authority is working with suppliers to strengthen planning and improve management of risks associated with cyanobacteria in source water.

Number of sources being monitored that meet the source water monitoring rules

2023/24 Result	2024/25 Result	2025/26 Result	Baseline	Trend	Status
25% (460 of 1,875)	37% (707 of 1,926)	46.1% (766 of 1,660)	37% (707 of 1,926 sources monitored)	Improving	Achieved

Discussion

Performance exceeded the 2024/25 baseline, with 766 of 1,660 monitored sources meeting the source water monitoring rules (46.1%), compared with the baseline of 707 sources (37%). This continues a positive trend, increasing from 25% in 2023/24 to 37% in 2024/25 and 46.1% in 2025/26. While results improved across supplier types, performance remains uneven, particularly among private, community and government suppliers.

Goal 3

Sustainable environmental performance

Reporting publicly on water loss from networks to drive a downward trend and help protect water sources, and exploring ways to increase standardisation to lift environmental performance across all water networks (for example, through setting national standards).

Note:

Measures in relation to this goal are yet to be developed and will be completed by 2028.

Impacts

Progress towards medium-term impacts

How to read this section

This section shows the impact areas of our work that can be achieved over the medium term included in our SOI. This reflects what 'success' looks like for the Authority's work for the next three to five years. Results are reported where the progress on our activity measures have contributed towards these impact measures and where visible impact could be seen.

Collectively, these results contribute to the following impacts:

- **Impact One:** Safety and sufficiency of water services improve;
- **Impact Two:** Water suppliers see the Authority as a credible, responsive regulator;
- **Impact Three:** Hazards and risks to drinking water are identified and managed by suppliers; and
- **Impact Four:** Water services' impact on the environment improves.

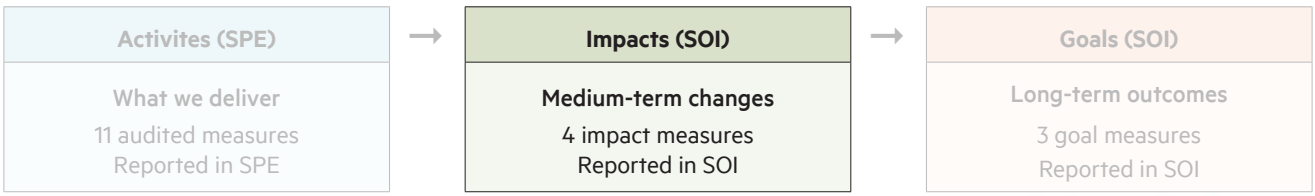
Progress acknowledgement

Overall, this year confirms clear progress, and also highlights where more work is needed. More people now have access to safer drinking water, supported by the continued installation of treatment barriers and faster responses when issues arise. Our regulatory approach is becoming clearer and more accessible, making it easier for suppliers to understand what is expected of them and to take action. At the same time, suppliers are improving how they identify and manage risks, helping to prevent problems before they reach the tap.

Some challenges remain

Long-term consumer advisories are still taking longer to resolve than intended, and source water monitoring compliance remains low. In some areas, data quality is not yet strong enough to support full reporting. Environmental performance reporting is also still at an early stage, with this year focused on establishing baselines that will allow us to measure and demonstrate progress over time.

Taken together, these results show that drinking water regulation in New Zealand is maturing. We are moving from establishing systems to actively using them to protect public health. Progress is evident, but it is uneven, and continued effort will be needed to lift performance across all parts of the system.



Impacts overview

Status Key				
	Achieved	Partial	Baseline established	Not achieved
	Improving	Stable	Baseline (new)	Declining

Impact 1

New

Percentage of suppliers that have backflow protection and risk management in place

2025/26 Result	Trend	Status
48.2% **237 suppliers**		

Medium-term Impact (SOI)
Suppliers implement and manage effective treatment barriers and risk controls, resulting in safer, more reliable water and fewer advisories and supply restrictions.

Discussion
Backflow protection helps prevent contaminants from entering drinking water supplies and is an important safeguard for protecting public health. In 2025/26, 48.2% of reporting suppliers were compliant with backflow protection requirements, based on 237 suppliers that submitted the required reports. As this is a new measure, the result provides a baseline for monitoring both compliance and reporting levels over time and helps identify where further improvements may be needed.

Percentage of the population served by council or government owned supplies:

- *requiring a protozoa barrier, that have an effective barrier in place*
- *requiring a bacteria barrier, that have an effective barrier in place*
- *requiring residual disinfection, which has residual disinfection in place*

2024/25 Result	2025/26 Result	Baseline	Trend	Status
Protozoa barrier 53.9% in place and effective	**Protozoa barrier** 78.2% in place and effective	**Protozoa barrier** 53.9% in place and effective		
Bacterial treatment 66.9% in place and effective	**Bacterial treatment** 72.7% in place and effective	**Bacterial treatment** 66.9% in place and effective		
Residual disinfection 67.6% in place and effective	**Residual disinfection** 76.9% in place and effective	**Residual disinfection** 67.6% in place and effective		

Medium-term Impact (SOI)
Suppliers implement and manage effective treatment barriers and risk controls, resulting in safer, more reliable water and fewer advisories and supply restrictions.

Discussion
Drinking water safety relies on multiple treatment barriers working together to reduce contamination risk. Results for 2025/26 and 2024/25 remain stable, with most people served by council and government-owned supplies receiving drinking water protected by effective bacterial and protozoa barriers and residual disinfection.
The methodology for assessing treatment barrier effectiveness changed in 2025/26 following the December 2025 amendment to the SOI. Previously, effectiveness was assessed through Drinking Water Safety Plan reviews and was therefore limited by the availability of completed reviews. The amended SOI uses supplies' self-reported compliance with the Drinking Water Quality Assurance Rules, providing considerably broader coverage. The different data sources and scopes mean the results are not meaningfully comparable, but the new methodology will provide more reliable reporting going forward.

Impact 2

Percentage of suppliers and stakeholders who say that our standards and expectations are accessible and clear

2024/25 Result	2025/26 Result	Baseline	Trend	Status
Suppliers Accessible 71% Clear 55% **Stakeholders** Not enough data to report	**Suppliers** Accessible 94.44% Clear 77.78% **Stakeholders** Accessible 69.57% Clear 57.77%	**Suppliers** Accessible 71% Clear 55% **Stakeholders** Baseline established in 2025/26		

Medium-term Impact (SOI)
The Authority is seen as a credible and responsive regulator through meaningful engagement and clear communication.

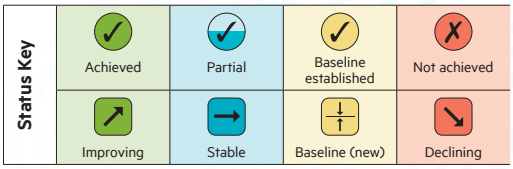
Discussion
Feedback from suppliers indicated a significant improvement in the accessibility and clarity of the Authority's standards and expectations resulting in a satisfactory achievement of the baseline measure of 55%. The baseline for stakeholder responses was set this financial year and the results indicated a strong foundation for tracking future improvements.

Percentage of suppliers and stakeholders who think our guidance is accessible and clear

2024/25 Result	2025/26 Result	Baseline	Trend	Status
Suppliers Accessible 59% Clear 56% **Stakeholders** Not enough data to report	**Suppliers** Accessible 77.77% Clear 75% **Stakeholders** Accessible 60.87% Clear 57.77%	**Suppliers** Accessible 59% Clear 56% **Stakeholders** Baseline established in 2025/26		

Medium-term Impact (SOI)
The Authority is seen as a credible and responsive regulator through meaningful engagement and clear communication.

Discussion
Feedback from suppliers indicated a significant improvement in the accessibility and clarity of the Authority's guidance against its baseline. A strong survey response rate from stakeholders established the baseline for tracking future improvements.



Impact 2

Percentage of suppliers that see us as credible and responsive

2024/25 Result	2025/26 Result	Baseline	Trend	Status
Credible 72% agree or strongly agree **Responsive** 61% agree or strongly agree	**Credible** 91.66% agree or strongly agree **Responsive** 80.56% agree or strongly agree	**Credible** 72% agree or strongly agree **Responsive** 61% agree or strongly agree	↗	✓

Medium-term Impact (SOI)
The Authority is seen as a credible and responsive regulator through meaningful engagement and clear communication.

Discussion
Water suppliers reported a significant increase in their confidence in the Authority's credibility and responsiveness as a regulator during 2025/26. This suggests suppliers increasingly see the Authority as responding effectively to the different risks and circumstances faced by water suppliers. The result reflects growing confidence in the Authority's regulatory approach and engagement with the sector.

Impact 3

Percentage of suppliers that are sampling for and monitoring hazards and risks in their distribution zones

2025/26 Result	Baseline	Trend	Status
41.7% (268 suppliers of 643)	**To be established in 2025/26**	↓↑	✓

Medium-term Impact (SOI)
Suppliers identify, monitor, and actively manage hazards and risks in their drinking water systems.

Discussion
Monitoring of drinking water distribution networks continued to improve in 2025/26. A total of 268 suppliers (41.7%) were sampling and monitoring hazards and risks within their distribution zones. Improvements were seen across all supplier groups, with particularly strong progress among private and community suppliers. While this represents encouraging progress, fewer than half of suppliers are currently meeting monitoring requirements, and increasing coverage across the sector remains a key area of focus.

Impact 4

Water services' impact on the environment improves

Baseline
Baseline still to be developed

Note:
Once the national wastewater environmental performance standards are implemented, the Authority will look at how we can meaningfully measure the impact of this work.

Financial statements

Cost of service statement

In 2025/26, the Authority was primarily funded through levies charged to territorial authorities or their chosen service delivery organisations.

The Authority's crown appropriation is limited to supporting the Authority in meeting its statutory responsibilities as New Zealand's water services regulator. The Authority therefore only has one class of outputs to report on and has consolidated financial and non-financial performance reporting.

The Authority does not have any output classes that are not reported on.

