

Water Services Authority –
Taumata Arowai



Annual Report 2023/24

Te Ripoata ā-Tau

Te whakatauākī 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.

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

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Introduction

From the Board Chair and Chief Executive

This was a year marked by significant regulatory changes in New Zealand's water services sector. The Government's Local Water Done Well programme has ushered in a new era of water management, with a strong focus on local control, financial sustainability, and enhanced regulatory oversight.

Central to these changes is the expanded and refined role of the Water Services Authority – Taumata Arowai (the Authority). While we will continue our crucial work on behalf of consumers ensuring safe drinking water across the country, the new direction from Government introduces important adjustments to our regulatory approach.

A key change is the introduction of a single national standard for wastewater environmental performance, replacing the previous system of minimum standards. This simplification will streamline compliance processes and significantly reduce regulatory costs for water service providers, benefiting our communities and the environment.

Perhaps most significantly, new operating principles are proposed, which will require the Authority to consider the cost of compliance on suppliers and ensure that the regulatory framework we apply is proportionate to the scale, complexity, and risk profile of each water supply. This balanced approach aims to maintain consistently high standards of water quality and safety, while acknowledging the financial realities faced by water service providers.

Complementing the Authority's work, we are preparing for the introduction of economic regulation in the water services sector. The Commerce Commission will take on this role, initially focusing on drinking water and wastewater services. The first phase of this regulation, expected to be implemented by late 2025, will involve foundational "economic regulation" in the form of information disclosure requirements.

Under this new framework, water service providers will be required to disclose detailed information about their operations, including capital investment plans, expenditure, operating costs, revenue, tariffs, financing plans, service quality, customer engagement, and asset management. The Commerce Commission will analyse this information to improve transparency and accountability in the sector and to determine if further regulatory intervention is necessary.

This dual-regulatory system, with the Authority focusing on water quality and safety, and the Commerce Commission

overseeing financial and economic aspects, represents a deliberate approach to ensuring both the quality and affordability of water services. We anticipate that the interplay between these two regulatory bodies will lead to more informed decision-making and a holistic approach to water services management.

As we navigate this evolving regulatory landscape, our focus remains on delivering high-quality, sustainable water services to our communities. The Local Water Done Well programme provides us with the tools and framework to address longstanding issues in New Zealand's water infrastructure while maintaining local control and ensuring sustainable services.

Looking ahead, we are preparing for the introduction of the Local Government Water Services Bill, expected in December 2024. This legislation will provide more comprehensive details on the water services regulatory system, including refining the roles of the Authority and the Commerce Commission.

We would like to express gratitude to the members of the Māori Advisory Group (Te Puna). Their leadership, support and guidance have assisted the Board and executive team of the Authority in achieving our objectives during the year.

We also extend our heartfelt thanks to our dedicated, professional staff across the country, and to our council partners who supply drinking water to nearly 85% of New Zealanders every day. Their collective hard work and commitment have ensured a smooth transition into this new regulatory environment while laying the groundwork for improved water services across the country.

As we move forward, we remain committed to working closely with all role players, including central and local government, our communities and interest groups to support the effective implementation of Local Water Done Well. We are confident that with our collective efforts and the robust regulatory framework now in place, we will build a stronger, more sustainable water services sector for the benefit of current and future generations.



Raveen Jaduram
Board Chair



Allan Prangnell
Chief Executive

Our year in brief



527
Council supplies
4,307,489
population served



469
Government supplies*
72,088
population served

*Made up of: 38 Department of Conservation, 3 Department of Corrections, 417 Ministry of Education and 11 New Zealand Defence Force



992
community and private supplies
103,285
population served

By 30 June 2024:



120
reviews were completed



A further **72**
reviews were in progress



A total of **111**
supplies had been reviewed

Our context

In response to new Ministerial expectations, we adjusted our work programme and demonstrated additional fiscal prudence. This included pausing recruitment plans and absorbing vacancies as they arose. We cut spending and made savings in 2023/24, and positioned our operations to match the expected changes in anticipated revenue for 2024/25.

Potential changes to water services legislation, as well as challenges in balancing our expanding regulatory duties with the need to build sector capability and engage effectively with diverse stakeholders, required us to remain flexible in our approach and planning.

The quality of data provided by network operators for performance reporting was a concern, highlighting the need for improved data collection and reporting processes. We have worked closely with operators to improve templates and guidance for the next round of data collection in early 2024/25.

Our achievements

Expanded our regulatory oversight

We saw a 51% increase in registered drinking water supplies, now totalling 1,988. This growth reflects our expanding reach and the sector's increasing engagement with regulatory requirements.

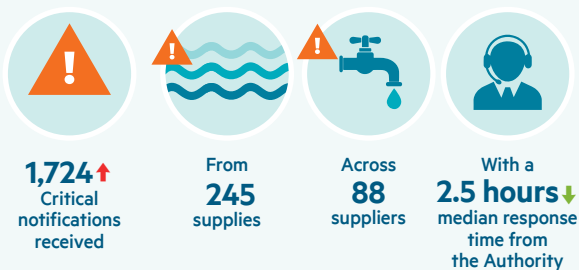
Enhanced safety planning for drinking water

We completed the first systematic reviews of Drinking Water Safety Plans, providing feedback to water suppliers on risk management practices and identifying areas for improvement.

Proactively managed risk

We demonstrated our commitment to addressing non-compliance that presents risks to public health through issuing directions and compliance orders to suppliers, as well as improving our response time to critical notifications.

Despite a 40% increase in critical notifications, we reduced our median response time to 2 hours and 36 minutes, enhancing our ability to address potential safety issues promptly with suppliers.



There were 281 active consumer advisories during the year:



These consumer advisories involved 229 supplies and 80 suppliers, which is an increase from last year, further reflecting our expanding reach and the sector's increasing engagement.

Prioritised implementation of multibarrier protections

Having sent letters to suppliers at the end of 2023, we have monitored the progress of 29 council and two government drinking water suppliers as they developed funded plans to implement critical treatment barriers for drinking water. We received funded plans from 25 of the councils by the end of June.

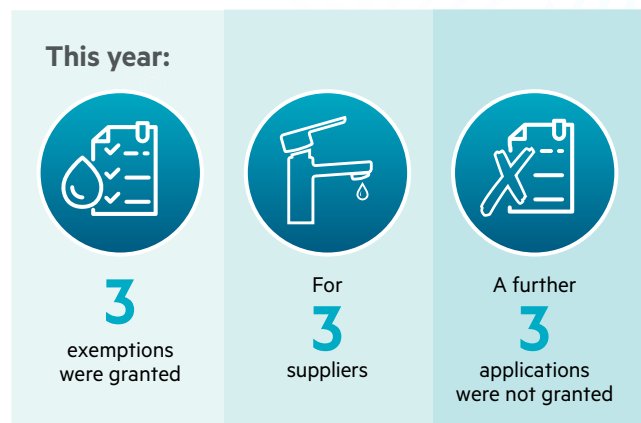
We also tracked the Ministry of Education's progress for installing treatment barriers in 17 self-supplied schools.

Expanded reporting on sector performance

We published our third Drinking Water Regulation Report, and our first report on the environmental performance of networks providing comprehensive insights into the water services sector's performance, alongside a summary report on both – bringing together insights across drinking, waste and stormwater for the first time in New Zealand.

Granted exemptions

Exemptions provide an alternative for suppliers when treatment options would be impractical. Our Chief Executive granted the first three exemptions this year: one for a community supply, one for a council-owned supply and one for a group of supplies run by a government agency.



Developed knowledge about community and private supplies

We developed the Te Irohangi pilot programme to build capability among community and private suppliers, focusing on areas with high Māori populations. The programme will be launched in the first quarter of 2024/25.

Conducted technical work and research to benefit suppliers

We collaborated on research on viruses in Canterbury groundwaters; supported research on the national burden of enteric disease; convened a Water Science Forum; planned a workshop on Cyanobacteria; and commenced work to update the Drinking Water Quality Assurance Rules which set out minimum requirements for drinking water supplies.

Wastewater and stormwater responsibilities came into effect

Our wastewater and stormwater responsibilities came into effect on 4 October 2023. We established initial registers for wastewater and publicly owned stormwater networks and continue to update them.

Expanded environmental performance measures

In July 2023, we introduced a second tranche of drinking water environmental performance measures as part of our rolling programme to improve public awareness of network performance. We also adopted the first tranche of wastewater environmental measures, with reporting commencing from 1 July 2024.

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Statement of Responsibility

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

The Board is also responsible for end-of-year performance information provided by the Authority under section 19A of the Public Finance Act 1989, whether or not that information is included in this Annual Report.

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 2024.

Signed on behalf of the Board:



Raveen Jaduram

Board Chair

31 October 2024



Dr Frances Hughes

Board Member and Chair, Finance, Risk and Assurance Committee

31 October 2024

Statement from the Māori Advisory Group Chair

Āta tirohia te ngaru nui, te ngaru roa, te ngaru pae whenua

Notice carefully, the great wave, the long wave and the shoreward wave

E ngā mana, e ngā reo, e ngā kārangaranga katoa, tēnei te mihi ki a koutou, e ngā rangatira.

Ka whakawhiwhia tēnei karanga ki a koutou mō tō koutou tautoko me te mahi nui i whakakī i te wā, i te kaha, me te māia i roto i ngā kaupapa e pā ana ki tō tātou iwi. Nō reira, me whakanuia te mahi i ngā wā katoa, ā, ko te manaakitanga e hāngai ana ki te painga o te katoa.

As the newly appointed Chair of the Taumata Arowai Māori Advisory Group, Te Puna, I extend my heartfelt gratitude to my predecessor Tipa Mahuta, the inaugural chair of Te Puna. Tipa has been steadfast in ensuring Taumata Arowai adopted a partnership approach to serving all communities across Aotearoa and working towards ensuring all communities have access to safe drinking water. I also acknowledge the contribution of Ian Ruru, who has also recently completed his term on Te Puna. Ian's technical expertise and practical approach has been invaluable to Te Puna.

The whakataukī above refers to the importance of remaining vigilant of our surroundings and both adapting to the changing oceans and using their tohu to guide us on our journey. We must continue to lean in to change, understand it and embrace it. This includes the changing and challenging environment in which Taumata Arowai operates. Despite these challenges our core vision and purpose remains the same, *Kia tiakina te wai, hei oranga mo te katoa – Safe water for everyone, every day*. We continue to challenge ourselves to ensure our approach is both proportionate and aligned to that vision, particularly as we continue to engage and support community and private suppliers.

Te Puna, in partnership with the Board, will continue to play an important role in ensuring perspectives from the communities we serve, particularly Māori, are prioritised and reflected in the work of Taumata Arowai.

I am particularly proud of the work, Te Rōpū Wai – the Water Systems Group, led by Hautū, Maria Nepia, is leading with our Te Ihorangi approach – connecting with rural communities with a specific focus on the ground in Te Tai Tokerau and Te Tairāwhiti, partnered with a national outreach campaign to similar supplies. Building our connections directly with communities will ensure we can support their efforts to both comply with the regulations and, most importantly, provide their communities with access to safe water every day.

The increasing focus on wastewater and stormwater, including the work of Taumata Arowai in developing National Wastewater Standards, will also have immense importance for iwi, hapū and whānau and our aspirations for improving our taiao. These standards will also have implications for Te Tiriti settlements, and we will ensure we are engaging with relevant entities to ensure settlement interests are understood and protected.

As we look forward, I remain committed to advocating for Māori and ensuring that tangata whenua remain integral to the work of Taumata Arowai. We all have responsibilities to uphold the principles of Te Tiriti o Waitangi, including ensuring the sustainable management and regulation of our wai and our taiao.

I continue to be inspired by the willingness of the water services sector to embrace the values and aspirations of all communities across Aotearoa – mō tātou ā mō kā uri ā muri ake nei.



Riki Ellison
Chair

Context

This annual report is a statutory document, required under section 150 of the Crown Entities Act 2004. The report reflects the work the Authority completed during the period 1 July 2023 – 30 June 2024.

The period of this report saw significant shifts in policy as directed by the Government.

The Government introduced the Local Water Done Well policy programme that will support councils to deliver high-quality, financially sustainable water services. The final legislation to implement the new water service delivery models and other enduring settings for Local Water Done Well will be introduced in December 2024 and is expected to be passed by mid-2025.

As part of Local Water Done Well, councils will consider the best service delivery model for their communities which may result in a smaller number of suppliers with the creation of council-controlled organisations.

It is also proposed that to reduce regulatory burden, domestic supplies delivering drinking water to fewer than 25 residents will not be subject to our regulation, including registration or meeting requirements under the Water Services Act 2021. Following this amendment, we will continue to have a role to support smaller suppliers to deliver safe drinking water outside the regulatory regime through our education activities.

Under Local Water Done Well, the economic regulation regime aims to promote investment in water services to give New Zealanders confidence their providers are on track to ensuring access to quality water services. We have been, and will continue to, work with the Commerce Commission, who will implement the new economic regime promoting better investment into water infrastructure using a range of regulatory tools.

The changing nature of our operating environment and proposed government policy changes for water services, are directing our future work. However, this report reflects what we have done in the past year and is guided by our current statutory objectives and commitments outlined.