	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000
Revenue			
Funding from Levy	20,669	20,658	-
Funding from the Crown	4,642	4,642	21,316
Interest revenue	544	255	482
Other revenue	86	30	236
Total revenue	**25,941**	**25,585**	**22,034**
Total expenditure	**(23,653)**	**(25,330)**	**(22,227)**
Surplus/(deficit) for the year	**2,288**	**255**	**(193)**

Explanations of major variances against budget are provided in Note 20.

Statement of comprehensive revenue and expense for the period ended 30 June 2026

	Notes	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000
Revenue				
Funding from Levy		20,669	20,658	-
Funding from the Crown		4,642	4,642	21,316
Interest revenue		544	255	482
Other revenue		86	30	236
Total revenue	**3**	**25,941**	**25,585**	**22,034**
Expenses				
Personnel costs	**4**	(16,923)	(18,099)	(16,194)
Depreciation and amortisation expense	**9, 10**	(549)	(551)	(563)
Information communication and technology expenses		(1,488)	(1,561)	(1,558)
Other expenses	**5**	(4,693)	(5,118)	(3,912)
Total expenses		**(23,653)**	**(25,330)**	**(22,227)**
Surplus/(deficit) for the year		**2,288**	**255**	**(193)**
Total comprehensive revenue/(expense) for the year		**2,288**	**255**	**(193)**

Explanations of major variances against budget are provided in Note 20.

Statement of financial position as at 30 June 2026

	Notes	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000
Current assets				
Cash and cash equivalents	**6**	8,778	10,929	8,901
Investments	**8**	9,500	-	1,200
Debtors and other receivables	**7**	618	-	124
Prepayments		292	388	387
GST Receivable		-	-	113
Employee entitlements	**12**	66	-	-
Total current assets		**19,254**	**11,318**	**10,725**
Non-current assets				
Property, plant and equipment	**9**	210	191	318
Intangible assets	**10**	1,416	1,512	1,836
Deposit Paid		8	-	-
Total non-current assets		**1,634**	**1,703**	**2,154**
Total assets		**20,888**	**13,020**	**12,879**
Current liabilities				
Payables	**11**	1,197	1,377	821
Employee entitlements	**12**	645	1,171	970
Provisions	**13**	-	29	36
Income in advance	**14**	5,164	-	-
GST payable		542	-	-
Total current liabilities		**7,548**	**2,577**	**1,827**
Total liabilities		**7,548**	**2,577**	**1,827**
Equity				
Contributed capital		3,400	**3,400**	3,400
Accumulated comprehensive revenue and expense		9,940	**7,043**	7,652
Total Equity		**13,340**	**10,444**	**11,052**
Total liabilities and equity		**20,888**	**13,020**	**12,879**

Explanations of major variances against budget are provided in Note 20.

Statement of changes in equity for the period ended 30 June 2026

	Notes	Contributed capital	Accumulated comprehensive revenue and expense	Total equity	Budget
Balance as at 1 July 2025		**3,400**	**7,652**	**11,052**	**10,189**
Comprehensive revenue					
Surplus for the year		–	2,288	2,288	255
Total comprehensive revenue		–	2,288	2,288	255
Balance as at 30 June 2026		**3,400**	**9,940**	**13,340**	**10,444**

	Notes	Contributed capital	Accumulated comprehensive revenue and expense	Total equity	Budget
Balance as at 1 July 2024		**3,400**	**7,845**	**11,245**	**10,250**
Comprehensive revenue					
Deficit for the year		–	(193)	(193)	(3,642)
Total comprehensive revenue		–	(193)	(193)	(3,642)
Balance as at 30 June 2025		**3,400**	**7,652**	**11,052**	**6,608**

Explanations of major variances against budget are provided in Note 20.

Statement of cash flows for the period ended 30 June 2026

	Notes	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000
Cash flows from operating activities				
Cash receipts from Levy		25,481	20,658	-
Cash receipts from the Crown		4,642	4,642	21,316
Cash receipts from other revenue		86	30	206
Cash paid to suppliers		(7,139)	(7,545)	(6,568)
Cash paid to employees including personnel costs		(15,921)	(17,174)	(15,308)
Interest received		402	255	482
Net GST receipt		655	-	25
Net cash from operating activities		**8,206**	**865**	**153**
Cash flows from investing activities				
Acquisition of property, plant and equipment		(29)	-	(14)
Acquisition of investments		(9,500)	-	(3,000)
Proceeds from maturity of investments		1,200	1,200	1,800
Acquisition of intangible assets		-	(70)	-
Net cash to investing activities		**(8,329)**	**1,130**	**(1,214)**
Net movements in cash and cash equivalents		(123)	1,995	(1,061)
Cash and cash equivalents at 1 July		8,901	8,934	9,962
Cash and cash equivalents at 30 June	**6**	8,778	10,929	8,901

Explanations of major variances against budget are provided in Note 20.

Notes to the financial statements

1. General overview

Reporting Entity

The Water Services Authority - Taumata Arowai (the "Authority") is a Crown entity established by the Water Services Authority – Taumata Arowai Act 2020 and is domiciled in New Zealand. The relevant legislation governing the Authority includes Water Services Authority – Taumata Arowai Act 2020 and the Water Services Act 2021. The ultimate parent of the Authority is the New Zealand Crown.

The Authority is the drinking water regulator for New Zealand and is committed to ensuring all communities have access to safe and reliable drinking water every day. The Authority also has an oversight role in relation to the environmental performance of water services networks. The Authority does not operate to make a financial return. The Authority has designated itself a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Authority are for the year ended 30 June 2026. They were authorised for issue by the Authority's Board on the date shown on page 8.

Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004, which include a requirement to comply with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the Public Benefit Entity International Public Sector Accounting Standards ('PBE IPSAS') and other applicable financial reporting standards with reduced disclosure concessions applied as appropriate for Tier 2 Public Sector entities.

The Authority is a Tier 2 Public Sector reporting entity as it has total expenditure less than $33 million in the two preceding reporting periods, and it does not have public accountability as defined by XRB A 1 Application of the Accounting Standards Framework.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the periods presented.

The financial statements have been prepared on a historical cost basis unless otherwise specified.

These financial statements are presented in New Zealand dollars, which is the Authority's functional currency. All amounts have been rounded to the nearest thousand dollars ($000).

Use of judgements and estimates

In preparing these financial statements, the Authority has made estimates, assumptions and judgements concerning the future. These estimates, assumptions and judgements might differ from the subsequent actual results. Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Note 9 – useful lives and residual values of property, plant, and equipment

Note 10 – useful lives of intangibles

Management has exercised the following critical judgements in applying accounting policies:

Note 5 and 15 – leases classification.

Budget figures

The budget figures are derived from the Statement of Performance Expectations (SPE) as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements. Explanations of major variances against budget are provided in Note 20.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

2. Specific accounting policies

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from, the Inland Revenue Department, including the GST related to investing activities is classified as net operating cash flows in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Authority is exempt from the payment of income tax. Accordingly, no provision for income tax has been made.

3. Revenue

	2026 $000	2025 $000
Revenue from non-exchange transactions		
Funding from the Crown	4,642	21,316
	4,642	21,316
Levies from Water Services		
Drinking Water	15,501	-
Wastewater	4,340	-
Stormwater	828	-
	20,669	-
Total revenue from non-exchange transactions	25,311	21,316
Breakdown of other revenue		
Exemption fee applications	(1)	10
Other one-off revenue	87	226
Total breakdown of other revenue	**86**	**236**

Revenue policy

Revenue is measured at the fair value of consideration received or that is receivable. Revenue is earned through the provision of outputs for the Crown, services to third parties and investment income.

Revenue from the Crown

In the year ended 30 June 2026, the Authority was partly funded through revenue received from the Crown via Vote Internal Affairs (Non-Departmental Output Expenses: Taumata Arowai), which is restricted in its use for the purpose of the Authority meeting its objectives as specified in the Statement of Intent, the Water Services Authority – Taumata Arowai Act 2020, and the Water Services Act 2021.

Historically, the Authority was primarily funded through Crown revenue via Vote Internal Affairs. For the year ended 30 June 2026, Crown funding was reduced following the introduction of water services levies from 1 July 2025.

From 1 July 2026, Crown funding will be administered by the Ministry for Cities, Environment, Regions and Transport, reflecting the transfer of monitoring responsibility from the Department of Internal Affairs.

The Authority considers there are no conditions attached to the funding and it is recognised at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

Levies on Water Services

Revenue from water service levies is recognised as non-exchange revenue in accordance with PBE IPSAS 23. The levy is imposed under the Water Services Act 2021 and associated regulations to fund the Authority's regulatory activities. Revenue is recognised when the Authority has an enforceable legal claim to the levy and it is probable that the economic benefits will be received. Where levies relate to a specific reporting period, revenue is recognised in the period to which the levy relates, reflecting the period over which the Authority performs its regulatory functions. The levies do not impose conditions requiring the return of funds; accordingly, no liability is recognised for unspent amounts.

From 1 July 2025, the Authority is primarily funded through levies charged to territorial authorities or their service delivery organisations. The levy amount for the first 3 years is $20.658 million per annum (excluding GST) with any penalties charged added to and forming part of the levy. Levy revenue represents amounts charged to territorial authorities and water service organisations to fund the Authority's role in:

- regulating drinking water safety and quality;
- overseeing the environmental performance of water services networks; and
- developing and enforcing national standards and regulatory requirements

Levies are set under regulation and are generally allocated across entities based on population and the expected cost of delivering regulatory activities.

Other revenue policy

Other revenue is recognised on an accrual invoice basis and includes exemption application fees, secondment charges and one-off revenue. Any services provided to third parties on commercial terms are recognised as revenue in proportion to the stage of completion at reporting date.

Interest received

Interest revenue is recognised on an accrual basis using the effective interest method.

4. Personnel Costs

	2026 $000	2025 $000
Salaries and wages	14,449	14,323
Contractors[9]	1,400	888
Increase/(decrease) in employee entitlements	108	(23)
Defined contribution plan employer contributions	440	420
Recruitment costs	135	130
Learning and development	206	62
Other personnel expenses	185	394
Total Personnel costs	**16,923**	**16,194**

Personnel Costs Policy

Salaries and wages

Salaries and wages are recognised as an expense, as employees provide services.

Superannuation schemes

Employer contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus, or deficit in the Statement of Comprehensive Revenue and Expense as incurred.

9 The Authority is implementing recent changes relating to its mandate, including building its oversight role in relation to wastewater and stormwater networks, and continuing to build its regulatory response on drinking water services. The Authority uses specialist contractor expertise to support this time-limited work.

5. Other expenses

	2026 $000	2025 $000
Staff travel and accommodation	386	375
Operating leases (Property, ICT & Motor Vehicles)	796	931
Insurance	95	76
Website and other software development expenses	199	305
Marketing and communication	161	76
Consultants	2,105	1,638
Governance	319	244
Low value asset purchases	50	19
Fees to BDO for audit of Financial Statements*	69	76
Legal expenses	133	44
Other expenses	380	128
Total Other Expenses	**4,693**	**3,912**

*Fees to BDO within the period include the review of the Authority's Statement of Service Performance Expectations.

6. Cash and cash equivalents

	2026 $000	2025 $000
Current assets		
Cash at bank and on hand	8,778	8,901
Total Cash and cash equivalents	**8,778**	**8,901**

Cash and cash equivalents policy

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less.

7. Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses if appropriate. There have been no overdue accounts or losses to date. Short-term receivables will be written off if there is no reasonable expectation of recovery.

	2026 $000	2025 $000
Exchange receivables		
Trade receivables	25	-
Accrued interest	170	124
Total exchange receivables	**195**	**124**
Non-exchange receivables		
Trade receivables	423	-
Total non-exchange receivables	**423**	**-**
Total debtors and other receivables	**618**	**124**
Current	**618**	**124**
Non-current	**-**	**-**

Receivables policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses if appropriate. There have been no overdue accounts or losses to date. Short-term receivables will be written off if there is no reasonable expectation of recovery.

Non-exchange receivables

Included within trade receivables at 30 June 2026 are transactions relating to non-exchange revenue of $423,000 (2025: nil). These transactions comprise of levies on water services.

8. Investments

	Interest rate	2026 $000	2025 $000
Investments			
Term deposits	2.44% - 4.10%	9,500	1,200
Total investments		**9,500**	**1,200**

Investments policy

Investments comprise of term deposits and are classified as financial assets at amortised costs. See note 16 for further information on the measurement of investments.

9. Property, plant, and equipment

	2026				
	Computer hardware $000	Leasehold improvements $000	Furniture & Fittings $000	Plant & Equipment $000	Total $000
Cost					
Balance at 1 July 2025	236	436	306	**13**	**991**
Additions	6	-	23	**-**	**29**
Disposals	(222)	(2)	(7)	**(13)**	**(244)**
Balance at 30 June 2026	20	434	322	**-**	**776**
Depreciation and impairment losses					
Balance at 1 July 2025	(209)	(329)	(126)	**(9)**	**(673)**
Impairment loss	-	-	-	**-**	**-**
Depreciation for the year	(20)	(76)	(31)	**(2)**	**(129)**
Disposals	222	2	1	**11**	**236**
Balance at 30 June 2026	(7)	(403)	(156)	**-**	**(566)**
Carrying amount					
At 30 June 2026	13	31	166	-	210
At 30 June 2025	27	107	180	4	318
At 30 June 2024	48	183	210	7	448

Property, plant and equipment policy

Property, plant, and equipment consists of four asset classes, which are all measured at cost less accumulated depreciation and impairment losses: computer hardware, leasehold improvements, furniture and fittings, and plant and equipment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Purchases of property, plant and equipment are initially recorded at cost.

Costs incurred after the initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows across both the current and comparable period:

Asset	Depreciation Rate	Useful Life
Computer hardware	20% to 33.3%	3 to 5 years
Leasehold improvements	17.4% to 18.2%	5.5 to 5.75 years
Furniture and fittings	6.45% to 33.3%	3 to 15.5 years
Plant and equipment	10% to 33.3%	3 to 10 years

Leasehold improvements are depreciated over the unexpired period of the lease, or the estimated remaining useful lives of the improvements, whichever is shorter.

Impairment

The Authority does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable service amount. The recoverable service amount is the higher of the fair value of the asset, less costs to sell and value in use.

Value in use is the present value of the remaining service potential of an asset. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If the carrying amount of an asset exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable service amount. The total impairment loss is recognised in the surplus or deficit. Any reversal of an impairment loss is also recognised in the surplus or deficit.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of property, plant and equipment

At each reporting date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires several factors to be considered, such as:

- the physical condition of the asset;
- expected period of use of the asset by the Authority; and
- expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit and carrying amount of the asset in the statement of financial position. The Authority minimises the risk of this estimation uncertainty by:

- physical inspection of assets;
- asset replacement programmes;
- review of second-hand market prices for similar assets; and
- analysis of previous assets' sales.

The Authority has not made significant changes to past assumptions concerning useful lives and residual values.

10. Intangible assets

	2026		
	Hinekōrako $000	Business Intelligence Data Platform $000	Total $000
Cost			
Balance at 1 July 2025	2,834	399	3,233
Balance at 30 June 2026	2,834	399	3,233
Amortisation and impairment losses			
Balance at 1 July 2025	(1,258)	(139)	(1,397)
Amortisation for the year	(360)	(60)	(420)
Balance at 30 June 2026	(1,618)	(199)	(1,817)
Carrying amount			
At 30 June 2026	1,216	200	1,416
At 30 June 2025	1,576	260	1,836
At 30 June 2024	1,936	320	2,256

Intangible assets policy

Recognition and measurement

Intangible assets consist of developed computer software which is measured at cost, less accumulated amortisation and impairment losses.

Work in progress (developed computer software) is measured at cost to date, less impairment losses (if any).

Software acquisition and development

Costs that are directly associated with the development of software for internal use are initially recognised as an intangible asset under the Work in Progress classification. At the relevant release date for new features, the costs are transferred to their own Intangible Asset category and amortised over their useful life. Direct costs include employee and contractor costs.

Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are expensed when incurred. Costs associated with development and maintenance of the Authority's website are expensed when incurred.

The Authority has developed customised software as a service code base through creating new functionalities and are not using the existing software, but instead hosting on the Microsoft 365 platform. The new functionalities create potential future economic benefits to the Authority and third parties.

The Authority has the ability to restrict others' access to these benefits through controlling who can register and access the system. Furthermore, the Authority can extract its data and customised code base from Microsoft 365 at its discretion and therefore could use this code on another provider's hosting platform.

Intangible assets

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when the asset is available for use and ceases at the date when the asset is derecognised. The amortisation charge for each financial year is recorded as a surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows across both the current and comparable period:

Asset	Depreciation Rate	Useful Life
Developed computer software	12.5%	8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

The Work in Progress intangible asset category is also assessed for impairment at least annually. Work in Progress assets are only impaired if:

- the new feature release is cancelled;
- the new feature is defective and does not increase the future economic benefits derived from the system; or
- the entire system that it relates to is impaired. For instance, the whole system could be impaired when it becomes obsolete due to a replacement system being released.

Critical accounting estimates and assumptions

Estimating useful lives and residual values of intangible assets

Internally generated software at the Authority largely comprises:

- **Hinekōrako**: the primary channel for registration and management of drinking water supplies; allowing suppliers and laboratories to share information with the Authority; and
- **Business Intelligence Data Platform**: an internal data warehouse with a front-end dashboard featuring reporting tools.

Internally generated software has a finite life, which requires the Authority to estimate the useful life of the software assets. In assessing the useful lives of software assets, several factors are considered, including:

- the period which the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected time frame for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position. The Authority has estimated a useful life of up to eight years for its Hinekōrako regulatory and Business Intelligence Data platforms based on their anticipated period of use. This useful life is still considered reasonable based on the current performance and use of the software. There are currently no indicators the period of use of the software will be materially different.

11. Payables and deferred revenue

	2026 $000	2025 $000
Exchange payables		
Accounts payable	740	711
Accrued expenses	446	107
Other payables	11	3
	1,197	**821**
Current	**1,197**	**821**
Non-current	**-**	**-**

Payables and deferred revenue policy

Short-term payables are recorded at the amount payable. Payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of payables approximates their fair value.

12. Employee entitlements

Employee Entitlements	2026 $000	2025 $000
Assets		
Prepaid salaries & wages	66	-
Total assets	**66**	**-**
Liabilities		
Accrued salaries & wages	-	433
Annual leave	639	529
Sick leave	6	8
Total liabilities	**645**	**970**

Employee benefit expenses

Short-term employee benefits

Employee benefits that are due to be settled wholly within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to reporting date, annual leave earned but not yet taken at reporting date, and an obligation for sick leave employee benefit.

13. Provisions

	2026		
	ACC Workplace Cover Levies $000	Other provisions $000	Total $000
Balance at 1 July 2025	22	14	36
Provisions made	-	-	-
Provisions used	(22)	(14)	(36)
Balance at 30 June 2026	**-**	**-**	**-**
Current	**-**	**-**	**-**
Non-current	**-**	**-**	**-**

Provisions policy

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive); as a result of a past event,
- it is probable that an outflow of future economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

ACC workplace cover levies

In 2025, the Authority made a provision for the ACC levies due for the quarter from April to June 2025 based on payroll reporting, as ACC charges levies on a March financial year-end. The Authority considers that no provisions are required for the current year.

Other provisions

Other provisions include an estimated cost to the Authority for reciprocal secondment arrangements.

14. Income in advance

	2026 $000	2025 $000
Income in advance	5,164	–

Income in advance relates to levies from water services received relating to the first quarter of the 2027 year.