Our statutory objectives

The Taumata Arowai–the Water Services Regulator 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
- give effect to Te Mana o te Wai¹, to the extent that Te Mana o te Wai applies to our functions and duties
- provide oversight of, and advice on, the regulation, management, and environmental performance of drinking water, wastewater, and stormwater networks
- 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

The Authority has clear statutory obligations with respect to the Treaty of Waitangi | Te Tiriti o Waitangi and its principles, including to partner and engage early and meaningfully with Māori, and to give effect to Te Mana o te Wai as it relates to our powers, functions and duties. The Authority also has specific Treaty settlement obligations, including in relation to the Waikato River catchment² and Whanganui River catchment³. We will ensure we continue to meet our obligations and responsibilities.

1 At the time of publishing this document, there has been a signal from the Government of its intention to remove this from our objectives. For the period that this Annual Report covers, this was included in our statutory objectives.

2 Sections 17(8) – 17(10) of the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 and Sections 18(8) – 18(10) of the Ngati Tuwharetoa, Raukawa, and Te Arawa River Iwi Waikato River Act 2010

3 Section 15(2) of the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017



Our year in detail

Safety of water services

Reviewing Drinking Water Safety Plans

Drinking Water Safety Plans are a risk management tool submitted by suppliers, that outline how suppliers intend to ensure a safe, reliable and resilient supply of drinking water.

This year we started a systematic review of Drinking Water Safety Plans for council-owned supplies. Given the number of plans submitted, we worked to review at least one plan for each of the councils and government departments to better understand their risk management practices.

We provided feedback on reviews, closely monitoring high-risk cases. Having received this feedback, many suppliers have proactively addressed identified issues, improving their water safety and sufficiency.

In the future, as we learn more through our review of Drinking Water Safety Plans alongside reporting from suppliers, we will identify further trends and opportunities for improvement across the sector. We will use this to target our capability building initiatives and outreach.

Multibarrier treatment barriers

No single treatment barrier is effective against all sources of contamination. From a practical perspective, a multibarrier approach is the most effective way to keep consumers safe and to avoid people getting sick from their drinking water. A multibarrier approach to drinking water safety is a fundamental protection against unsafe drinking water, and has been a regulatory requirement in one form or another since 2005.

In 2023/24 we prioritised our engagement to ensure that council and government supplies have appropriate multibarrier protection for their water supplies to keep consumers safe.

Critical barriers are now up and running at:



23
supplies



Managed by
9
councils



That provide
85,693
people with
drinking water

As at 30 June 2024:



925
plans were
lodged with the
Authority

382
of those were
newly lodged in
2023/24



120
reviews
had been
completed



With a further
72
reviews
in progress



A total of
111
supplies had
been reviewed



Across
63
suppliers



Of the completed reviews, 72 (60%) identified at least one aspect of non-compliance, the most prevalent of which were bacterial and protozoal risks and treatment.



58
supplies reviewed
were council or
government owned



5
supplies were
community or
private supplies

But there is still work to be done:

On track to implement barriers



23
supplies



Managed by
11
councils



That provide
442,835
people with
drinking water

Exploring end point treatment solutions



6
rural
supplies



Managed by
5
councils



That provide
2,565
people with
drinking water

One council is exploring a further alternate path to compliance.

Council suppliers

Most council-operated supplies have protozoal and bacterial barriers in place as well as residual disinfection. However, as of 31 December 2023, some barriers were still lacking, leaving a portion of the population unprotected.

In late 2023 we sent letters to 29 councils with water supplies that lacked essential protozoal, bacterial or residual disinfection barriers requesting they provide us with a funded plan for installing these barriers by 30 June 2024.

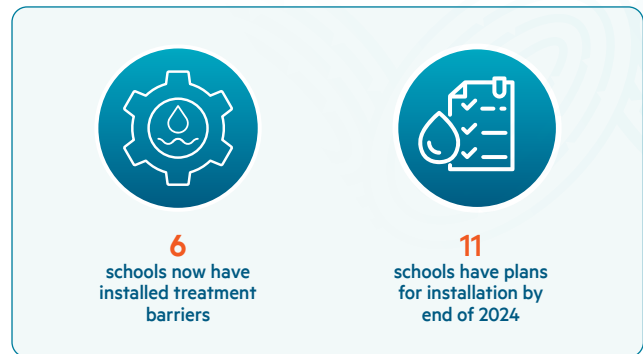
All council suppliers that we contacted responded on or by 30 June 2024 as requested. They reported significant progress toward improving drinking water safety.

We engaged, and will continue to engage with, all suppliers regarding the plans they provided.

Three councils chose to defer adoption of their long-term plan until June 2025 so will provide us with a funded plan then, and install treatment barriers by December 2025. A further three councils have adopted a long-term plan extension and will confirm their funded plan by 30 September 2024, and install all related treatment barriers by 31 December 2025.

Government suppliers

We tracked the progress of the Ministry of Education's work to install treatment barriers in 17 self-supplied schools.



The Department of Conservation obtained an exemption for 686 backcountry huts which are largely roof-fed, and all lack electricity supply. We engaged with the Department on their plans for water treatment or additional exemptions at their remaining sites.



Community and private suppliers

We undertook a desktop review of insights from community and private suppliers registered with us, alongside data held in Hinekōrako, to understand the challenges facing these suppliers. We also received advice from the Māori Advisory Group on strategic considerations when approaching Māori communities without protozoa or bacterial barriers and approaching iwi to bring awareness to the issues with water supplies they manage.

This enabled us to develop a programme of work to identify needs, risks and capability uplift requirements through a pilot programme approach, called Te Ihorangi.

Pathways for suppliers to comply

We provided multiple options for suppliers to meet the legislative requirement to supply safe drinking water, including acceptable solutions and exemptions. We considered both public health and cost in our proportionate approach.

Council suppliers

As part of our Drinking Water Safety Plans reviews, we provided feedback to council suppliers so they could address issues found in our reviews. Our focus in this process was on good risk and hazard identification and suppliers providing a multibarrier approach to ensure that the water they supply is safe to drink.

Where there is unaddressed non-compliance presenting a demonstrable risk, we have several regulatory levers that we can apply. In 2023/24, we used our intervention powers in four instances with councils. We issued:

- a compliance order to Queenstown Lakes District Council (QLDC) for the Queenstown supply, following an outbreak of cryptosporidiosis. This resulted in a programme of work by QLDC, including installing UV disinfection equipment for the impacted supply. The Māori Advisory Group provided contacts with mana whenua, supported engagements, and advised on the needs of Māori, rural, and vulnerable communities.
- a compliance order to the Clutha District Council (CDC) for the Milton supply, following a review of the Drinking Water Safety Plan for the supply that highlighted non-compliance. The order sets out staged milestones for actions. CDC met the first milestone, due by the end of January 2024, this included installation of additional monitoring for the supply.
- an amendment to the CDC Milton compliance order in early 2024 (about five months after it was originally issued) to extend the timing for two of four requirements in the original order. CDC is working on meeting the further requirements in the order for future milestones, with the final milestone due at the end of January 2025.

- a direction to Tararua District Council (TDC) for the Woodville supply, following animal entry into the treated water reservoir, to notify us of any further animal incursions, take public health measures and carry out regular inspections. As a result, TDC has brought forward funding in the Long-Term Plan for repair or replacement of the reservoir.

Both the Milton compliance order and the original direction given to CDC in 2022/23 remained in place as at 30 June 2024.

Ministry of Education

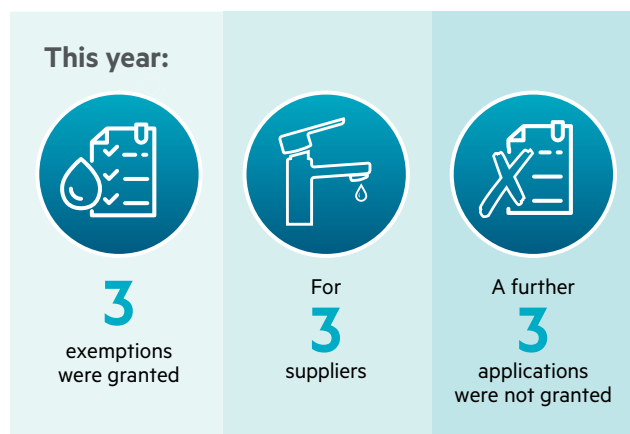
The Ministry of Education has 422 registered, self-supplied schools often in rural and/or remote locations. Currently the Ministry devolves responsibility for operating supplies to the schools including annual renewal of registration, monitoring water quality and taking action if testing identifies a problem.

In addition to monitoring progress on the installation of treatment barriers at 17 schools, we worked with the Ministry to understand the compliance pathway for these schools, particularly how they would identify the work needed for all 422 schools and prioritise implementation.

We are also considering how we can support the Ministry to identify cost-effective methods of complying with other provisions of the Water Services Act. This may include exemptions from residual disinfection requirements, reviewing Acceptable Solutions and opportunities to improve the capability of schools to manage their drinking water supplies.

Exemptions

Drinking water suppliers can apply for exemptions from some requirements of the Water Services Act. Exemptions provide an alternative for suppliers when treatment options would be impractical.



These were the first exemptions granted by the Authority. Two of the three exemptions granted were general exemptions where treating drinking water is impractical. Both exemptions are in place for five years with conditions that the suppliers are required to put in place and monitor. The exemptions were for:

- A township that is only accessible by boat or via a three-hour bushwalk and has no permanent residents. It lacks a continuous reliable electricity supply. We granted the exemption in December 2023.
- The Department of Conservation, covering 686 backcountry huts and campsites. These are basic facilities, with no power supply and no permanent staff, where it would be impracticable to operate a water treatment system and carry out the required regular monitoring of the water quality. We granted the exemption in June 2024.

We also granted a residual disinfection to Selwyn District Council for the Rakaia Huts supply. This was the second time the Council applied after we had previously declined an initial application. The second application addressed the concerns that led to the first one being declined. The exemption was granted in January 2024.

Three residual disinfection applications were not granted this year for:

- Christchurch City Council (Brooklands Kainga supply)
- Christchurch City Council (chlorine concentration/time requirements of the Drinking Water Quality Assurance Rules for the city supply)
- Wellington Water (chlorine concentration/time requirements of the Drinking Water Quality Assurance Rules for Wellington region bulk supply).

Responses to incidents and emergencies

We work with drinking water suppliers and other agencies in incidents and emergency events⁴ that impact drinking water. Our role is to maintain oversight of incidents, ensure any responses where there is serious risk to public health are appropriately managed, and support suppliers to manage emergencies.

Since establishment we have responded to approximately one major incident or emergency every six months. After each major incident or emergency response, we undertake an after-action review that identifies lessons learned and makes recommendations to improve our response to future incidents.

Examples of significant events during the last year were:

- Cryptosporidiosis outbreak in Queenstown in September 2023
- Wellington Water risk of acute shortage during the summer period (November 2023 – March 2024)
- Woodville boil water notices due to animal remains in treated drinking water reservoir (March and April 2023).

Sufficiency of water services

Suppliers are required to ensure that enough drinking water is provided to each point of supply they serve. The quantity of drinking water is sufficient if it can support the normal drinking water and sanitary needs of consumers.

Over 2023/24, we worked with suppliers facing a range of incidents or circumstances that created a risk to the sufficiency of supply to consumers.

Wellington Water risk of an acute water shortage

On 22 November 2023, Wellington Water notified us under the Water Services Act that its ability to maintain a supply of a sufficient quantity of drinking water might be at imminent risk. Wellington Water requested that we declare a drinking water emergency, if acute water shortages eventuated, and authorise Wellington Water to increase the amount of water taken from their sources over and above the quantities allowed to be extracted under their existing resource consents.

As part of our approach we:

- ensured all reasonable steps were being taken to mitigate the risk of a water shortage
- ensured that the appropriate response mechanisms were in place
- ensured that action was being taken to address the risk in the longer term
- maintained active oversight of the situation
- engaged with mana whenua
- attended multi-agency meetings in our role as regulator.

This ensured all reasonable steps were being taken by Wellington Water and the Authority to avoid significant supply restrictions and associated public health issues.

In March 2024, we asked Wellington Water for information as we assessed their plan to avert the risk of an acute water shortage over the 2024/25 summer. We continue to monitor Wellington Water's actions to manage the risk of acute water shortage for its metropolitan supply.

Wellington Water has indicated it remains on-track to meet its targeted reduction in demand during the 2024/25 summer and has determined that these savings will reduce the risk of severe water restrictions being required.

⁴ An incident is an event or issue reported to us which identifies a risk to the safety or sufficiency of a drinking water supply. An emergency is the escalation of an incident or another hazard which causes or is likely to cause a serious risk to public health, and/or requires a significant coordinated response due to the scale, nature or complexity of the event. While some incidents do develop into emergencies, other incidents are within the capacity and capability of the affected supplier to respond to with minimal external support.

Risk of insufficient supply during the summer

In December 2023, we sent a letter to registered drinking water suppliers in areas likely to be impacted by dry weather or drought, reminding them of the importance of planning ahead and notifying us early if issues relating to water shortages were to arise.

We engaged directly with suppliers that had notified us of a potential risk to their ability to provide enough drinking water throughout the summer period of 2023/24.

We actively monitored emerging risks across the country to ensure that risks that might impact drinking water supplies were identified and managed.

We also participated and contributed to:

- the Ministry for Primary Industries led National Adverse Events Committee to monitor drought and dry weather risk to drinking water supplies
- the All of Government El Niño Drought and Water Security Preparedness Plan.