15. Operating leases

Leases as lessee

The future minimum lease payments under non-cancellable leases are payable as follows:

	2026 $000	2025 $000
Less than one year	712	660
Between one and five years	1,356	330
	2,068	990

Operating leases policy

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Authority are classified as operating leases. Payments are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Revenue and Expense when payable.

Operating leases

The Authority leases its main premises at Level 2, 10 Brandon Street, Wellington. The lease expires on 30 November 2026 and has been renewed until 30 November 2029. The Authority leases other premises in Dunedin and Christchurch. These leases expire on 31 March 2027 and 30 November 2027 respectively.

The Authority also leases computer equipment such as laptops which have a lease expiry range from 19 August 2026 to 31 May 2029.

There are no restrictions placed on the Authority by any of its leasing arrangements.

16. Financial instruments

	2026 $000	2025 $000
Financial assets not measured at fair value		
Financial assets held at amortised cost		
Cash and cash equivalents	**8,778**	**8,901**
Investments (Term Deposit)	**9,500**	**1,200**
Debtors and other receivables	618	124
	18,896	**10,225**
Financial liabilities not measured at fair value		
Financial liabilities held at amortised cost		
Payables	**1,197**	**821**
	1,197	**821**

Financial instruments policy

Financial instruments

The Authority is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, term deposits, receivables and payables. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the surplus or deficit.

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its management model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the management model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through surplus or deficit (FVTSD):

- It is held within a management model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets are measured at amortised cost.

Financial liabilities

All financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in surplus or deficit. Any gain or loss on derecognition is also recognised in surplus or deficit.

17. Related party information

The Authority is controlled by the Crown. Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client/recipient relationship; or
- on terms and conditions no more or less favourable than those that it is reasonable to expect the Authority would have adopted in dealing with the party at arm's length, in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

The Authority did not enter into transactions with other Crown related entities on non-commercial terms.

Key management personnel

The Authority classifies its key management personnel into the following categories:

- Board members
- KOPA (Leadership Team)

The table below depicts the aggregate remuneration of key management personnel and the number of individuals determined on a full-time equivalent basis, receiving remuneration with the category.

	2026		2025	
	Remuneration $000s	Headcount/ full-time equivalent	Remuneration $000s	Headcount/ full-time equivalent
KOPA (Leadership Team)	1,458	5.13	1,421	4.19
Board members	153	0.78	108	0.78
	1,611	**5.92**	**1,529**	**4.97**

The full-time equivalent personnel for Board members has been based on the expected commitment by the Minister of Local Government as outlined in their respective appointment letters.

During the year ended 30 June 2026, 4 employees from a total of 115 received $126,000 in compensation and other benefits in relation to cessation (in 2024/2025 12 employees from a total of 84 received $382,000).

18. Commitments and contingencies

There were no capital commitments or contingent liabilities at balance date (2025: nil).

19. Subsequent events

There have been no events subsequent to balance date that would materially affect the financial statements.

20. Explanation of major variances against budget

Statement of comprehensive revenue and expense

The Authority's 2025/26 budget was prepared during a period of significant change, with legislative reform and Government priorities still being confirmed. The SPE budget therefore included provision to respond to emerging strategic priorities and potential new statutory functions. As decisions on the scope and timing of this work took longer than expected, some planned investment was deferred, contributing to expenditure being below budget.

Funding from Levies

Levies receipts exceeded budget for the year due to six penalties being issued on late payment of December 2025 levies in line with the Water Services (Levies on Water Services) Regulations 2025.

Personnel costs

Personnel costs were below budget because the SPE included provision for additional capability to support emerging strategic priorities and potential new functions associated with the Local Government (Water Services) Act 2025 and related changes to the Water Services Act 2021. As decisions on the scope and timing of this work took longer than expected, related recruitment and resourcing were deferred, resulting in lower personnel expenditure.

Statement of financial position

Cash and investments

Cash and investments were above budget primarily because the SPE was prepared before the levy regulations were finalised. Under the confirmed regulations, levies are invoiced quarterly in advance, resulting in an additional quarter of levy revenue being received in 2025/26 for the following financial year. Lower expenditure during the year also contributed to the higher balance.

Statement of Cash flows

Receipts and investments

Cash flow variances were driven by the timing of levy receipts, lower operating expenditure, and the placement of surplus cash into investments. Quarterly invoicing in advance under the final levy regulations resulted in cash being received in 2025/26 for levy revenue relating to the following financial year. Operating payments were also below budget, mainly reflecting lower personnel payments as recruitment and resourcing for emerging strategic priorities and new statutory functions were deferred.

Investment placements were above budget because the SPE did not assume investments would be made, given uncertainty over levy receipts in the first year of the levy.

Allocation of Levy Funding

From 1 July 2025, the Authority is primarily funded through levies charged to territorial authorities or their service delivery organisations. The levy amount for the first 3 years is $20.658 million per annum (excluding GST). The levy is intended to cover 82% of the Authority's expenses.

Separate levies apply for drinking water, wastewater, and stormwater. The percentage split between the three waters varies year on year as the estimated cost of delivering activities changes over this period.

The financial performance by water type compared to the levies charged is set out below.

Water type	Actual $000	Budget $000
Drinking water		
Revenue	15,502	15,494
Expenditure	-14,684	-15,494
Net surplus/(deficit)	**818**	**–**
Wastewater		
Revenue	4,340	4,338
Expenditure	-3,637	-4,338
Net surplus/(deficit)	**703**	**–**
Stormwater		
Revenue	827	826
Expenditure	-993	-826
Net surplus/(deficit)	**-166**	**–**
Totals		
Revenue	20,669	20,658
Expenditure	-19,314	-20,658
Net surplus/(deficit)	**1,355**	**–**

Glossary of terms

Term	Description
The Authority	The Water Services Authority – Taumata Arowai, New Zealand's water services regulator, responsible for promoting and protecting public health outcomes and environmental performance across drinking water, wastewater and stormwater services.
The Board	The governing body of the Water Services Authority – Taumata Arowai, responsible for providing strategic direction, oversight and governance of the Authority.
Te Puna (Māori Advisory Group)	The statutorily appointed independent advisory group established under the Water Services Authority – Taumata Arowai Act 2020 to provide advice to the Board and the Authority on matters of significance to Māori, including Māori interests, aspirations and outcomes relating to water services.
Commerce Commission	New Zealand's economic regulator. The Authority works with the Commerce Commission on matters including information sharing and regulatory coordination across the water services system.
Supplier self-service portal (Hinekōrako)	The Authority's core information management platform used to collect, manage and analyse information relating to drinking water supplies. During 2025/26, work was undertaken to consider upgrades to support drinking water, wastewater and stormwater information.
National Engineering Design Standards (NEDS)	A programme of work to develop nationally consistent standards for drinking water, wastewater and stormwater infrastructure.
Notification	Information that water suppliers are required to provide to the Authority when certain events occur, including risks to drinking water safety, supply interruptions or treatment failures.
Acceptable Solution	Prescribed requirements that a water supplier can adopt to meet some of the legislative requirements in the Water Services Act 2021.
Consumer Advisory	A notice issued by a water supplier when the drinking water supply is not safe to drink in its current state. There are different types of consumer advisories for different situations (boil water notice, do not drink notice, or do not use notice). Advisories enable suppliers to inform consumers about what they need to do to protect their health, such as boiling water, while the supplier takes steps to improve water quality.
Drinking Water Standards (the Standards)	The standards for drinking water quality set under the Water Services Act 2021.
Drinking Water Safety Plans (DWSPs)	A risk management tool submitted by suppliers to the Authority. The plans outline how suppliers aim to ensure a safe, reliable, and resilient supply of drinking water.
Drinking Water Quality Assurance Rules (the Rules)	Rules that set out what drinking water suppliers need to do to comply with key parts of the Drinking Water Standards and the Water Services Act 2021.
Protozoa Treatment Compliance	A measure of whether drinking water suppliers are meeting requirements to protect consumers from protozoan contamination, such as Giardia and Cryptosporidium.
Bacterial Compliance	A measure of whether drinking water suppliers are meeting requirements designed to protect consumers from bacterial contamination.

Term	Description
Insufficiency	Water suppliers are required to notify the Authority of instances where their ability to maintain a sufficient supply of water for drinking and sanitation purposes is at imminent risk, or they have a planned or unplanned restriction or supply interruption that is/will be longer than eight hours. These instances are referred to as 'insufficiency' (or insufficient supply).
Multi-barrier Approach	Maintaining multiple layers of protection against contamination is an internationally recognised standard for safe drinking water. A multi-barrier approach is a regulatory requirement for drinking water suppliers in New Zealand to prevent people from getting sick from their drinking water. No single barrier is effective against all sources of contamination. For example, chlorine is highly effective against bacteria and viruses but not against protozoa. Having multiple barriers in place means that if one fails, others continue to prevent or reduce the chance of people consuming unsafe water.
PBE FRS 48	Public Benefit Entity Financial Reporting Standard 48 is an accounting standard that forms part of Generally Accepted Accounting Practice (GAAP). It establishes requirements for Tier 1 and Tier 2 public benefit entities to present service performance information using a principles-based approach, allowing flexibility in presentation while ensuring the information is relevant and meaningful to users.
Registered Supply	A drinking water supply registered in accordance with the requirements of Part 2, Subpart 7 of the Water Services Act 2021.
Self-supplied School	The Ministry of Education is responsible for 422 schools that supply their own drinking water. These schools are referred to as 'self-supplied schools' and are often located in rural or remote areas.
Water Services Act 2021	The primary legislation governing drinking water regulation and many of the Authority's statutory functions and responsibilities. This Act underpins many of the terms used throughout the report, including registered supplies, rules and safety plans.
Water Services Authority – Taumata Arowai Act 2020	The primary legislation establishing the Crown entity and its objectives, functions, and governance arrangements.

Appendix 1:
Disclosures

Conflicts of interest and unauthorised transactions

In accordance with the Crown Entities Act 2004, the Board and Te Puna have conflicts of interest procedures in place. For the purposes of section 68 (6) of the Crown Entities Act 2004, no permission to act despite a declared interest in a matter was given to any Board member in 2025/26.

We require staff and contractors to provide regular statements of interests and conflicts, with conflict management plans recorded when necessary and appropriate. All purchasing and procurement processes require a conflict of interest declaration. Under $10,000 whole of life is recorded within our Contract Management system and everything $10,000 and over requires a formal declaration managed within the MBIE Conflict of Interest Management tool. All purchases and procurements with an actual or perceived conflict of interest have completed appropriate management plans. We did not enter into any unauthorised transactions during the year.

Ministerial expectations and priorities

The Authority received a Letter of Expectations from the Minister of Local Government in March 2026.

Indemnity insurance

The Authority held professional indemnity insurance cover during the 12-month period to 30 June 2026 of $5,000,000 in respect of the liability or costs of Board members, Te Puna members, and employees. In addition to this, Directors' and Officers' insurance cover of $5,000,000 was held during the same period in respect of the liabilities or costs of Board members.

Search warrants

Section 171 of the Search and Surveillance Act 2012 requires us to report on certain search and surveillance powers, including warrantless powers, exercised by our compliance officers over the financial year. We did not exercise any reportable search and surveillance powers in the period 1 July 2025 to 30 June 2026.

Service-critical asset performance

The Treasury has informed all agencies of a requirement to provide information on their service-critical assets, including related performance indicators, in their annual reports. The Authority's service-critical asset is Hinekōrako, our core regulatory system. Hinekōrako uptime availability is measured, as well as the number of planned /unplanned outages, and time elapsed until the system is restored. In 2025/26 Hinekōrako was offline for 0.1390% of the time and 99.86% online. All outages in the 2025/26 year were planned to allow time to release upgrades as part of our continuous improvement programme. The Authority has a dedicated team working on ensuring this service-critical asset is maintained and available. This measure is now included in the Authority's performance measures.

Equal employment opportunity policies

The Authority is committed to the principles of equal employment opportunities (EEO) and being a good employer. This commitment is demonstrated through our staff-related policies, including an EEO policy, that support and guide good employment practice and decision-making. This is one of the ways the Authority builds a diverse workforce where people are treated fairly and without bias or discrimination, and the aims and aspirations of our Māori staff are recognised and supported.

Policy reviews

Our staff-related policies are readily available to all staff and subject to regular reviews and updates to ensure they remain relevant and are being complied with. In the 12 months covered by this report, all staff-related policies have either been reviewed and approved, are under active review, or triaged and prioritised for review within the next six months.

Staff remuneration disclosure

The Authority uses the Strategic Pay job sizing methodology to inform our salary ranges. Our Remuneration Policy provides guidance on where new appointees are placed in their salary range and how we conduct our annual salary review. All appointment salaries require approval from a manager with the appropriate delegated authority. Consultant and contractor expenditure increased to $3.51 million in 2025/26, up $0.98 million from $2.53 million in 2024/25. This increase was mainly driven by one-off build projects required to deliver Government priorities and the Authority's expanded statutory functions. Contractors and consultants were engaged where specialist expertise was required for short-term work that could not reasonably be delivered through permanent capacity. The Authority uses consultants and contractors selectively, and only where short-term technical expertise is needed.

Total employee remuneration paid or payable that is $100,000 or more	Actual 2025/26 Number	Actual 2024/25 Number
$100,000 – $109,999	14	15
$110,000 – $119,999	7	8
$120,000 – $129,999	12	9
$130,000 – $139,999	9	13
$140,000 – $149,999	8	9
$150,000 – $159,999	5	6
$160,000 – $169,999	6	3
$170,000 – $179,999	2	3
$180,000 – $189,999	3	5
$190,000 – $199,999	1	4
$200,000 – $209,999	3	2
$210,000 – $219,000	2	3
$220,000 – $229,999	-	1
$250,000 – $259,999	-	-
$260,000 – $279,999	1	-
$280,000 – $289,999	2	2
$330,000 – $339,999	-	-
$360,000 – $369,999	1	1
Total Employees	**76**	**84**

Appendix 2:
Governance

Board attendance and remuneration

The Board and Te Puna held regular meetings throughout the year to support the governance of the Authority. New Board member Scott Pearson and and two new Te Puna members, Soltice Morrison and Cheyenne Wilson, were appointed on 3 August 2026.[10] Their attendance will be reported in the 2026/27 Annual Report.

The table below summarises attendance at Board meetings, joint hui between the Board and Te Puna, and the Board's subcommittee, the Finance, Risk and Assurance Committee (FRAC) meetings held during the reporting period.

Attendance records include meetings attended in-person and by remote participation. Attendance is shown as the number of meetings attended out of the number of meetings each member was eligible to attend during the reporting period.

Where members were appointed or ceased their appointment during the year, attendance reflects only those meetings held during their period of service.

Board meeting attendance 2025/26[11]

Board member	Attendance		
	Board	Joint meetings with Te Puna	FRAC
Raveen Jaduram	11/11	2/2	Ex-officio
Dr Frances Hughes	11/11	2/2	5/5
Amanda Singleton	11/11	2/2	5/5
Julie Hardaker*	7/8	2/2	3/4
Langley Cavers*	7/8	1/2	4/4
Loretta Lovell**	7/7	1/1	Not a member
Anthony Wilson***	3/3	0/0	1/1
Dr Virginia Hope***	3/3	0/0	1/1

* Appointed 25 September 2025.

** Ceased 22 February 2026.

*** Ceased 25 September 2025.

10 Hon. John Carter was appointed to the Board on 3 August 2026 and resigned in October 2026.

11 The Board Chair is an ex-officio member of FRAC as per the FRAC Terms of Reference. *Not a member* indicates the individual was not a member of that committee.

Board remuneration

This reflects the membership of the Board during the reporting period.

Total value of remuneration paid	Actual 2025/26 $	Actual 2024/25 $	Actual 2023/24 $
Raveen Jaduram (Board Chair; ex-officio FRAC member)	46,200	25,000	-
Dr Frances Hughes (Board member; FRAC Chair)	23,100	12,500	-
Amanda Singleton (Board member; FRAC member)	23,100	12,500	-
Langley Cavers (Board member; FRAC member)	19,350	0	
Julie Hardaker (Board member; FRAC member)	19,350	0	
Loretta Lovell (Board member; term ended 22 February 2026)	14,500	15,000	15,000
Dr Virginia Hope (Former Board & FRAC member; term ended 25 September 2025)	3,750	15,000	15,000
Anthony Wilson (Former Board & FRAC member; term ended 25 September 2025)	3,750	15,000	15,000
Dame Karen Poutasi (Former Board Chair, term ended on 28 August 2024)		5,000	30,000
Troy Brockbank (Former Board member; term ended 28 August 2024)		2,500	15,000
Riki Ellison (Former Board member; term ended 28 August 2024)		2,500	15,000
Brian Hanna (Former Board member; term ended 28 August 2024)		2,500	15,000
Total	**153,100**	**107,500**	**120,000**

No Board members received compensation or other benefits in relation to cessation (2025: $nil)

Board member fees were increased from 1 October 2025, following the release of the new Cabinet Fees Framework [CO(25)2]

Te Puna attendance 2025/26

Te Puna member	Te Puna hui	Joint hui with the Board
Riki Ellison	10/11	2/2
Bonita Bigham	7/11	1/2
Stephanie Dijkstra	10/11	2/2
Te Huia Taylor*	5/7	1/1
Loretta Lovell*	6/7	1/1

*Ceased 22 February 2026.

Te Puna remuneration[12]

Total value of remuneration paid or payable to each member during the year was:	Actual 2025/26	Actual 2024/25	Actual 2023/24
Riki Ellison (Te Puna Chair)	15,500	13,547	8,288
Bonita Bigham (Te Puna member)	4,313	4,041	2,569
Stephanie Dijkstra (Te Puna member)	9,731	7,041	12,600
Loretta Lovell (Former Te Puna member – term ended 22 February 2026)	4,275	10,209	600
Te Huia Taylor (Former Te Puna member – term ended 22 February 2026)	2,644	4,303	11,288
Tipa Mahuta (Former Te Puna Chair, term ended on 28 August 2024)	-	1,047	17,625
Ian Ruru (Former Te Puna Deputy Chair, term ended on 28 August 2024)	-	778	5,475
Total	**36,463**	**40,966**	**58,444**

No Te Puna members received compensation or other benefits in relation to cessation (2025:$nil)

12 Actual remuneration figures vary from member to member because remuneration is not just based on attending meetings, but also includes time spent working on approved projects or providing specialist input into work being done elsewhere within the Authority.

Appendix 3:
Climate change reporting

The Authority's inventory was prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ('the GHG Protocol'), using the operational control approach.

The figures below for 2025/26 have been verified by an independent auditor as required by the Carbon Neutral Government Programme (CNGP).

The Authority's base year has been set as 2022/23, which reflects our current expected operational duties and FTE numbers.

In 2025/26, the Authority emitted 100.13 tCO_2e. This is a 29% reduction on our 2022/23 base year (140.45 tCO_2e).