Water services' impact on the environment

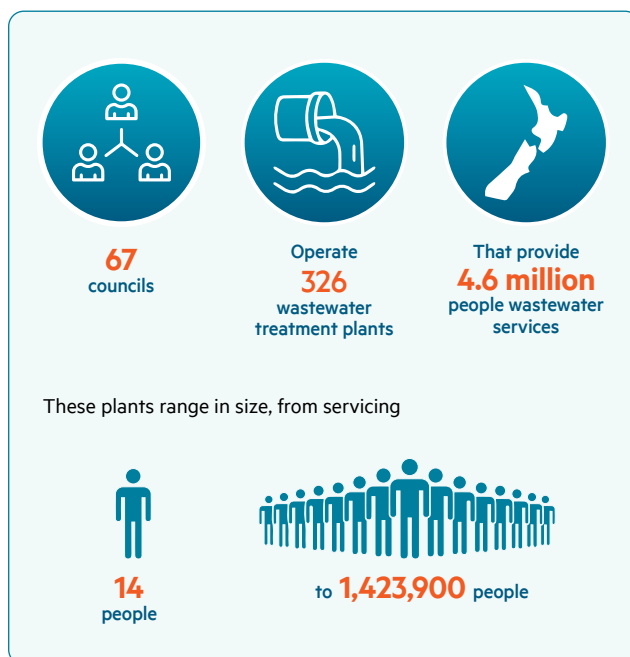
We provide oversight and advice on the regulation, management and environmental performance of wastewater and urban stormwater⁵ networks, in addition to drinking water networks.

Wastewater and stormwater network registers

Our registers provide consolidated information on the water system across drinking water, wastewater and stormwater networks.

[The wastewater network register](#), published on our website from 1 December 2023 and updated regularly, included information on wastewater treatment plants operated by councils, council-controlled organisations, or their subsidiaries.

In February 2024, we published the initial [public register of stormwater networks](#) on our website. It included a limited amount and range of information on urban stormwater networks operated by councils, council-controlled organisations, or their subsidiaries. We have limited the amount and range of information at this time to reduce the reporting burden on network operators.



Network environmental performance measures

The first tranche of [drinking water environmental performance measures](#) was introduced in July 2022. In July 2023, we introduced a second tranche of these measures to better understand network performance.

We adopted the first tranche of wastewater environmental performance measures this year. Reporting will start in 2024/25. To support network operators, we published guidance for these new wastewater measures in May 2024, and hosted webinars in mid-June 2024.

Our reporting template and processes for reporting have been improved and streamlined to ensure it is easy for network operators to report to us. Our supporting guidance also included a series of webinars, and an instructional video.

⁵ Various parts of stormwater systems are owned and operated by different people. For example, while territorial authorities are typically responsible for much of a community network and local roads, the New Zealand Transport Agency is responsible for drainage from state highways. Some key components of a stormwater network may be in private ownership, such as small watercourses that traverse private property, which may be open or may contain privately owned structures that could affect water flow, such as culverts or bridges. Our role is in relation to public stormwater networks in urban areas.



Credible regulator

Engagement with communities, suppliers and stakeholders

This year we worked closely with others to understand the challenges they face. In 2023/24 this included:



Working closely with council suppliers

This included site visits, conversations about risks to their supplies, regular meetings on challenges they are facing and contributing to webinars on technical subjects and capability building.



Understanding more about community and private supplies

We did this through a desktop review, and developed a phased engagement and outreach pilot programme.



Working closely with other government agencies and regulators

This included developing a Memorandum of Understanding (MoU) with the health entities (Ministry of Health, and Health NZ) which was signed in December 2023, and working closely with the Commerce Commission to implement a joint work plan to support activities outlined in our joint MoU.

Technical work and research

This year we worked with researchers to better understand challenges and opportunities for the sector:

- Research on viruses in Canterbury groundwaters**
 We collaborated with Christchurch City Council and Environment Canterbury on research to be undertaken by ESR (Science for Communities), to determine the presence and extent or absence of viruses in Canterbury deep aquifer groundwaters. The research will inform a review of treatment requirements for viruses, likely to commence in 2025.
- Research on water-borne illnesses**
 Researchers at the Universities of Otago and Canterbury, in collaboration with Te Kura Taka Pini | Ngāi Tahu Freshwater Management, are currently leading a national assessment of the burden of enteric disease⁶ associated with drinking water in New Zealand. We contributed to the research project in 2023/24 through providing expert advice and drinking water data.
- Drinking water science forum**
 In March 2024, we convened an inaugural forum on drinking water science in collaboration with ESR (Science for Communities), Water New Zealand and the University of Auckland. The forum brought together experts involved in drinking water science from across the sector to discuss the current science environment and ways to improve collaboration and coordination.
- Cyanobacteria workshop**
 In July 2024, alongside Water New Zealand, we convened a national workshop to discuss cyanobacteria – an emerging concern across drinking water suppliers. The work planning for this session was completed in late 2023/24. The session used case studies to explore the risks of cyanobacteria in our water and how suppliers can mitigate these risks to provide safe drinking water.

⁶ Enteric diseases are caused by micro-organisms, such as viruses, bacteria and parasites, that affect the gastrointestinal tract. These types of diseases most frequently come about from contaminated food or water consumption, but some can spread from person to person.

Drinking Water Quality Assurance Rules update

The Drinking Water Quality Assurance Rules were released in July 2022. The Rules set out minimum compliance requirements with different requirements based on the type of drinking water supply. Suppliers may also have additional measures, including the management of risks specifically identified in relation to their supplies, to ensure that water provided is safe to drink.

We are currently carrying out a review of the Rules in two tranches.

The first tranche focuses on simplifications, with the aim to improve clarity and reduce reporting requirements for smaller suppliers. This will reduce the regulatory burden for suppliers, while ensuring critical information continues to be reported against. In 2023/24, we completed the technical analysis for this tranche, with the aim to consult on proposed changes in early 2024/25. Subject to consultation, suppliers would begin reporting against the amended Rules from 1 January 2025 for the calendar year.

Subject to further scoping, a second tranche of the review, taking place in 2025, would look at the Rules and reporting requirements that apply to large supplies (greater than 500 people).

Transparency on the performance of water services

In June 2024, we published two annual reports using the data we collect from suppliers. The reports raise the visibility of the water sector's performance and improve transparency for consumers.

This year, for the first time, we reported on supplier performance against the Rules in our Drinking Water Regulation Report. This provides a clearer understanding of performance in the sector than has been possible before. We also published the first Network Environmental Performance Report which focuses on the environmental performance of drinking, waste and stormwater networks run by councils and central government operators.

The Māori Advisory Group provided guidance on how we reflect our statutory objective to give effect to Te Mana o te Wai in the reports as well as on framing the drinking water measures and proposed wastewater measures that have been reported on.

These reports, together with a summary report, provide the first consolidated overview of drinking water services in New Zealand.



Our organisation

Being a good employer

As a Crown entity, the Authority must be a good employer. We actively work to minimise bias or discrimination and create an environment of equal opportunity.

In March 2024, we ran a staff engagement survey that had a participation rate of 85%. Of those participants, 67% answered the core engagement questions favourably, which was a slight improvement on the last full survey run in late 2022.

The survey results showed our staff rate wellbeing, people leadership, organisational culture, and diversity equity and inclusion favourably. The survey results also showed areas where we could improve, including learning and development opportunities, organisational confidence, teamwork, and feedback and recognition.

Health, safety and wellbeing

In 2023/24, we completed a review and refresh of the Health, Safety and Wellbeing framework for our organisation.

This resulted in several refreshed policies that support us to manage our critical risks, including:

- a refreshed Health and Safety policy
- a Health and Safety Incident Reporting and Investigation policy
- a Working in the Field policy
- a Worker Participation policy and framework and Overlapping Duties policy and framework.

We set up a Health, Safety and Wellbeing Committee this year with Health and Safety representatives elected to represent our staff on health and safety matters. In 2023/24, these representatives received training, which included the completion of two NZQA unit standards. The Committee also sponsored a number of Hauora and Wellbeing events over the year and promoted health and safety practices aimed to keep our staff safe and well at work.

We had no health and safety incidents of note this year. Our staff are encouraged to report all near misses and incidents through our reporting system, and we regularly report the detail and outcomes of these to the Board. We also continue to promote staff wellbeing through participation in a range of events and activities that enhance their wellbeing and work-life balance. All staff have access to an Employee Assistance Programme.

Training and development

In 2023/24, we completed the development of a Regulatory Capability Framework and a learning pathway to support employees to understand and operate in our regulatory environment. This programme will be rolled out in 2024/25 and will grow to include our Compliance Officers. Further work to expand this framework is planned for the coming year.

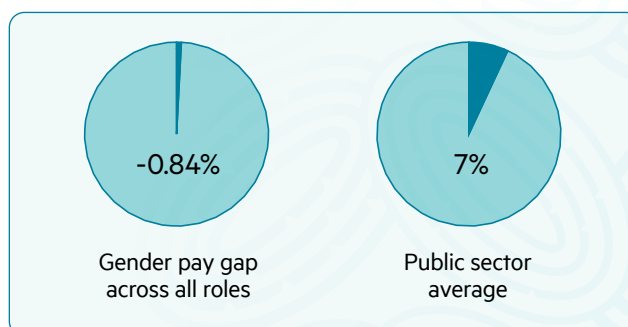
We also provided the following opportunities to our staff:

- supporting them to complete the suite of NZ Certificates in Regulatory Knowledge, Compliance and Practices developed by the government regulatory practice initiative (G-Reg). In 2023/24 one employee enrolled and completed at level 4. 12 employees completed the level 3 course, 5 are currently enrolled and progressing.
- supporting participation in the webinar and training programmes offered by Water New Zealand. In 2023/24 there were 103 sign ups across the three Water NZ badges. Our people also attend webinars and training programmes as part of their own personal development.
- supporting seven employees to complete a NZQA Limited Credit Programme in drinking water.
- supporting staff to be trained in the Coordinated Incident Management System (CIMS). We had enough CIMS trained staff to manage effectively during recent emergency responses, and two employees completed or commenced specialist response leadership training in 2023/24.

Leadership development is available to all our leaders through their professional development plans, and in June 2024 we launched two leadership programmes – one for people leaders and one for organisational leaders. These will be completed in quarter one of 2024/25.

Pay gaps action plan

Our data as of 30 June 2024 shows:



The negative gender pay gap is driven by a higher number of women employed at the Authority, particularly in leadership roles. The total gender split is 67 females and 38 males.

Our pay gaps fluctuate each quarter because our staff numbers are small enough that a single appointment can create or remove a pay gap. Pay gaps generally fluctuate from -3% to +3%.

Our action plan, [Te Mahere Mahi Rerekētanga Ira Tāngata](#), focuses on improving our Māori, Pacific, and ethnic pay gaps (which do not meet the minimum volume criteria to report) over the next 18 months.

Supporting staff-led networks

We supported several staff-led networks that promote and celebrate our diversity and multiple perspectives while having a key focus on upholding our Te Tiriti obligations in supporting reo Māori me ōna tikanga focused groups, including:

- Ngā Akonga Reo Māori rōpū
- Māori staff network
- Sustainability network
- Women's network
- Waiaata group.

We have guidelines to support the establishment of staff-led networks.

Māori-Crown relations capability

Work in this area is ongoing to develop a robust capability strategy to build capabilities across the National Policy Statement for Freshwater Management, Te Tiriti o Waitangi, engagement with Māori, tikanga, and te reo Māori. The Māori Advisory Group has been supporting the organisation to frame a strategic plan for a capability uplift in this space.

Equal employment opportunity policies

The Authority is committed to the principles of equal employment opportunities (EEO) and being a good employer. We apply this through supporting and promoting good equal employment practices across the organisation. Equal employment is one of the ways we recognise and support the aims and aspirations of Māori, thereby contributing to the spirit of partnership envisaged by the Treaty of Waitangi | Te Tiriti o Waitangi.

Policy reviews

Staff-related policies are subject to regular reviews and updates. In the 12 months covered by this report, all staff-related policies, including EEO, have either been reviewed, or triaged and prioritised for review with a review period set.

Processes and systems

Risk management

The Authority uses the concept of success and uncertainty to manage risk. This approach links risk with key areas of accountability and strategic priorities. The Success and Uncertainty Framework defines risk as the 'effect of uncertainty on objectives'. Reframing risk as uncertainty enables a balanced discussion that includes what could go right (opportunities) and/or what has gone right (success), which expands the focus beyond threats and issues (what could or has gone wrong).

Management review monthly risk management plans and ratings as well as the overall risk profile. The Finance, Risk and Assurance Committee of the Board receive quarterly reports and provide assurance that risk management approaches are appropriate and adequate.

ICT and security

We ran a Continuous Improvement Programme, which has completed eight system releases to Hinekōrako (our supplier registration portal) and our Stakeholder Management System in the last year. These have varied in size and complexity. We have added new features as well as made improvements to existing functionality.

Notable changes included deployment of a Contract Management System, adding a supplier reporting dashboard to the Hinekōrako portal, improving the quality of our data collection systems and continuing improvements to the processing of Drinking Water Safety Plans. We also set up an external user group of suppliers and industry professionals that will help to provide guidance on the future direction of Hinekōrako.

Our security response and readiness were tested during the CrowdStrike outage in the middle of 2024, with approximately 10% of end user devices affected. We were back to 100% operational capacity within two business days. While there were other notable global and national cyber security threats posed throughout the year, our systems and processes prevented these from impacting the organisation. Several email phishing attacks were attempted but stopped by existing technology protections.

Security awareness campaigns are ongoing with quarterly phishing simulations and improvements to security inductions. The Protective Security Requirements report was completed in February 2024 and shows steady progress in the previous 12 months, compared with the 12 months prior.