Table 1. Summary of Emission sources in tonnes of CO_2-e

Year	(base year) tCO_2-e 2022/23	tCO_2-e 2023/24	tCO_2-e 2024/25	tCO_2-e 2025/26	% Change from base year
Scope 1	**3.05**	**3.02**	**3.07**	**2.45**	**-19.51%↓**
Vehicle fleet – leased	3.05	3.02	3.07	2.45	-19.51%↓
Scope 2	**2.69**	**3.19**	**4.42**	**6.36**	**136.43%↑**
Purchased electricity	2.69	3.19	4.42	6.36	136.43%↑
Scope 3 (mandatory)	**134.21**	**101.61**	**80.48**	**91.05**	**-32.16%↓**
Freight	0.1	0.06	0.24	0.12	20.02%↑
Staff travel for work – Domestic Air Travel	78.24	66.98	54.79	59.53	-23.92%↓
Staff travel for work – International Air Travel	28.24	5.93	0	6.59	-76.68%↓
Staff travel for work – Domestic Hotels	6.94	7.31	5.29	4.59	-33.78%↓
Staff travel for work – International Hotels	2.52	0.32	0.09	0.56	-77.80%↓
Staff travel for work – Mileage Reimbursements	5.46	6.63	4.91	2.35	-56.91%↓
Staff travel for work – Rental Cars	1.67	2.57	2.15	3.32	98.97%↑
Staff travel for work – Travel – Taxis/Uber/Shuttles	2.15	1.97	1.82	1.45	-32.67%↓
Staff travel for work – Train	0.18	0.13	0.06	–	-100.00%↓
Transmission and Distribution losses*	0.2	0.23	0.26	0.48	140.78%↑
Waste	0.58	0.97	0.72	2.21	283.13%↑
Wastewater	4.8	4.83	5.02	5.25	9.38%↑
Water supply*	0.43	0.43	0.58	0.49	14.73%↑
Working from home*	2.65	3.2	4.5	3.86	45.88%↑
Compost – Food waste	0.05	0.05	0.05	0.24	405.58%↑
Scope 3 (other material)	**0.5**	**0.4**	**0.43**	**0.26**	**-47.81%↓**
Microsoft Cloud usage	0.5	0.4	0.43	0.26	-47.81%↓
Grand total	**140.45**	**108.22**	**88.4**	**100.13**	**-28.71%↓**

Findings and intensity measures

The highest emission source continues to be Scope 3 Travel, which comprises air travel, passenger vehicles, train and accommodation. It equates to 78% (89% 22/23) of the Authority's GHG inventory in 2025/26.

The largest reduction in emissions was observed in air travel, both domestic and international, with a decline of 37.9% compared to the base year. The Authority's responsibilities expanded over the year, resulting in staff numbers increasing in 2025/26 compared to 2024/25. However our 2022/23 base year is likely to remain the baseline for a typical emissions year.

Table 1 presents total gross emissions per FTE of staff or total expenditure in millions of dollars. These measures can help to track emissions performance compared to organisational growth. As the Authority was previously in a growth phase, these measures become helpful indicators over time, so we will continue to track intensity measures.

Summary of Emissions per FTE and total expenditure

The Board and Te Puna travel and travel related expenses are included in the Authority's emissions calculations; however, members are not included in our FTE count.

The Ministry for the Environment (the Ministry) has increased emissions factors in a number of areas. This has resulted in increased emissions in those areas, even where the Authority's usage has not increased. For example, the emission factor for purchased electricity has increased by nearly 35% compared to 2023/24.

Reduction targets for 2025 and 2030

In 2022/23 the Authority submitted an Emissions Reduction Plan to the Ministry. No specific reduction targets were set due to previous variability in growth and operations. However, the Authority makes carbon conscious decisions to reduce our carbon impact where possible. By achieving a 29% reduction in carbon emissions, the Authority has exceeded the Ministry's agreed 11% reduction target by 2025 and is on track to achieve the 21% reduction target by 2030.

Appendix 4:
Technical appendix for survey

The 2025/26 results show a substantial uplift in supplier confidence, accessibility of regulatory information and perceptions of the Authority's credibility and responsiveness, while also identifying the areas we need to focus on improving that are important to suppliers and stakeholders.

Purpose of the surveys

Each year, the Authority conducts surveys to understand how drinking water suppliers and sector stakeholders experience and understand its role and work as New Zealand's water services regulator.

For 2025/26, separate supplier and stakeholder surveys were conducted to support reporting against the Authority's Statement of Intent performance measures. The surveys assessed respondents' experiences and perspectives on engaging with the Authority, with a particular focus on whether:

- the Authority's standards and expectations are accessible and clear;
- the Authority's guidance is accessible and clear; and
- suppliers see the Authority as a credible and responsive regulator.

The supplier survey was directed to registered and verified drinking water suppliers and drinking water network operators. The stakeholder survey was directed to sector partners and government agencies working within the water sector.

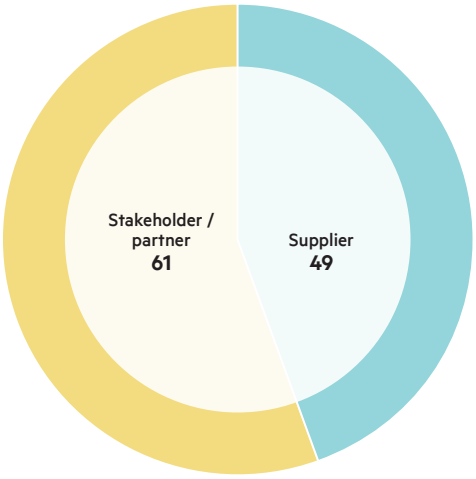
Survey approach and data collection

In previous years, one survey was used, primarily focused on drinking water suppliers. In 2025/26, the Authority conducted two separate surveys to provide clearer information about the experiences of suppliers and wider sector stakeholders as per our Statement of Intent measures.

The surveys were conducted using SurveyMonkey and distributed to suppliers and stakeholders by email, with the survey also promoted through the Authority's newsletter between 30 March and 21 April 2026. In total, 110 responses were received.

The results provide an indication of respondents' views at a point in time. They should not be interpreted as representing the views of every drinking water supplier or stakeholder in the water services sector.

Completed responses by respondent type (110 total responses)



Rating scales and presentation of results

The principal performance questions used for the purposes of reporting on the SOI measures to identify the impact used consisted of four response categories: Strongly disagree, Disagree, Agree and Strongly Agree.

Part 1: Supplier survey results

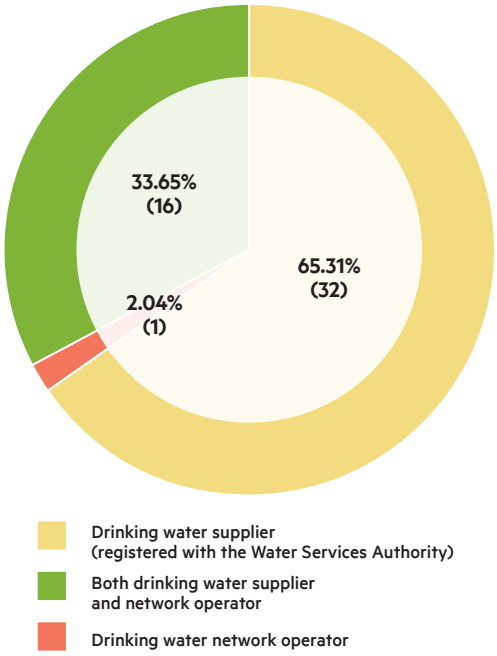
The 2025/26 supplier survey indicates a substantial improvement in how drinking water suppliers understand and experience the Authority's regulatory role. Across the comparable measures, results increased from 2024/25 and exceeded the relevant Statement of Intent targets.

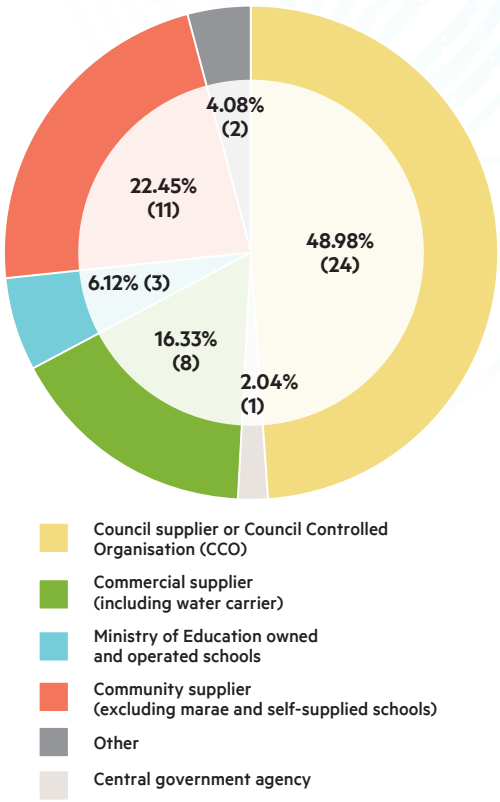
Respondent characteristics

Council suppliers and council-controlled organisations formed the largest identified supplier category, accounting for 49.0% of classified supplier responses. The supplier organisation chart recorded categories for 48 of the 49 supplier responses, leaving one response uncategorised in the source material.

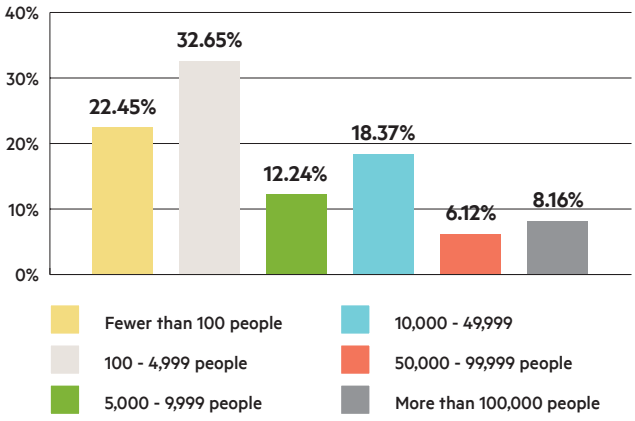
The majority of supplier respondents represented large-scale drinking water supplies serving more than 500 people, although most responding organisations served populations of fewer than 50,000. Government suppliers included Ministry of Education-owned and operated schools. Of the supplier respondents, 91.84% represented organisations that were not Māori-owned or majority Māori-owned.

Categories of suppliers

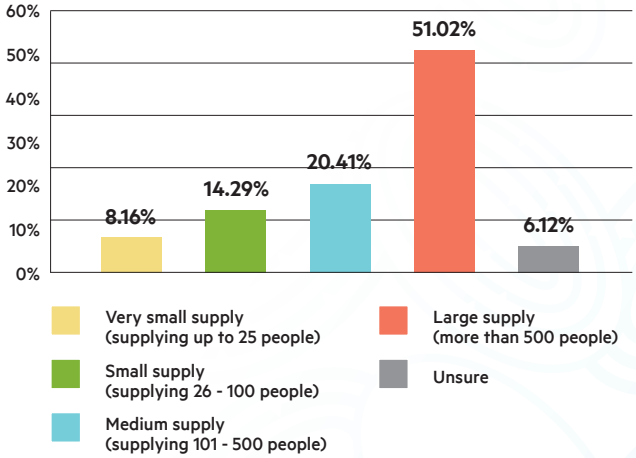




Population Served



Type of drinking water supply

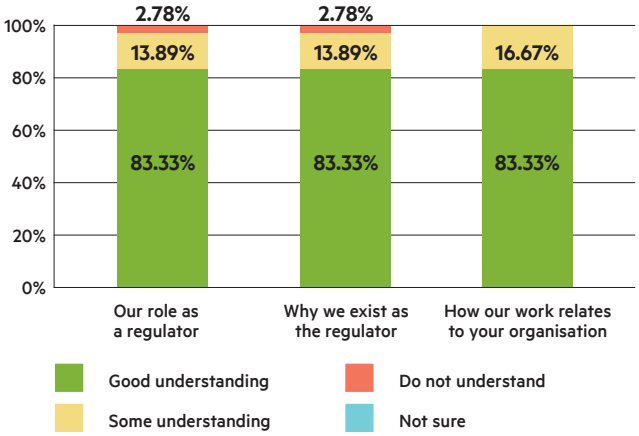


Understanding the Authority's role

The proportion of supplier respondents reporting a good understanding of the Authority's role as a regulator, why the Authority exists and how its work relates to their organisation increased from 63% in 2024/25 to **83%** in 2025/26.

This uplift indicates that suppliers have a clearer understanding of the Authority's role within the water services system and the relevance of its regulatory work to their organisations. It also supports the wider picture of the Authority strengthening its visibility and leadership across the sector.

How well do you understand:



Standards and expectations

Supplier respondents reported increased familiarity with the Authority's standards and expectations, with 97% indicating that they were extensively or moderately familiar with them, compared with 90% in 2024/25.

Results also showed substantial increases in both accessibility and clarity.

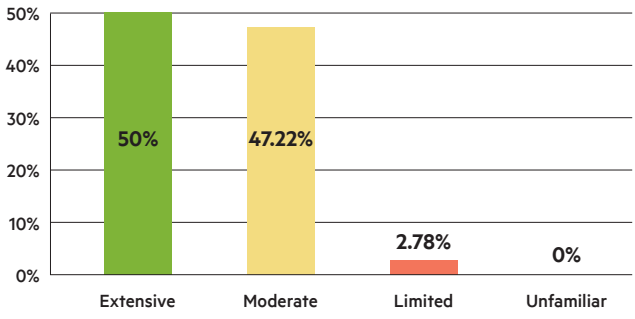
Measure	2024/25	2025/26
Standards and expectations are accessible	71%	**94.44%**
Standards and expectations are clear	55%	**77.78%**

These results were above the Statement of Intent targets of 71% for accessibility and 55% for clarity. They indicate that most responding suppliers found the Authority's standards and expectations easy to locate and presented in an appropriate format.

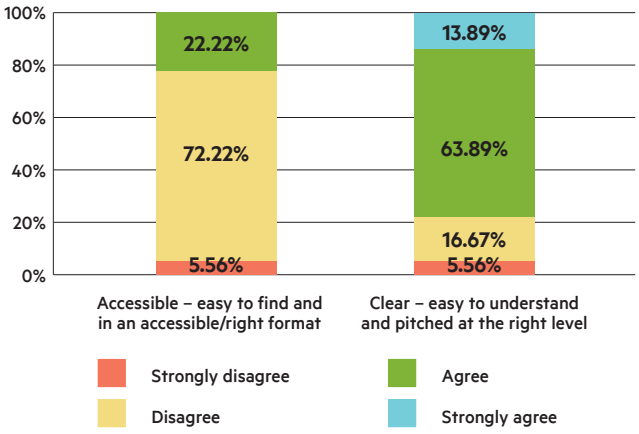
Respondents identified opportunities to improve:

- navigation of standards and expectations on the Authority's website;
- the tailoring of standards for small and rural suppliers;
- support with applying standards to different types of supplies; and
- consultation with the sector when standards are implemented.

Familiarity



Accessible and clear



Guidance

Supplier familiarity with the Authority's guidance remained broadly consistent with the previous year. In 2025/26, 78% of respondents reported extensive or moderate familiarity, compared with 79% in 2024/25.

This represents a marked increase in respondents' assessments of the accessibility and clarity of that guidance.

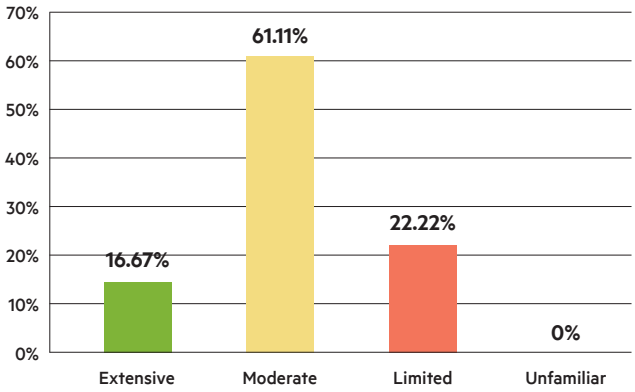
Measure	2024/25	2025/26
Guidance is accessible	59%	**77.77%**
Guidance is clear	56%	**75%**

Both results exceeded the relevant Statement of Intent targets. The results indicate that responding suppliers increasingly found the Authority's guidance easy to locate, understandable and pitched at an appropriate level.

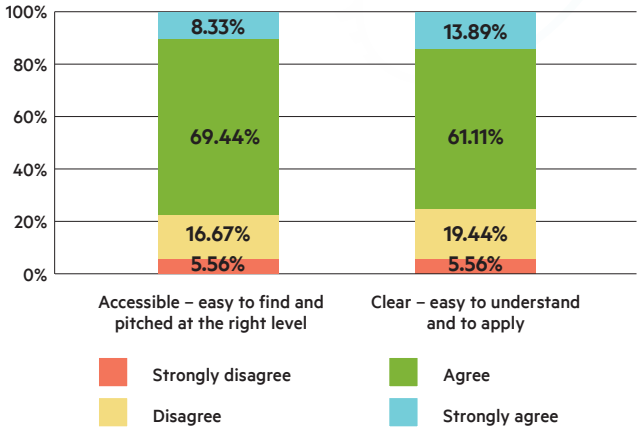
22% of respondents reported limited familiarity with the Authority's guidance. This indicates that there remains an opportunity to improve the reach and visibility of guidance. Respondents identified opportunities to improve:

- more detailed instructions on technical requirements;
- guidance tailored to specific audiences;
- improved website search functionality;
- removal of outdated website material; and
- more prominent information about reporting timelines.

Familiarity



Accessible and clear



Credibility, responsiveness and engagement

Supplier perceptions of the Authority's effectiveness as a regulator improved substantially across all four measures.

Measure	2024/25	2025/26
The Authority is a credible regulator	72%	**91.66%**
The Authority is a responsive regulator	61%	**80.56%**
The Authority is easy for suppliers to engage with	67%	**86.12%**
The Authority understands suppliers' views	51%	**75%**

The results exceeded the Statement of Intent targets for credibility and responsiveness and show a strong upward trend in supplier confidence. In particular, the increase in respondents viewing the Authority as credible, from 72% to 91.66% provides evidence of the Authority's growing leadership position in the water services sector.

Communication with suppliers

More than 80% of supplier respondents had been in contact with the Authority on matters including standards and guidance, supply issue notifications, consumer advisories, Drinking Water Safety Plans and regulatory compliance.

More than 80% reported a positive view of the frequency and quality of communication from Authority staff, compared with 66% in 2024/25. Respondents particularly valued:

- the quality and usefulness of advice and information;
- the regularity of updates; and
- the professionalism of Authority staff.

This result is consistent with the wider improvements in the Authority's credibility, responsiveness and ease of engagement. It indicates that the Authority's increased focus on active engagement and practical regulatory support is being recognised by the suppliers who interact with its staff.

Respondents also identified opportunities for further improvement, including faster response times, more targeted information about reporting deadlines and technical matters, greater staff accessibility for small suppliers, tailored communication approaches, and improved website navigation.

Part 2: Stakeholder survey results

A separate stakeholder survey was conducted in 2025/26. The results establish an initial evidence base for understanding how government agencies, sector partners and other water sector stakeholders experience the Authority.

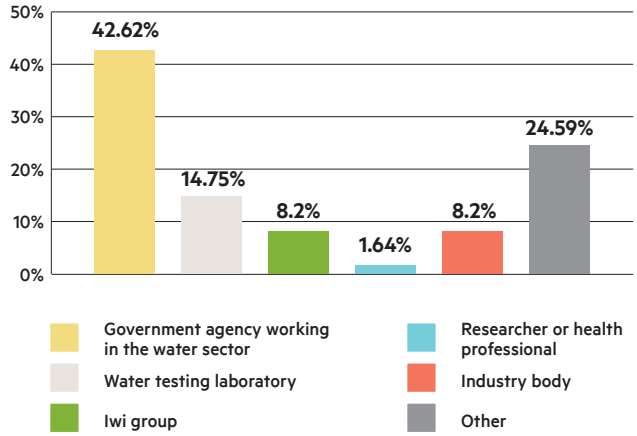
Because a separate stakeholder survey was not conducted in 2024/25, the 2025/26 stakeholder results should be treated as a baseline rather than a year-on-year trend.