Procurement

Progressive procurement was a government initiative that came into effect on 1 July 2021. The goal was to increase the target percentage over time and move to a value-based target of contracts awarded to Māori businesses.

In 2021/22 the target was 5%, in 2022/23 it increased to 8%. This policy was in place during the 2023/24 reporting period.

From 1 July 2023 – 30 June 2024, 25 contracts were awarded to Māori suppliers. This was 9.84% of total new contracts awarded during the year.

Climate change reporting

Carbon emissions measure and report

Our 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. Under the Carbon Neutral Government Programme (CNGP) the data must be verified by an independent auditor. Because of the timing of the audit, the figures below for 2023/24 have not been verified, but verified figures will be published in next year's annual report. All other emissions figures are verified.

In the year 2022/23, we reported to the CNGP a change in base year to reflect our operations as we took on more duties regarding wastewater and stormwater as well as an increase in Full-time Equivalent (FTE) count.

Overall, the Authority is reporting 106 tonnes of CO₂ equivalent for the reporting year 2023/24. This demonstrates a successful year with a total reduction of 34.3 tCO₂-e or 24%. We are proud to report a reduction in emissions with an increase in FTE of 7% (which includes contractors as of 30 June 2024).

Table 1. Summary of Emission sources in tonnes of CO₂-e

Sources	tCO ₂ -e 2021/22	tCO ₂ -e 2022/23*	tCO ₂ -e 2023/24 (unverified)	Percentage Change
Scope 1	1.8	3.0	3.0	1%↓
Vehicle fleet – leased	1.8	3.0	3.0	
Scope 2	3.4	2.7	3.2	18%↑
Purchased electricity	3.4	2.7	3.2	
Scope 3 (mandatory)	52.2	134.2	99.5	26%↓
Freight	0	0.1	0.06	43%↓
Air travel	34.7	106.5	72.9	32%↓
Accommodation	3.3	9.4	7.6	19%↓
Passenger vehicles	5.58	9.3	11.2	20%↑
Transmission and distribution losses	0.3	0.2	0.2	14%↓
Waste	0.5	0.6	1.0	67%↑
Wastewater	3.4	4.8	4.8	-
Water supply	0.3	0.4	0.4	-
Working from home	4.1	2.6	1.1	58.5%↓
Train	0	0.2	0.1	32.8%↓
Compost – food waste	0	0.0	0.0	-
Scope 3 (other material)	1.5	0.5	0.4	14%↓
Microsoft Cloud usage	1.5	0.5	0.4	
Total tonnes CO₂-e	58.9	140.4	106.2	24%↓

* When preparing the data for 2023/2024, adjustments were made to the 2022/2023 emissions data that reflect changes in emission factors. This data was previously verified but will undergo re-verification with the 2023/2024 data.

Our findings

- The highest emission source continues to be Scope 3 Travel, which comprises air travel, passenger vehicles, train and accommodation. It equates to 87% (74% in 21/22, 89% 22/23) of our GHG inventory.
- The biggest reduction in emissions was our working from home emissions which saw a reduction of 58.5% as employees were not required to travel to the office.
- 2022/23 Scope 1 and 2 emissions are verified with reasonable assurance levels and our Scope 3 as limited; it will likely remain this way for 2023/24. To obtain reasonable assurance for Scope 3, we are working towards better measurements from purchased goods and services including outsourced activities.

Intensity Measures

- In 2023/24, staff leaving and a reduction of contractors meant that we did not grow as anticipated and we expect that staff numbers will not change for 2024/2025, meaning our base year may remain 2022/23 as representing a typical emissions year.
- The Board and Māori Advisory Group travel and travel-related expenses are included in our emissions calculations, but members are not included in our FTE count.

Table 1. Summary of Emission sources in tonnes of CO₂-e

Scope	2022/23 tCO ₂ -e	tCO ₂ -e 2022/23*	2023/24 tCO ₂ -e (unverified)
FTE	78.03	102.94	32%↑
Contractors (equivalent to FTE)	21	2.95	86%↓
Total FTE	99	106	7%↑
Total emissions	140.4	106	24%↓
Total emissions per FTE	1.4	1	29%↓

Reduction targets for 2025 and 2030

- In 2022/23, the Authority submitted the first Emissions Reduction Plan to Ministry for the Environment. We did not set specific reduction targets due to previous variability in growth and operations. However, we have continued to make carbon conscious decisions to reduce our carbon impact where possible.
- Our 2023/24 Emissions Reduction Plan will aim to set reduction targets on our gross emissions that are within our control and we will likely target our Scope 3 travel related emissions to align with limiting global warming to 1.5°C, also recognising that any remaining emissions from 2025 will need to be offset.
- We stay informed of future policy and guidance from Ministry for the Environment regarding reduction targets for organisations where reduction potential is low and the allocated time for reducing emissions is shortened.

Progress and improvement plans

- Scope 3 – travel-related emissions is a key area for improvement. We have made some progress with a trial of car share services and opting to utilise low emissions vehicles over taxis or rental vehicles. Further promotion alongside other public and active transport options is required.
- The employee-led Sustainability Network has introduced the following recycling initiatives: soft plastic, batteries and used bottle lids. We will continue to promote use of compost bins and appropriate allocation of other waste.
- Our Wellington office is currently under consideration for NABERS-NZ accreditation and will be rated a minimum of 4 stars.

Employee profile

As the end of June, our employee profile was (figures for 2023 are in brackets for comparison):



103.94↑
(78.04)

Full time equivalents (FTE)
38 (31) people identify as male
67 (47) people identify as female



3.8%↑
(2.3%)

Of staff identify
as having a disability



13.3%↓
(21.25%)

Unplanned employee turnover



43↑
(42)

Average age of staff



18.4 months↑
(13 months)

Average length of service

Self-reported primary ethnicity	% of total staff		
	2024	2023	2022
African	0.95	1.3	3.7
Asian	7.6	7.7	9.3
European (all locations)	12.3	10.3	9.3
Pacific	0.0	1.3	0.0
NZ European / Pākehā	53.3	61.6	61.1
NZ Māori	22.8	15.4	14.8
South American	0.95	2.6	0.0
Other	1.9	1.3	0.0

Age profile	As at 30 June		
	2024	2023	2022
60+	10	7	4
50-59	22	17	13
40-49	29	17	16
30-39	30	23	11
20-29	13	14	10
No data	1	1	-

Staff remuneration disclosure

Over the last year our organisation has had an increase in permanent FTE roles. This reflected a shift in our organisational development towards more in-house technical expertise within our organisational structure and moving away from contractors and consultants filling these roles.

Total employee remuneration paid or payable that is or exceeds \$100,000:	Actual 2023/24 Number	Actual 2022/23 Number
\$100,000 - \$109,999	11	7
\$110,000 - \$119,999	6	7
\$120,000 - \$129,999	13	1
\$130,000 - \$139,999	6	3
\$140,000 - \$149,999	5	3
\$150,000 - \$159,999	3	4
\$160,000 - \$169,999	6	1
\$170,000 - \$179,999	3	1
\$180,000 - \$189,999	2	1
\$190,000 - \$199,999	1	-
\$200,000 - \$219,999	-	-
\$220,000 - \$229,999	1	1
\$250,000 - \$259,999	1	-
\$260,000 - \$269,999	-	1
\$330,000 - \$339,999	1	-
Total Employees	59	30

During the year ended 30 June 2024, 3 employees (2022/23: 2) received \$61,228 (2022/23: \$41,793) in compensation and other benefits in relation to cessation.

Our total consultant and contractor expenditure for 2023/24 was \$3.784 million, a reduction of \$0.401 million (9.58%) compared to the \$4.185 million spent in 2022/23.

These savings were achieved in the context of our overall expenditure increasing from \$18.36 million in 2022/23 to \$22.13 million in 2023/24.

Governance

Responsible Minister and monitoring agency

The Minister of Local Government is our responsible Minister. The Minister oversees and manages the Crown's interest in, and relationship with, the Authority and exercises any statutory responsibilities.

Under section 27 of the Crown Entities Act 2004, the Department of Internal Affairs is our monitoring agency.

The Board

The Board is responsible for the stewardship and future wellbeing of the organisation. The Board ensures we act in a manner consistent with our objectives and functions.

The Board is required to meet its responsibilities under the Crown Entities Act. The Taumata Arowai—the Water Services Regulator Act 2020 imposes additional collective duties on the Board alongside those arising under the Crown Entities Act.

The members of our Board have combined expertise in local government, public health, environmental management, engineering and governance. Profiles of the Board members are available on our [website](#).

There were two committees of the Board during this year:

- The Finance, Risk and Assurance Committee (FRAC) which had an independent Chair, and
- The Chief Executive Remuneration and Performance Committee.

Membership of the committees does not include all Board members.

Board meeting attendance

Board member	Board	Joint meetings with Māori Advisory Group	FRAC	CE Remuneration & Performance
Dame Karen Poutasi (Board chair)	12/12	4/4	5/5 (ex officio)	4/4
Troy Brockbank	8/12	2/4	5/5	-
Riki Ellison	10/12	2/4	-	4/4
Brian Hanna	12/12	4/4	-	4/4
Dr Virginia Hope	10/12	4/4	-	4/4
Loretta Lovell	11/12	4/4	5/5	-
Anthony Wilson	10/12	4/4	5/5	-

Board remuneration

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

	Actual 2023/24 \$	Actual 2022/23 \$
The total value of remuneration paid or payable to each Board member during the year was:		
Dame Karen Poutasi (Board chair)	30,000	30,000
Troy Brockbank	15,000	15,000
Riki Ellison	15,000	15,000
Brian Hanna	15,000	15,000
Dr Virginia Hope	15,000	15,000
Loretta Lovell	15,000	15,000
Anthony Wilson	15,000	15,000
Total Board member remuneration	120,000	120,000

No Board members received compensation or other benefits in relation to cessation (2023: \$nil 2022: \$nil)

Māori Advisory Group

Our statutory Māori Advisory Group provides advice to the Board and wider organisation on Māori interests, knowledge, and the strategic direction of the organisation. This includes contributing to the success of the Authority in meeting its objectives, giving effect to Te Mana o Te Wai, and upholding our Treaty of Waitangi obligations with respect to the functions of the Authority in relation to drinking water, stormwater and wastewater.

The Board and Māori Advisory Group have agreed to a partnership based approach to their relationship, reflected in [He Pukapuka Orotau i Waenga i Te Poari Me Te Puna \(Memorandum of Understanding between the Board and Te Puna\)](#). The role of the Māori Advisory Group and the principles under which it operates, are further outlined in [Ngā Tikanga Whakahaere o Te Puna \(Terms of Reference\)](#).

The members have deep connections to their respective communities and critical expertise in local government, environmental management, governance, and iwi/Māori.

Profiles of the members are available on our [website](#).

During the 2023/24 financial year the group provided support and guidance to the Board and the organisation in increasing the engagement with Māori and rural communities including supporting engagement with mana whenua.

Māori Advisory Group attendance

Māori Advisory Group member	Monthly meetings	Joint meetings with Board
Tipa Mahuta (Chair)	7/9	4/4
Ian Ruru (Deputy Chair)	4/9	1/4
Bonita Bigham	5/9	2/4
Riki Ellison	8/9	2/4
Loretta Lovell	7/9	4/4
Te Huia Taylor	6/9	3/4
Stephanie Dijkstra	9/9	3/4

Māori Advisory Group remuneration

This reflects the membership during the reporting periods. Pita Paul left the Group during the 2022/23 reporting period. Te Huia Taylor and Stephanie Dijkstra were appointed to the Group during the 2022/23 reporting period.

The total value of remuneration paid or payable to each Māori Advisory Group member during the year was:	Actual 2023/24 \$	Actual 2022/23 \$
Tipa Mahuta (Chair)	17,625	16,938
Ian Ruru (Deputy Chair)	5,475	4,594
Bonita Bigham	2,569	2,100
Riki Ellison	8,288	7,819
Loretta Lovell	5,044	4,275
Pita Paul	-	6,975
Te Huia Taylor	11,288	5,213
Stephanie Dijkstra	12,600	300
Total Māori Advisory Group member remuneration	58,444	48,213

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

No members received compensation or other benefits in relation to cessation (2023: nil 2022: \$nil).



Audit opinion



BDO Wellington Audit Limited

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF TAUMATA AROWAI FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Taumata Arowai. 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 the statement of performance of Taumata Arowai on his behalf.

Opinion

We have audited:

- the financial statements of Taumata Arowai on pages 52 to 68, that comprise the statement of financial position as at 30 June 2024, 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 including a statement of accounting policies and other explanatory information; and
- the statement of performance of Taumata Arowai which reports against the statement of performance expectations for the year ended 30 June 2024 on pages 32 to 51.

In our opinion:

- the financial statements of Taumata Arowai:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards; and
- the statement of performance of Taumata Arowai for the year ended 30 June 2024:
 - presents fairly, in all material respects, for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of performance, we comment on other information, and we explain our independence.

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 and the International Standards on Auditing (New Zealand) 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.



BDO Wellington Audit Limited

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

The Board is responsible on behalf of Taumata Arowai for preparing financial statements and statement of performance that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of performance, the Board is responsible on behalf of Taumata Arowai for assessing the ability of Taumata Arowai 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 Taumata Arowai, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Water Services Regulator Act 2020.

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 the statement of performance, 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 these financial statements and the statement of performance.

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

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

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 the statement of performance, 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 internal controls of Taumata Arowai.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the statement of performance which reports against the statement of performance expectations of Taumata Arowai.

Audit opinion



BDO Wellington Audit Limited

- 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 ability of Taumata Arowai 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 financial statements and the statement of performance 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 Taumata Arowai to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of performance, including the disclosures, and whether the financial statements and the statement of performance 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 the information included on pages 1 to 27 and pages 69 to 73, but does not include the financial statements and the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of performance 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 statement of performance, 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 statement of performance 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 Taumata Arowai in accordance with the independence requirements of 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) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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

A handwritten signature in black ink, appearing to read 'H. McClintock', with a stylized flourish at the end.

Henry McClintock
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand



Statement of Performance

Summary for 2023/24

We have achieved the majority of our performance measures – 33 of the 38 reported (86%). Of these, 10 were partially achieved and 3 were paused. We did not achieve five measures (13.2%) and two measures out of the total of 40 were not reported on.

What went well	What we responded to
<ul style="list-style-type: none">• Our response time to notifications that were triaged as critical, because they posed a potential risk to public health, was 2 hours and 36 minutes.• We used our intervention powers in four instances and saw positive results from this for all four instances.• We published our third Drinking Water Regulation Report, and first ever Network Environmental Performance Report in June 2024. This provides an evidence base to inform our work and motivate suppliers to continually improve their operations.• We added a wastewater and stormwater register to our public registers.• Our focus this year on working closely with suppliers has shown through in our survey results, with the majority of results for the supplier group either maintained or improved on 2022/23 results.• We continued our work contributing to webinars, with a focus on technical subjects and capability-building for the water services sector.• We responded to 100% of OIA requests within statutory timeframes, despite an 85% increase in the number of requests. Our average time of response was 15.5 working days.• No secondary regulatory instrument made or issued by the Authority was disallowed by Parliament.	<ul style="list-style-type: none">• Due to changes in fiscal context, ministerial expectations, and potential legislative changes, we reprioritised our work programme. While this resulted in some work being paused, it enabled us to:<ul style="list-style-type: none">» prioritise other key work» demonstrate fiscal constraint» respond to Government priorities.• We saw an increase in the number of consumer advisories⁷ meaning we did not achieve the related performance measure (3.2). However, the increase was across a higher number of supplies and suppliers. We see this as a positive sign reflecting an increase in awareness and reporting from suppliers, and identifying that suppliers are managing the risk for their supplies appropriately.• Network operators have indicated that their data for the Network Environmental Performance reporting is not necessarily reliable. In some cases it is missing. We are working closely with network operators to improve this for next year's report.• A large number of survey responses, especially those from stakeholders, have indicated that they 'Neither agree nor disagree' or 'Don't know' about aspects of the performance we have been reporting. This is exacerbated by the low stakeholder sample size and suggests that a number of respondents are not aware of what the Authority does. The majority of our work to date has been focused on increasing our visibility amongst suppliers.

⁷ Drinking water suppliers issue consumer advisories (notices to boil water, to not drink water, and to not use water) if they identify problems with the safety of the drinking water. The advisories tell consumers about what they need to do to protect their health, like boiling water, while the supplier takes steps to improve the water quality.

Our performance framework



How we measure performance

Our performance framework consists of three distinct timeframes and associated measures of performance. Each grouping of measures contributes to and can be attributed to the actions of the Authority in different ways:

- **Long-term strategic goals (Protect | Tiaki)**
We have three long-term strategic goals, each with a 15-year or longer horizon. These goals focus on the performance of the water services system, and we are one of many organisations that contribute to achieving these results. Performance measures associated with long-term strategic goals start with numbers from 1-3.
- **Medium-term objectives (Influence | Whakaawetanga)**
We have six medium-term objectives, with a 5- to 14-year horizon. These objectives demonstrate the impact of our actions on the performance of the water services system, as well as our ability to influence the behaviour of others, including those we regulate and those we work alongside. Performance measures associated with medium-term objectives start with numbers from 4-9.
- **Short-term deliverables (Lead | Hautūtanga)**
We have nine short-term deliverables, with up to a four-year horizon. These deliverables are all directly attributable to the actions taken by the Authority and demonstrate our performance during the year. Performance measures associated with short-term deliverables start with numbers from 10-18.

Future changes to performance measurement

In 2023/24, we updated our strategic framework and the non-financial performance measures associated with tracking and measuring our performance. The revised framework has fewer measures (23 instead of 40).

This change has been captured and outlined in our [Statement of Intent 2024-2028 \(SOI\)](#) and [Statement of Performance Expectations 2024-2025 \(SPE\)](#).

How we have reported on performance

Performance reporting typically aligns to the hierarchy of measures, with a top-down cascade that reflects the timeframes during which measures are expected to demonstrate effects. However, this can be confusing for a reader who is interested in common data sources that tell a performance story.

Rather than report by the hierarchy of our measures, in this annual report we are reporting based on the source of the data and the story it tells. Where measures with a common data source support those using another data source, that support will be noted in the measurement text.

This enables a single, comprehensive explanation of how we go about measuring our performance, what the source of the data is, and how it is controlled and validated. We believe that this makes our performance information easier to understand.

[Appendix Two](#) outlines how we collected our data for each source and disclosures related to the limitations of some of the sources.

Measures that use supplier data

Hinekōrako is our online portal and database that supports the exchange of information with water services suppliers, networks operators and laboratories. It updates in close to real time, so information is quickly and readily available.

We use the data suppliers provide us as a key component for our regulatory decision-making, as well as for our monitoring and reporting activities. This includes monitoring if our interventions are resulting in changes to supplier actions.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #3: Taumata Arowai regulatory settings and actions contribute to providing access to safe and sufficient drinking water and effective and resilient wastewater and stormwater networks, thereby protecting people's health and wellbeing.			
3.2	Instances where safe water is unable to be provided e.g. boil water notices, water outages, populations affected, duration of effect.	Baseline established in 2022/23. 238 advisories: <ul style="list-style-type: none">• 209 boil water• 27 do not drink• 2 do not use.	Target: improve on baseline. Not achieved Consumer advisories have increased. 281 advisories: <ul style="list-style-type: none">• 203 boil water• 64 do not drink• 5 do not use• 9 informational.

In 2023/24, we saw an increase in advisories; however, this was across a higher number of supplies and suppliers (229 supplies and 91 suppliers). Although this means we did not achieve the performance measure, this is a positive sign as it reflects an increase in awareness and reporting from suppliers, and identifies that suppliers are managing the risk for their supplies.

For 2023/24, the median duration for a short-term boil water notice was nine days, but for long-term boil water notices it

was 456.5 days. For do not drink, the median duration for a short-term notice was 23 days, but long-term was 166 days. We will be using this as a baseline for our future reporting.

Note – We cannot report accurately on populations affected as a boil water notice may only impact a part of the population served by the supply. In addition, because advisories can cover multiple reporting periods and may take time to be lifted, reporting can vary depending on when the data is collected.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #12:			
We publish information for consumers to find:			
<ul style="list-style-type: none"> • who their drinking water supplier is • how to make a complaint about their supply or the supplier • out about Te Mana o te Wai • how domestic self-suppliers can ensure their drinking water is safe • how stormwater and wastewater systems in their region are performing. 			
12.3	Up to date, accessible, searchable public register of drinking water suppliers.	Achieved	Achieved

Hinekōrako has been set up as our online portal for water suppliers to ensure their information is up to date. Consumers can also use it to find information about their supplier. It provides an online searchable register of all drinking water supplies that have registered with us and are on our public register.

In 2023/24, we added two public registers to our website – one for wastewater networks and another for stormwater networks.

Medium-term objective #5:			
Through our balanced regulatory approach (including monitoring and enforcement), we ensure drinking water suppliers and other duty holders under the Act comply with legislative requirements, including Standards and Rules.			
5.1	Tracking the behaviour of suppliers who have been the subject of enforcement action over time – does it improve subsequent behaviour? Is repeat enforcement action required? Analysed by type of enforcement action, seriousness of behaviour requiring action, size and type of supplier and location.	Tracking system scoped and implemented.	No target, qualitative tracking only Achieved
Short-term deliverable #15:			
We have oversight of responses to drinking water incidents and provide appropriate advice when there is a civil defence or drinking water emergency.			
15.1	Number of incidents where Taumata Arowai had to intervene and use powers to ensure effective management.	Baseline established in 2022/23	No target, counting measure only Achieved

In 2023/24, we used our intervention powers in four (one in 2022/23) instances. We issued:

- a compliance order to Queenstown Lakes District Council for the Queenstown supply following an outbreak of cryptosporidiosis. This resulted in a programme of work by the Council including installing UV disinfection equipment for the impacted supply. This means that the main Queenstown supplies, which take water from the lake, have appropriate multibarrier protection.
- a compliance order to the Clutha District Council for the Milton supply following a review of the Drinking Water Safety Plan for the supply that highlighted non-compliance. The order sets out staged milestones for actions. The Council met the first milestone due at the end of January 2024 which included installing additional monitoring for the supply.
- an amendment to the Milton compliance order, issued under a separate section of our Act, in early 2024 (about five months after it was originally issued) to extend the timing for two of four requirements in the original order, that need longer term investment. The Council is working on meeting the further requirements in the order for the future milestones, with the final milestone being end of January 2025.
- a direction to Tararua District Council for the Woodville supply, following animal entry into the treated water reservoir, to notify us of any further animal incursions. As a result, the Council has bought forward funding in the long-term plan for repair or replacement of the reservoir.

The direction issued to Clutha District Council in 2022/23 remains in effect for a proportion of the affected supplies that need investment to address the issue. It is not for the same issue as the compliance order.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #18:			
We respond to statutory requests for information, reporting requirements and critical notifications lawfully and in a timely manner.			
18.4	Tracking of responses to critical notifications in Hinekōrako, our registrations and intelligence system. Median time between a notification is tagged as critical and the time the notification is responded to by Taumata Arowai staff.	Tracking and reporting method scoped and implemented.	Target: develop baseline. Achieved 1,724 notifications were triaged as being critical with a median period between receipt and initial response of 2.62 hours (2 hours, 36 minutes).

'Critical' notifications are those that may pose a risk to public health. This includes any notifications where drinking water is or may be unsafe, as well as notifications from suppliers that their ability to maintain sufficient water for drinking and sanitation purposes is at risk. Upon receipt of these notifications, Taumata Arowai review and assess them, and work closely with suppliers to ensure the suppliers are addressing the issue/s.

This year, we have baselined a median time between when a notification is tagged as critical and the time when the notification is initially responded to by Taumata Arowai staff. For 2023/24 this was 2 hours and 36 minutes, indicating a prompt response to ensure that suppliers are addressing water safety and sufficiency issues for their supplies.

Short-term deliverable #14:			
We provide effective, efficient and easy to use registration and notification systems.			
14.1	The Taumata Arowai registration and notifications systems are available for >95% of time (measure may change once a baseline is established). <ul style="list-style-type: none"> • number of outages • planned/unplanned • time until restored. 	Baseline established in 2022/23. Unavailable for 1.65% of the time. Baseline of availability for >98% of the time established.	Target: maintain or improve on baseline. Achieved Unavailable for 0.24% of the time.

This year Hinekōrako was unavailable for 0.24% of the time. All of the outages this year were planned to allow time to release upgrades as part of our continuous improvement programme.

Measures from our annual reporting on sector performance

We publish two annual reports about the performance of the water services sector.

The Drinking Water Regulation Report covers a calendar year and reports on the performance of drinking water suppliers.

The most recent Drinking Water Regulation Report, covering the 2023 year, was published in June 2024.

The Network Environmental Performance Report covers a financial year, from 1 July to 30 June. The Report focuses on the environmental performance of drinking water, wastewater, and stormwater networks run by councils and central government operators (considered to be 'network operators'). Our first report covers July 2022 to June 2023, was published in June 2024 and mostly focuses on drinking water networks.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #2:			
Taumata Arowai strengthens the delivery of drinking water, wastewater and stormwater services in communities.			
2.2	Trends from annual drinking water regulation and drinking water, wastewater, stormwater network environmental performance reporting. Performance of networks and services over time.	Baseline established for Drinking Water Regulation reporting.	Target: baseline established for Network Environmental Performance reporting. Achieved
Medium-term objective #7:			
Through our mana and influence, drinking water suppliers provide equitable access to safe and sufficient drinking water and resilient water networks.			
7.1	Trends from the annual Drinking Water Regulation and Network Environmental Performance reports.	Baseline established for Drinking Water Regulation reporting.	Target: baseline established for Network Environmental Performance reporting. Achieved
Medium-term objective #8:			
Taumata Arowai, through its regulatory stewardship and actions, contributes to the improvement of the performance of drinking water, wastewater and stormwater systems over time.			
8.1	Trends from the Network Environmental Performance report/s.	Approach to the reports scoped.	Target: publish first report Achieved First Report published June 2024.
Short-term deliverable #10:			
We make, publish, monitor and enforce standards, rules and other requirements – for drinking water and water networks – and report on compliance with these in annual technical reports.			
10.3	Trends from the annual Drinking Water Regulation and Network Environmental Performance reports.	Baseline established for Drinking Water Regulation reporting.	Target: baseline established for Network Environmental Performance reporting. Achieved

Our first Network Environmental Performance Report was published in June 2024 and baseline was established. Our third Drinking Water Regulation Report was published in June 2024, this built on the previous baseline established last year.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #3:			
Taumata Arowai regulatory settings and actions contribute to providing access to safe and sufficient drinking water and effective and resilient wastewater and stormwater networks, thereby protecting people's health and wellbeing.			
3.4	<p>Data trends from public health notifications, notifications to Taumata Arowai, environmental network performance reporting, notifications to/from regional councils.</p> <ul style="list-style-type: none"> • Water losses (%) within a network. • Reported resilience of networks. • Reported negative effects on the environment (closure of specified bathing/swimming beaches, unplanned discharges, duration). • Reducing the loss of water in water networks. • Reducing the negative impact of water networks on the environment. • Improving the resilience of water services to risks and natural and economic shocks. 	Data definition scoped and defined in 2022/23.	<p>Target: Set up to start data collection from the 2023/24 financial year.</p> <p>Achieved</p>

Note – Data in the first Network Environmental Performance Report is from the 2022/23 financial year and only covers drinking water networks.