Respondent characteristics

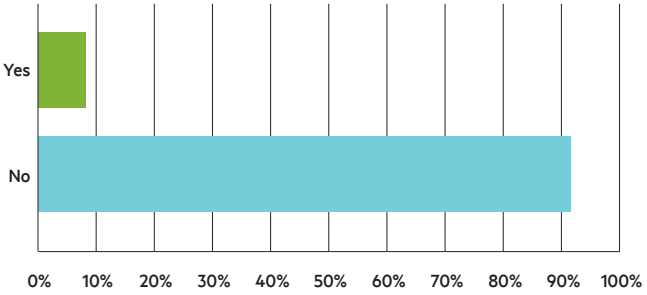
Government agencies were the largest stakeholder group, accounting for 42.62% of stakeholder respondents. Other respondent categories included industry bodies, water-testing laboratories, iwi groups, researchers or health professionals and other organisations. Most stakeholder respondents represented organisations that were not Māori-owned or majority Māori-owned.

Categories of stakeholders

Which grouping below best describes you/your organisation in the context of this survey?



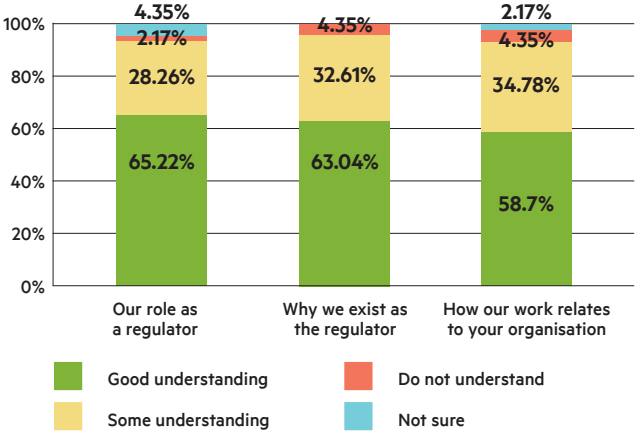
Are you responding on behalf of an organisation that is Māori-owned or majority Māori-owned? (more than 50% or more ownership or management by Māori)



Understanding the Authority's role

Stakeholder respondents demonstrated a high level of understanding of the Authority. More than 90% reported a good understanding across each of the three questions covering the Authority's role as a regulator, why it exists and how its work relates to their organisation. The individual results ranged from 93.48% to 95.65%.

How well do you understand:



Standards and expectations

Seventy-eight percent of stakeholder respondents indicated that they were extensively or moderately familiar with the Authority's standards and expectations.

Of the respondents answering the relevant performance questions:

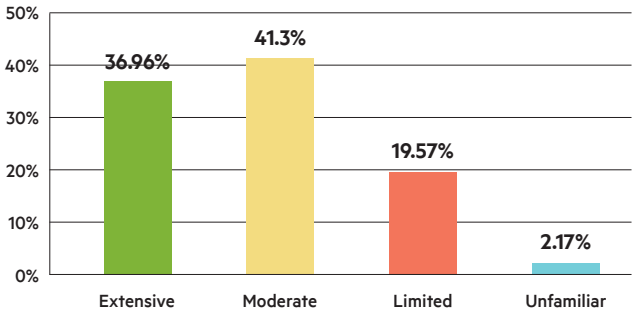
- **69.57%** agreed or strongly agreed that the standards and expectations were accessible; and
- **57.77%** agreed or strongly agreed that the standards and expectations were clear.

As no previous equivalent stakeholder results were available, the 2025/26 findings provide a baseline for future reporting.

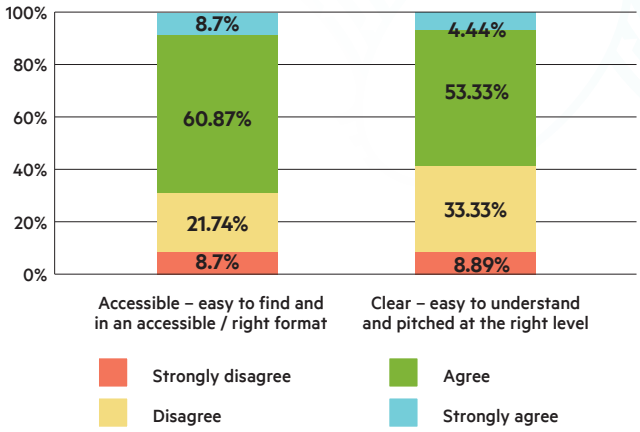
Suggested improvements included:

- accessibility and clarity could be improved by using simpler language;
- providing more tailored guidance;
- giving clearer regulatory advice; and
- making greater use of summaries and visual formats.

Familiarity



Accessible and clear



Guidance

Stakeholder responses indicate that the Authority's guidance was generally accessible and clear, although familiarity varied across the respondent group. Thirty-four percent reported limited familiarity with the guidance, indicating an opportunity to improve its reach and visibility.

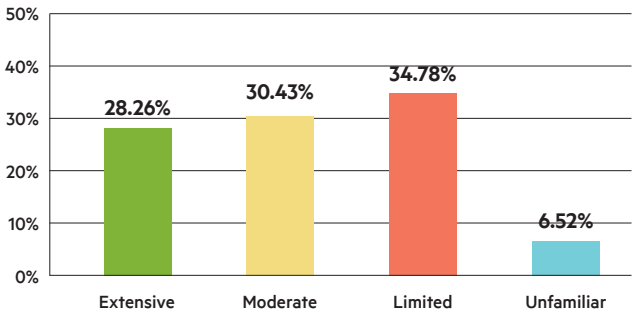
Of the stakeholders answering the relevant questions:

- **60.87%** agreed or strongly agreed that the guidance was accessible
- **57.77%** agreed or strongly agreed that the guidance was clear.

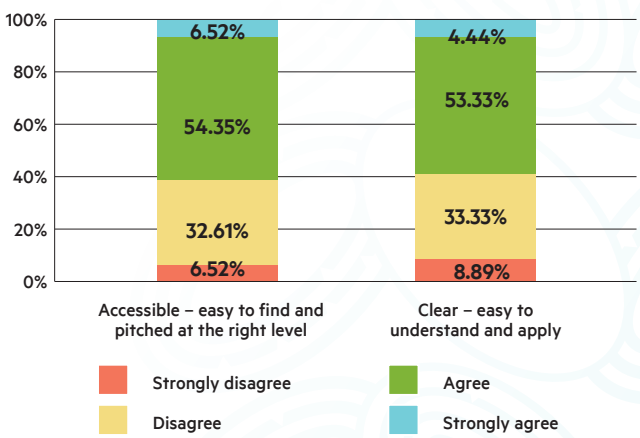
Suggested improvements included:

- simplifying technical language;
- improving website navigation; and
- providing more guidance on climate resilience, local government engagement, drinking water safety education and training.

Familiarity



Accessible and clear



Communication with stakeholders

Approximately 70% of stakeholder respondents had been in contact with the Authority, including in relation to regulatory compliance, drinking water standards and wider sector engagement.

More than 50% reported a positive view of the frequency and quality of communication from Authority staff. Respondents particularly noted prompt responses, timely updates and the personable approach of Authority staff.

Opportunities for improvement included providing more personalised support, improving communication about organisational changes and strengthening communication with smaller communities.

Sample size

The supplier survey received 49 responses and the stakeholder survey received 61 responses. The supplier and stakeholder surveys were conducted separately and the number of responses varied between individual questions.

Limitations and comparability

The following limitations should be considered when interpreting the results:

1. Participation in the surveys was voluntary, and the results reflect the views of those who chose to respond.
2. The survey was sent to 731 recipients and the stakeholder survey to 1,787 recipients and was also promoted in the Authority's newsletter.
3. Response numbers varied between questions, and measure-level response bases were not provided in the results summary.
4. Regional results and respondent-level records were not available for this analysis.
5. Results for small respondent groups have not been reported separately.
6. Supplier results can be compared with 2024/25 where the same measures and response approaches were retained, but changes in the survey approach may affect direct comparability.
7. Stakeholder results are baseline results because a separate stakeholder survey was not conducted in 2024/25.
8. Percentages should not be interpreted as precise estimates of the views of all suppliers or stakeholders across the sector.

Despite these limitations, the results provide useful evidence of how respondents experience the Authority. In particular, the consistent upward movement across the supplier measures indicates that the Authority's standards, guidance and engagement are becoming more accessible, and that supplier confidence in the Authority as a credible and responsive regulator has strengthened.

Appendix 5:
Data collection disclosures

Supplier data

Water suppliers, network operators, and laboratories are required by law to notify and report to us, and a variety of levers are used to ensure compliance with the legal requirements. Drinking water suppliers are required to use Hinekōrako to:

- register supplies;
- update supply data;
- notify the Authority of any situations where the safety of water supplied may be at risk or if there is or is likely to be an insufficiency of water; and
- identify their compliance pathway

Network operators use Hinekōrako to register their networks (drinking water and wastewater). In addition, operators of water networks are required to report annually on the environmental performance of their networks.

Registered drinking water testing laboratories are required to notify the Authority of any drinking water tests indicating potentially unsafe drinking water. All water testing must be undertaken by independently accredited water testing laboratories.

Hinekōrako is a robust, verifiable system that is subject to a continuous improvement programme to ensure that it builds capacity to support future work.

Annual sector reporting data

The Authority uses trends from Drinking Water Regulation Report and the Network Environmental Performance Report on the performance of the water services sector to examine the effect of our actions and influence as the regulator on the performance of the water services sector over time. These reports create a single source of national-level information about trends and risks in water services, based on sector reporting. This provides an evidence base to inform
our work and motivate suppliers to continually improve their operations.

The Drinking Water Regulation Report uses data and information provided to us for registered drinking water supplies during the relevant period. Because water supplies owned or operated by local or central government are the main providers of drinking water to New Zealanders, both reports focus mainly on council and government supplies and networks at this stage, with the intention to understand more about smaller suppliers over time.

The Network Environmental Performance Report is based on infrastructure information provided by council and government network operators. We are phasing requirements for reporting by operators to enable comprehensive, mature data reporting.

Website analytics data

Website analytics are used to understand how our website is used, including how often our guidance is accessed. This is analysed by tracking the number of unique users. For the purposes of reporting on this measure, any users who visit or download content multiple times will be counted only once for annual results.