Water losses within networks

Our analysis of the data identified that reported loss of water in drinking water networks was high. However, only just over half of network operators provided water loss data and their average confidence in the data was 'less reliable'. This indicates that most network operators do not understand their water loss.

Resilience of networks

In the 2022/23 data we looked at data points to understand the resilience of networks. We intend to collect further information on this in future reports to better understand the resilience of networks. The data in this section was 'reliable'.

Data quality work with operators

We are working closely with network operators, starting in the 2023/24 financial year reporting round, to ensure that:

- the quality of the data and the confidence of operators in what they are reporting improves over time
- all network operators prioritise the collection and reporting of all of the measures that we require.

Measures that use survey data

Each year, the Authority surveys water services suppliers and our partners and stakeholders in the water services sector asking specific questions about our performance. We also ask questions of the general public. We do this to test perceptions of the Authority, and to understand the perceptions of those in the sector on us as the regulator. This measurement is supported by measures using other data sources.

There are limitations to our data and the comparisons, which have been outlined in more detail in the technical commentary included in Appendix Two. For the purposes of comparison, in all survey measures, the results for the previous year (2023) are shown in brackets.

Stakeholders' and suppliers' surveys

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #1:			
Through our leadership, Taumata Arowai contributes to people from all communities (including Māori, urban and rural) giving effect to Te Mana o te Wai.			
1.1	<p>The % of survey respondents who say that:</p> <ul style="list-style-type: none"> • Taumata Arowai contributes to an increased awareness of the connection between the health and wellbeing of water and the health and wellbeing of people. • Taumata Arowai contributes to the health and wellbeing of water and of people being a priority in the management and regulation of water services. • Taumata Arowai contributes to the provision of information to people and communities (including Māori, urban and rural communities) that supports them to participate in long-term water services planning and delivery. 	Survey scoped and baseline established in 2022/23.	<p>Target: improvement on baseline.</p> <p>Partially achieved</p>

- 44% (63%) of stakeholders and 49% (39%) of suppliers said that Taumata Arowai contributes to an increased awareness of the connection between the health and wellbeing of water and the health and wellbeing of people.

Note – 40% of stakeholders and 38% of suppliers responded with either 'Don't know' or 'Neither agree nor disagree'.

- 42% (56%) of stakeholders and 55% (46%) of suppliers said that Taumata Arowai contributes to the health and wellbeing of water being a priority in the management and regulation of water services.
- 47% (56%) of stakeholders and 53% (46%) of suppliers said that Taumata Arowai contributes to the health and wellbeing of people being a priority in the management and regulation of water services.

Note – 45% of stakeholders and 32% of suppliers responded with either 'Don't know' or 'Neither agree nor disagree' to the question about the wellbeing of water being a priority, and 40% of stakeholders and 35% of suppliers had the same response to the question about the wellbeing of people being a priority.

- 29% (41%) of stakeholders and 32% (30%) of suppliers said that Taumata Arowai contributes to the provision of information to people and communities (including Māori, urban and rural communities) that supports them to participate in long-term water services planning and delivery.

Note – 52% of stakeholders and 55% of suppliers responded 'Don't know' or 'Neither agree nor disagree' to this question.

The results for suppliers have all increased; however, the results for stakeholders have all decreased for this measure. We have treated this as a partial achievement of our target for 2023/24.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #2:			
Taumata Arowai strengthens the delivery of drinking water, wastewater and stormwater services in communities.			
2.1	<p>The % of survey respondents who say that:</p> <ul style="list-style-type: none"> • People and key stakeholders involved in water services believe that Taumata Arowai is contributing to improved drinking water (baselined in 2022/23). • Māori believe that Taumata Arowai is contributing to tangata whenua becoming more actively involved in water service management and an improved understanding of the contribution of mātauranga Māori, tikanga Māori and enabling kaitiakitanga to be exercised. 	Survey scoped and baseline established in 2022/23.	<p>Target: improvement on baseline.</p> <p>Partially achieved</p>

All participants

- 51% (55%) of stakeholders and 53% (not measured in 2023) of suppliers said that Taumata Arowai contributes to improved drinking water in New Zealand.

Note – 38% of stakeholders and 34% of suppliers responded ‘Neither agree nor disagree’ or ‘Don’t know’ to this question.

Māori survey participants only

For these questions, there was a high level of ‘Don’t know’ or ‘Neither agree nor disagree’ responses for stakeholders and suppliers – which indicates a lack of visibility of our work for this group.

- 18% (33%) of stakeholders and 26% (33%) of suppliers said that Taumata Arowai is partnering with tāngata whenua to support Māori to be actively involved in the management of water services.

Note – 76% of stakeholders and 68% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ for this question.

- 29% (48%) of stakeholders and 36% (27%) of suppliers said that Taumata Arowai is partnering with tāngata whenua to create a greater understanding of the importance of mātauranga Māori and tikanga Māori across the water services sector.

Note – 53% of stakeholders and 60% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ for this question.

- 29% (33%) of stakeholders and 26% (31%) of suppliers said that Taumata Arowai is partnering with tāngata whenua to make it more possible for Māori to exercise kaitiakitanga of their wai across the water services sector.

Note – 53% of stakeholders and 66% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ for this question.

The majority of the results for this measure are within the margin of error and so we have treated these as a partial achievement of our target for 2023/24.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #3:			
Taumata Arowai regulatory settings and actions contribute to providing access to safe and sufficient drinking water and effective and resilient wastewater and stormwater networks, thereby protecting people's health and wellbeing.			
3.1	<p>The % of survey respondents who believe that regulatory settings and actions contribute to:</p> <ul style="list-style-type: none"> protecting people from becoming unwell from drinking water equitable and reliable access to safe and sufficient drinking water. 	Survey scoped and baseline established in 2022/23.	<p>Target: improvement on baseline.</p> <p>Not achieved</p>

- 59% (89%) of stakeholders and 68% (65%) of suppliers said that the regulatory settings and actions of Taumata Arowai are important in protecting people from becoming unwell from drinking water.

Note – 34% of stakeholders and 24% of suppliers either responded 'Don't know' or 'Neither agree nor disagree'.

- 57% (83%) of stakeholders and 61% (60%) of suppliers said that the regulatory settings and actions of Taumata Arowai are important to ensure everyone can access safe drinking water.

Note – 32% of stakeholders and 29% of suppliers either responded 'Don't know' or 'Neither agree nor disagree'.

- 59% (86%) of stakeholders and 61% (58%) of suppliers said that the regulatory settings and actions of Taumata Arowai are important to ensure everyone can access a reliable supply of safe drinking water.

Note – 29% of stakeholders and 27% of suppliers responded 'Don't know' or 'Neither agree nor disagree'.

The results for suppliers have all increased by small amounts; however, the results for stakeholders have all decreased for this measure.

Medium-term objective #9:			
Taumata Arowai is acknowledged as a trusted and effective regulator by the Crown, Te Tiriti partners, stakeholders and the general public.			
9.1	<p>The % of survey respondents (stakeholders, suppliers, network operators, Māori, and the general public) who view Taumata Arowai as trusted and effective regulator.</p>	Survey scoped and baseline established in 2022/23 for stakeholders and suppliers.	<p>Target: improvement on baseline.</p> <p>Partially achieved</p>

- 36% (59%) of stakeholders and 43% (32%) of suppliers said that Taumata Arowai is trustworthy.

Note – 55% of stakeholders and 50% of suppliers either responded 'Don't know' or 'Neither agree nor disagree'.

- 20% (28%) of stakeholders and 32% (25%) of suppliers said that Taumata Arowai is an effective regulator.

Note – 65% of stakeholders and 49% of suppliers either responded 'Don't know' or 'Neither agree nor disagree'.

During the year, the majority of our work was focused on working with suppliers and stakeholders. Because of this we have yet to survey the general public to ask for perceptions of Taumata Arowai as a trusted and effective regulator.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #11:			
We publish guidance and technical performance reports to help drinking water suppliers meet our expectations on their performance, including giving effect to Te Mana o te Wai.			
11.2	The % of survey respondents (stakeholders, suppliers, network operators) who advise that the guidance is useful to them.	Survey scoped and baseline established in 2022/23 for stakeholders and suppliers.	Target: improvement on baseline. Partially achieved

- 36% (56%) of stakeholders and 51% (46%) of suppliers said that Taumata Arowai produces useful information.

Note – 54% of stakeholders and 35% of suppliers either responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

The result for suppliers increased; this is unsurprising as this year the majority of our guidance has focused on suppliers. However, the result for stakeholders decreased for this measure potentially due to less focus on provision of guidance for their needs. We have treated this as a partial achievement of our target for 2023/24.

Short-term deliverable #14:			
We provide effective, efficient and easy to use registration and notification systems			
14.2	The % of supplier and laboratory survey respondents who advise that: <ul style="list-style-type: none"> our systems are effective, efficient and easy to use help is readily available if required. 	Survey scoped and baseline (laboratories only) established in 2022/23.	Target: improvement on baseline. Not achieved

- 15% of stakeholders (60% laboratories only); 28% of suppliers (23%) agree that Taumata Arowai has systems that are effective and efficient.

Note – 65% of stakeholders and 42% of suppliers either responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

- 15% of stakeholders (60% laboratories only); 26% of suppliers (27%) agree that systems are easy to use.

Note – 56% of stakeholders and 37% of suppliers either responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

- 33% of stakeholders (40% laboratories only); 41% of suppliers (34%) agree that Taumata Arowai readily provides help when needed.

Note – 56% of stakeholders and 41% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

The results for suppliers have all generally increased; however, the results for stakeholders have decreased for this measure. We have treated this as a partial achievement of our target for 2023/24.

Short-term deliverable #17:			
Taumata Arowai identifies the right mix of resources needed to operate effectively at our stage of development, including capability and capacity for giving effect to Te Mana o te Wai, to the extent it relates to our functions and duties.			
17.1	The % of stakeholder survey respondents that see Taumata Arowai as having the right mix of resources to operate.	Stakeholder baseline established in 2022/23.	Target: improvement on baseline. Not achieved

- 9% (38%) of stakeholders and 24% (not measured in 2023) of suppliers said that Taumata Arowai has the right mix of resources needed to operate effectively at its current stage of development.

Note – 70% of stakeholders and 53% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

In 2023/24, we started work on creating a training programme for compliance officers that will support the creation of a career pathway within Taumata Arowai (17.2). This work has largely been internal, with a focus on building capability and consistency across our regulatory functions, which would be invisible to stakeholders and most suppliers.

In 2024/25, work will start on adapting our operating model built on our regulatory stances for different situations suppliers face. This will make our capability more visible externally to our stakeholders.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #18:			
We respond to statutory requests for information, reporting requirements and critical notifications lawfully and in a timely manner.			
18.3	The % of stakeholder survey respondents who describe our response to requests for information as being timely.	Baseline established in 2022/23.	Target: improvement on baseline. Partially achieved

- 32% (41%) of stakeholders and 41% (not measured in 2023) of suppliers said that Taumata Arowai responds to requests for information in a timely manner.

Note – 55% of stakeholders and 42% of suppliers responded ‘Don’t know’ or ‘Neither agree nor disagree’ to this question.

These results are within the margin of error and so we have treated these as a partial achievement of our target for 2023/24.

Public survey

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #12:			
We publish information for consumers to find:			
<ul style="list-style-type: none"> • who their drinking water supplier is • how to make a complaint about their supply or the supplier • out about Te Mana o te Wai • how domestic self-suppliers can ensure their drinking water is safe • how stormwater and wastewater systems in their region are performing. 			
12.2	The % of public survey respondents who advise that the guidance is useful to them.	Survey scoped and baseline established in 2022/23	Target: improvement on baseline. Partially achieved
Short-term deliverable #16:			
We participate in programmes that build the capability and capacity of the water services sector and promote public understanding of the environmental performance of drinking water, wastewater and stormwater networks.			
16.2	The % of public survey respondents who advise that they understand our reporting on the environmental performance of drinking water, wastewater and stormwater networks.	No target	Not reported

The results from this year’s public survey continue to show that Taumata Arowai is largely unknown to the general public.

- 13% (17%) of public survey participants had heard of Taumata Arowai
- 36% (44%) of public survey participants were fairly satisfied or very satisfied with the information included on the Taumata Arowai website

These results are within the margin of error and so we have treated these as a partial achievement of our target for 2023/24 for measure 12.2.

Our first Network Environmental Performance Report was published after the survey was undertaken. Because of this, we have no result to report for measure 16.2.

Measures that use case studies

We have begun a programme of case studies to help us learn about small supplies, including those owned by Māori and communities. We are aiming to understand local challenges, what motivates them to comply with the rules and standards,

and what they need from the Authority to be able to perform well. The programme is also designed to examine and identify the best ways that we can build positive relationships with such supplies. This is the second year of the case studies.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Long-term goal #1:			
Through our leadership, Taumata Arowai contributes to people from all communities (including Māori, urban and rural) giving effect to Te Mana o te Wai.			
1.2	Case studies: <ul style="list-style-type: none"> one each year of iwi/Māori, major suppliers, rural and agricultural suppliers, very small suppliers, network operators followed for a minimum of two years to monitor the relationship developed with a maximum 15 concurrent cases to report on. 	Initial case study participants identified with formal agreements negotiated	Achieved Initial hui held
Medium-term objective #5:			
Through our balanced regulatory approach (including monitoring and enforcement), we ensure drinking water suppliers and other duty holders under the Act comply with legislative requirements, including Standards and Rules.			
5.2	Case studies for qualitative assessment of the behaviours and motivations of suppliers and other duty holders.	Initial case study participants identified with formal agreements negotiated	Achieved Initial hui held

In 2023/24, we have held two meetings with the case study participants. Participants have provided positive feedback about opportunities to learn about sources of funding and training.

We have heard from participants about what they need from Taumata Arowai to be able to perform well: trust, respect, meaningful engagement, protection of intellectual property, cultural and mātauranga Māori, together with connecting at ground level and consistency of staff from Taumata Arowai.

Participants are also looking for improved availability of information, communication, regular updates and clarity. A strong emphasis was put on training and upskilling avenues for whānau to pursue. Knowledge of where funding can be obtained and tools to assist with operations, maintenance, sustainability and succession drive their willingness to participate.

The qualitative information we have collected from this work will inform decisions about work programme priorities as well as a pilot programme on how we engage with private and community suppliers.

Measures that use website analytics

We use our website as a tool for engaging with water suppliers, network operators, laboratories, and the general public.

We publish guidance for all of these parties on our website. We also publish public registers that include information

about drinking water supplies, wastewater and stormwater networks, alongside our technical reports (the Drinking Water Regulation Report and Network Environmental Performance Report) which cover trends.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #4: We contribute to giving effect to Te Mana o te Wai through our information provision, engagement programmes and working with other agencies and parties, including mātauranga Māori experts.			
4.1	Library of Te Mana o te Wai guidance documents (number of times accessed/downloaded).	Baselined in 2022/23 2,836 unique users	Target: improve on baseline Achieved 3,178 unique users
Short-term deliverable #11: We publish guidance and technical performance reports to help drinking water suppliers meet our expectations on their performance, including giving effect to Te Mana o te Wai.			
11.1	Library of guidance for sector and consumers on water suppliers' duty of care, complaints and notifications processes, annual technical reports, giving effect to Te Mana o te Wai and toolkits for marae, number of times each downloaded – by type of guidance. This includes guidance provided by others that we have collaborated on.	Baselined in 2022/23 14,319 unique users Additionally, Taumata Arowai contributed to 5 Water New Zealand webinars with a total of 697 participants.	Target: maintain or improve on baseline for unique users Partially achieved 13,130 unique users Additionally, Taumata Arowai ran or contributed to 6 webinars with a total of 205 participants
Short-term deliverable #12 We publish information for consumers to find: <ul style="list-style-type: none"> • who their drinking water supplier is • how to make a complaint about their supply or the supplier • about Te Mana o te Wai • how domestic self-suppliers can ensure their drinking water is safe • how stormwater and wastewater systems in their region are performing. 			
12.1	Library of information for water consumers and domestic self-suppliers, number of times each item is accessed/downloaded. This includes guidance provided by others that we have collaborated on.	886 unique users.	Target: improve on baseline Achieved 909 unique users

Across our libraries of guidance and information, we have seen an increase in the number of unique users who have accessed/downloaded content. We did see numbers dropping in the final quarter of the year for measure 11.1 which is related to technical guidance for suppliers. This is likely due to less new guidance being released during that quarter.

In addition to our guidance, we also track how many webinars we contribute to, and the number of participants. These webinars are mostly for drinking water suppliers and focused on technical subjects.

This measure is supported by 11.2 which looks at how useful the information is seen to be.

Measures that use other data sources

Although much of the data we report on in our performance measures can be clustered according to the source, there are still some unique measures that do not share sources or are

counted separately. We have reported on these measures in this section.

Webinars and joint initiatives for Te Mana o te Wai

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #4:			
We contribute to giving effect to Te Mana o te Wai through our information provision, engagement programmes and working with other agencies and parties, including mātauranga Māori experts.			
4.2	Number of webinars about Te Mana o te Wai, number of participants, feedback from participants.	Baselined in 2022/23. 7 webinars, involving 184 participants.	Paused
4.3	Number of joint initiatives and meetings with agencies (such as the Ministry for the Environment, Ministry of Education, academic institutions) and other parties to promote an understanding of Te Mana o te Wai.	Baselined in 2022/23. 1 collaboration at the Water New Zealand conference	Paused

In 2022/23 we baselined and started these pieces of work. Part of this was identifying costs for undertaking this work in the 2023/24 year.

In early 2024, we received new Ministerial expectations which related to demonstrating fiscal constraint. There has also been a signal from the Government of its intention to rebalance the existing National Policy Statement for Freshwater Management, including Te Mana o te Wai. This may change how we would contribute to giving effect to Te Mana o te Wai in the future. There is also a possibility that the Local Water Done Well policy programme may result in a change to expectations for the regulatory approach of Taumata Arowai. Due to this we reprioritised our work programme and this work was paused. The majority of the webinars captured in measure 11.1 have had some Te Mana o te Wai content.

Water-borne illness research

Researchers at the Universities of Otago and Canterbury, in collaboration with Te Kura Taka Pini, the freshwater entity of Ngāi Tahu, are currently leading a national assessment of the burden of enteric disease associated with drinking water in New Zealand. Using data on drinking water infrastructure, drinking water quality and enteric disease notifications, the

team is attempting to empirically assess the relationship between drinking water quality, drinking water infrastructure and enteric disease notifications.

The results from the empirical analysis will inform modelling to estimate the burden of disease associated with contaminated drinking water each year.

Long-term goal #3:			
Taumata Arowai regulatory settings and actions contribute to providing access to safe and sufficient drinking water and effective and resilient wastewater and stormwater networks, thereby protecting people's health and wellbeing.			
3.3	Trends in gastroenteritis and other potentially water-related disease notifications in areas where new treatment methods have been installed.	Data definition and collection process scoped.	Continue to support the research. Achieved

The Authority has contributed to the research project in 2023/24 through providing expert advice and drinking water data.

Advice from our Māori Advisory Group

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #4:			
We contribute to giving effect to Te Mana o te Wai through our information provision, engagement programmes and working with other agencies and parties, including mātauranga Māori experts.			
4.4	Direction from Te Puna on giving effect to Te Mana o te Wai – reporting if the direction is taken and implemented (Reporting as required by s17(3) of TAWSRA)	Baselined in 2022/23	Achieved

The role of our Māori Advisory Group (Te Puna) is set out in Taumata Arowai–the Water Services Regulator Act 2020. Section 17(3) of the Taumata Arowai–the Water Services Act also outlines requirements on the Board for advice provided by the group.

Throughout this year, the Māori Advisory Group has provided advice and support for the Board to support their decision-making. This includes providing updates to the Board at each monthly Board meeting, as well as establishing two joint Board/Māori Advisory Group members as a bridge between the groups.

Under this section of the Taumata Arowai–the Water Services Act there was no written advice, recorded by way of resolution made to the Board. However, the Māori Advisory Group did provide advice to both the Board and Taumata Arowai on a wide range of topics via the partnership approach through open communication and sharing of information.

Kaupapa Māori research

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #5:			
Through our balanced regulatory approach (including monitoring and enforcement) we ensure drinking water suppliers and other duty holders under the Water Services Act 2021 comply with legislative requirements, including Standards and Rules.			
5.3	Kaupapa Māori research on Māori responses to regulatory approach.	Research scoped.	Paused

We scoped this research in 2022/23 and identified the potential cost for undertaking this research with the plan to undertake the work this year.

In early 2024 we received new Ministerial expectations related to demonstrating fiscal constraint. There is also a possibility that the Local Water Done Well policy programme may result in a change to expectations for the regulatory approach of the Authority.

Due to this we reprioritised our work programme and this work was paused.

Sector capability and resilience

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #6:			
We help to grow the capability and resilience of the water services sector so that water services improve over time.			
6.1	Programme of work to measure the regulatory system's impact on capability and resilience.	Programme scoped.	Programme implementation plan agreed but not put in place. Partially achieved

This programme has been scoped and agreed. In order to fully implement the programme, work needs to be completed on our organisational configuration and systems.

Changes are underway in 2024/25 to enable delivery depending on priorities and resource availability.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #16:			
We participate in programmes that build the capability and capacity of the water services sector and promote public understanding of the environmental performance of drinking water, wastewater and stormwater networks.			
16.1	Programme of work to build sector capability and capacity, including Te Mana o te Wai capability and capacity.	Programme scoped.	Achieved

We have an ongoing programme of work with Waihangā Ara Rau that is currently reviewing water services qualifications and standards to ensure they meet industry needs. Waihangā Ara Rau is the construction and infrastructure industry Workforce Development Council.

In addition, we have a partnership with Water New Zealand where we collaborate on webinars for the sector (see measure 11.1) and also run a number of technical webinars ourselves.

Working with the economic regulator

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Medium-term objective #7:			
Through our mana and influence, drinking water suppliers provide equitable access to safe and sufficient drinking water and resilient water networks.			
7.3	Results of the work programme with the economic regulator for water – once appointed.	Work programme scoped (subject to the date of the appointment).	Not reported

The Commerce Commission has been confirmed as the intended economic regulator for water; however, aspects of its functions are subject to legislative bills currently before Parliament and it is yet to be legislatively appointed (the trigger for this measure). We have started work with the Commerce Commission to develop a joint work programme and have initiated regular meetings of Board and Executive members.

We will continue to work closely with the economic regulator and, once legislative settings have been confirmed, we will work with the Commerce Commission to make any updates the joint work programme to reflect this.

We expect the legislative settings to be confirmed in early 2024/25

Undertaking consultations and making regulations

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #10:			
We make, publish, monitor and enforce standards, rules and other requirements – for drinking water and water networks – and report on compliance with these in annual technical reports.			
10.1	Consultation trends: <ul style="list-style-type: none"> number of consultations number of documents included number of submissions number of new standards and rules developed. 	Report trend from 2021/22 baseline measures and assess if a target would be useful	Not achieved

In 2021/22, the Authority conducted seven consultations for seven documents, which received a total of 2,098 submissions. In 2022/23, we conducted two consultations and one engagement for three documents, which received a total of 45 submissions. In 2023/24, no consultations have been undertaken.

As part of the review of our performance framework we reconsidered the value of including this measure and have removed it from our framework as a result.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #10:			
We make, publish, monitor and enforce standards, rules and other requirements – for drinking water and water networks – and report on compliance with these in annual technical reports.			
10.2	No secondary regulatory instrument made or issued by Taumata Arowai is disallowed by Parliament.	Achieved	3 instances of secondary regulation occurred during the year – 2 general exemptions and Environmental Performance Measures Record-Keeping Requirements for Drinking Water and Wastewater Network Operators. Achieved

The robustness of the secondary legislation we create (regulations, rules, standards etc) has a significant impact on how credible we are seen as the regulator. They are each presented to the House of Representatives by our Minister and examined by the Regulations Review Committee.

Parliament's Regulations Review Committee ensures that this legislation has been made lawfully and appropriately. We expect all our secondary legislation to withstand scrutiny by the Committee, and for none to be disallowed by Parliament. This provides a level of assurance that these instruments are lawful, robust and meet the relevant requirements determined by Parliament.

Active regulatory stewardship

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #13:			
We are active regulatory stewards – we take a whole-of-system view of regulation and take a proactive collaborative approach to care for the system.			
13.1	Reviews of the regulatory system: <ul style="list-style-type: none"> assessment of percentage of the performance of the regulatory system that is reviewed frequency of reviews actions taken to resolve risks and issues within the system. benchmarked against other regulatory stewardship agencies. 	Data collection and analysis scoped.	Initial review undertaken but no benchmarking. Partially achieved

The Authority does not have the resources to review the performance of the entire regulatory system on a regular basis. Instead, reviews are intended to be undertaken of a percentage of the system.

Martin Jenkins completed a baseline review of our regulatory maturity in 2023/24. We had intended to conduct benchmarking against other regulatory agencies; however, we did not complete this in 2023/24. This is in part due to a lack of similar assessments in other regulatory systems that we can benchmark against.

Building our own capacity

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #17:			
Taumata Arowai identifies the right mix of resources needed to operate effectively at our stage of development, including capability and capacity for giving effect to Te Mana o te Wai, to the extent it relates to our functions and duties.			
17.2	Trends in regulatory capability framework, gap analysis and targeted learning solutions.	Scoped and implemented 2022/23.	Partially achieved

In 2023/24, the majority of the work creating a training programme for compliance officers has been completed. This includes completion of a Regulatory Capability Framework, initial learning solutions being implemented to build a baseline for regulatory capability, and targeted learning solutions have been identified based on gaps evident in the framework.

We are currently reassessing our organisational structure in response to some of the capability gaps and will be considering what this may look like. Because the training programme will need to align with and support that, we paused the implementation of the framework at the end of the financial year.

Responding to requests for information

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #18:			
We respond to statutory requests for information, reporting requirements and critical notifications lawfully and in a timely manner.			
18.1	Timely delivery of appropriate responses to requests from Parliament (PQs); the Minister (Ministerials and briefings); media, Privacy Act and Official Information Act requests; quarterly and statutory reporting.	Target > 95% of responses delivered in a timely manner.	100% of requested information delivered within appropriate timeframes. Achieved

In 2023/24 Taumata Arowai:

- Completed 63 requests under the Official Information Act. This was an increase of 85% from the previous year. The mean average time was 15.5 working days, with 100% of requests being responded to within required timeframes. 8 requests needed a formal extension, and 3 requests were subject to partial transfer. As of 30 June 2024, 5 requests were outstanding.
- Received and responded to 42 Written Parliamentary Questions (this was a decrease on the previous year), 100% within agreed timeframes.
- Issued 16 briefings to the Minister of Local Government, including the Briefing to the Incoming Minister when the new Minister was appointed in late 2023 (this was on par with the previous year) all within agreed timeframes.
- Delivered all quarterly reports and published all statutory documents on time.

No Privacy Act requests were made during 2023/24.

Ref.	How we will collect data for measures	Performance Assessment 2022/23	Performance Assessment 2023/24
Short-term deliverable #18:			
We respond to statutory requests for information, reporting requirements and critical notifications lawfully and in a timely manner.			
18.2	No decisions to overturn responses following complaints to or decisions from the Ombudsman or Privacy Commissioner.	Achieved	Achieved

During the 2023/24 financial year, no Privacy Act request or Official Information Act request complaints were received or upheld by the Privacy Commission or Ombudsman respectively.

The Ombudsman is considering whether to investigate a complaint about timing and decisions made under the Water Services Act; however, as at 30 June 2024 no decisions had been made.

Cost of service statement

In 2023/2024, Taumata Arowai was primarily funded through Vote Internal Affairs (Non-Departmental Output Expenses: Taumata Arowai).

The 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 will have consolidated financial and non-financial performance reporting.

The Authority does not have any class of outputs that is not reported on.

	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Revenue from the Crown	21,272	21,272	19,666
Interest revenue	399	288	245
Other revenue	685	278	50
Total revenue	22,355	21,838	19,961
Total expenditure	22,134	25,281	18,360
Surplus/(deficit)	221	(3,443)	1,601



Financial statements

Statement of comprehensive revenue and expense for the period ended 30 June 2024

	Notes	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Revenue				
Funding from the Crown	1	21,272	21,272	19,666
Interest revenue		399	288	245
Other revenue	1	685	278	50
Total revenue		22,355	21,838	19,961
Expenses				
Personnel costs	2	16,002	17,614	11,608
Depreciation and amortisation expense	6, 7	578	634	514
Information communication and technology expenses		1,552	1,806	1,380
Other expenses	3	4,002	5,227	4,858
Total expenses		22,134	25,281	18,360
Total comprehensive revenue and expense for the period		221	(3,443)	1,601

Explanations of major variances against budget are provided in Note 16.

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2024

	Notes	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
ASSETS				
Current assets				
Cash and cash equivalents	4	9,962	5,334	9,936
Debtors and other receivables	5	99	-	30
GST Receivable		139	188	-
Prepayments		549	122	240
Total current assets		10,748	5,645	10,205
Non-current assets				
Property, plant and equipment	6	447	417	593
Intangible assets	7	2,256	2,767	2,676
Total non-current assets		2,704	3,184	3,270
Total assets		13,452	8,828	13,475
LIABILITIES				
Current liabilities				
Payables and deferred revenue	8	1,074	1,273	1,365
GST Payable		-	-	508
Employee entitlements	9	973	1,235	564
Provisions	10	161	9	15
Total current liabilities		2,207	2,517	2,451
Total non-current liabilities		-	-	-
Total liabilities		2,207	2,517	2,451
Net assets		11,245	6,311	11,023
Equity				
Contributed capital	12	3,400	3,400	3,400
Accumulated surplus/(deficit)	12	7,845	2,911	7,623
Total Equity		11,245	6,311	11,023

Explanations of major variances against budget are provided in Note 16.

The accompanying notes form part of these financial statements.

Statement of changes in equity for the period ended 30 June 2024

	Notes	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Balance as at 1 July		11,023	9,754	9,423
Capital contribution from the Crown	12	-	-	-
Total comprehensive revenue and expense for the period	12	221	(3,443)	1,601
Balance as at 30 June		11,245	6,311	11,023

Explanations of major variances against budget are provided in Note 16.

The accompanying notes form part of these financial statements.

Statement of cash flows for the period ended 30 June 2024

	Notes	Actual 2023/24 \$000	Budget 2023/24 \$000	Actual 2022/23 \$000
Cash flows from operating activities				
Receipts from the Crown		21,272	21,272	19,666
Receipts from other revenue		594	278	26
Interest received		399	288	245
Net Goods and Services Tax Received/(Paid)		(647)	7	816
Payments to suppliers		(8,452)	(7,142)	(10,382)
Payments to employees		(13,127)	(17,077)	(7,861)
Net cash flow from operating activities		39	(2,374)	2,510
Cash flows from investing activities				
Receipts from sale of PPE		-	-	-
Purchase of PPE		(12)	-	(17)
Purchase of intangible assets		-	(571)	(519)
Net cash flow from investing activities		(12)	(571)	(536)
Cash flows from financing activities				
Capital contribution		-	-	-
Net cash flow from financing activities		-	-	-
Net (decrease)/increase in cash and cash equivalents		27	(2,944)	1,974
Cash and cash equivalents at the beginning of the period		9,936	8,278	7,961
Cash and cash equivalents at the end of the period	4	9,962	5,334	9,936

Explanations of major variances against budget are provided in Note 16.

The accompanying notes form part of these financial statements.

Statement of accounting policies

Reporting entity

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

The Authority is the water services 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 drinking water, wastewater, and stormwater 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 2024, and were approved by the Board on 31 October 2024.

Basis of preparation

Statement of Compliance

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

Although Crown funding has been appropriated to the Authority for the 2025 financial year, there is still a degree of uncertainty regarding the funding of the 2026 financial year. \$4.642m of Crown funding had been confirmed and appropriated for the 2026 financial year. The balance of the operational expenditure is expected to be sourced via levies and further Crown funding if required.

As these funding sources are subject to Cabinet decisions and consultation, this creates an element of uncertainty. Despite this uncertainty, the Authority still believes it is appropriate to apply the going concern assumption in the preparation of these financial statements.

The rationale for preparing the financial statements on a going concern basis is based upon the current Crown funding which has been appropriated, reserves balance, and the levy setting and Budget processes which the Authority and Department of Internal Affairs are actively engaging in. Furthermore, the Minister of Local Government has previously agreed to some form of levy being established

from 1 July 2025, with the expectation, that the Budget process will confirm any remaining funding that the Authority requires to appropriately operate as a regulator.

The financial statements of the Authority have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Authority is a Tier 2 entity and the financial statements have been prepared in accordance with and comply with PBE Standards Reduced Disclosure Regime (PBE Standards RDR) for public sector entities. The criteria under which the Authority is eligible to report in accordance with PBE Standards RDR is that it has total expenses between \$5 million and \$33 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework. These financial statements comply with PBE Standards RDR.

Measurement base

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

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, which is also the functional currency of the Authority. All values are round to the nearest thousand dollar (\$000), except for related party transactions in Note 13, which are rounded to the nearest dollar.

Changes in accounting policy

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. The Authority has adopted the revised PBE standards, and the adoption did not result in any significant impact on the financial statements of the Authority.

Summary of significant accounting policies

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.

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.

Budget figures

The budget figures are derived from the statement of performance expectations 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 16.

Critical accounting estimates, assumptions, and judgements

In preparing these financial statements, Taumata Arowai 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:

- useful lives and residual values of property, plant, and equipment – refer to Note 6
- useful lives of intangibles – refer to Note 7.

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

- Going concern assumption – refer to Statement of Compliance
- leases classification – refer to Note 3 and 11.



Notes to the Financial Statements for the year ended 30 June 2024

1. Revenue

Accounting policy

The specific accounting policies for significant revenue items are explained below.

Revenue from the Crown

Taumata Arowai, has to date, been primarily 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, Taumata Arowai–the Water Services Regulator Act 2020 and the Water Services Act 2021.

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.

Interest received

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

Other revenue

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.

Breakdown of Other revenue	Actual 2023/24 \$000s	Actual 2022/23 \$000s
Exemption fee applications	8	50
Secondments	100	-
Other one-off revenue	576	-
Total Other revenue	685	50

2. Personnel costs

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.

Breakdown of Personnel costs	Actual 2023/24 \$000	Actual 2022/23 \$000
Salaries and wages ⁸	12,648	7,621
Contractors	2,348	2,803
Increase/(decrease) in employee entitlements	241	153
Defined contribution plan employer contributions	363	225
Recruitment costs	143	316
Learning and development	122	319
Other personnel expenses	136	171
Total Personnel Costs	16,002	11,608

⁸ Taumata Arowai staff grew from 78.04 FTE at 30 June 2023 to 103.94 at 30 June 2024.

3. Other expenses

Breakdown of Other expenses	Actual 2023/24 \$000	Actual 2022/23 \$000
Staff travel & accommodation	422	460
Operating leases (Property, ICT & Motor Vehicles)	744	560
Insurance	72	75
Website & other software development expenses	532	1,160
Marketing & communication	125	694
Consultants	1,436	1,382
Governance	288	306
Low value asset purchases	182	74
Fees to BDO for audit of Financial Statements	61	68
Fees to BDO for other services	-	-
Legal expenses	58	33
Other expenses	85	46
Total Other Expenses	4,002	4,858

4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

Breakdown of Cash and cash equivalents	Actual 2023/24 \$000	Actual 2022/23 \$000
Cash at bank and on hand	9,962	9,936
Term deposits with maturities of three months or less	-	-
Total Cash and cash equivalents	9,962	9,936

5. 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.

Breakdown of Debtors and other receivables	Actual 2023/24 \$000	Actual 2022/23 \$000
Receivables (gross)	29	-
Less: Allowance for credit losses	-	-
Accrued Revenue	70	30
Net Debtors and other receivables	99	30
Receivables comprise:		
Exchange transactions	99	30
Non-Exchange transactions	-	-

6. Property, plant, and equipment

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

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

Impairment of property, plant and equipment

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 asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell and value in use.

Value in use is the present value of an asset's remaining service potential. 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 an asset's carrying amount 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
- analysis of previous assets' sales.

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

Property, Plant and Equipment Cost	Balance at 30 June 2022 \$000s	Additions \$000s	Disposals \$000s	Balance at 30 June 2023 \$000s
Computer hardware	212	9	-	222
Leasehold improvements	436	-	-	436
Furniture & Fittings	286	8	-	294
Plant & Equipment	13	-	-	13
Total Property, Plant and Equipment Cost	948	17	-	965

Property, Plant and Equipment Cost	Balance at 30 June 2023 \$000s	Additions \$000s	Disposals \$000s	Balance at 30 June 2024 \$000s
Computer hardware	222	-	-	222
Leasehold improvements	436	-	-	436
Furniture & Fittings	294	12	-	306
Plant & Equipment	13	-	-	13
Total Property, Plant and Equipment Cost	965	12	-	977

Accumulated Depreciation and Impairment Losses	Balance at 30 June 2022 \$000s	Depreciation Expense \$000s	Impairment or Disposals \$000s	Balance at 30 June 2023 \$000s
Computer hardware	69	55	-	124
Leasehold improvements	101	76	-	177
Furniture and Fittings	38	29	-	67
Plant and Equipment	2	2	-	5
Total Accumulated Depreciation and Impairment Losses	211	161	-	372

Accumulated Depreciation and Impairment Losses	Balance at 30 June 2023 \$000s	Depreciation Expense \$000s	Impairment or Disposals \$000s	Balance at 30 June 2024 \$000s
Computer hardware	124	50	-	174
Leasehold improvements	177	76	-	253
Furniture & Fittings	67	29	-	96
Plant & Equipment	5	2	-	7
Total Accumulated Depreciation and Impairment Losses	372	158	-	529

Carrying Amounts	Balance at 30 June 2022 \$000s	Balance at 30 June 2023 \$000s	Balance at 30 June 2024 \$000s
Computer hardware	143	98	48
Leasehold improvements	335	259	183
Furniture & Fittings	248	227	210
Plant & Equipment	11	9	7
Total Carrying Amounts	737	593	447

7. Intangible assets

Intangible assets consists 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 a customised software as a service code base through creating whole new functionalities and are not using the existing 'software', but instead hosting on the Microsoft 365 platform. The new functionalities create significant 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 our discretion and therefore could use this code on another provider's hosting platform.

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 expensed in the 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 Class	Useful Life	Depreciation Rate
Developed computer software	8 years	12.5%

Impairment of intangible assets

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

- (a) the new feature release is cancelled; or
- (b) the new feature is defective and does not increase the future economic benefits derived from the system; or
- (c) 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 property, plant and equipment

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.
- 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 of time the software is intended to be in use
- the effect of technological change on systems and platforms
- 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.

Intangible Assets Cost	Balance at 30 June 2022 \$000s	Additions \$000s	Disposals \$000s	Balance at 30 June 2023 \$000s
Hinekōrako	2,580	253	-	2,834
Business Intelligence Data Platform	90	310	-	399
Work in progress (software)	44	-	(44)	-
Total Intangible Assets Costs	2,714	563	(44)	3,233

Intangible Assets Cost	Balance at 30 June 2023 \$000s	Additions \$000s	Disposals \$000s	Balance at 30 June 2024 \$000s
Hinekōrako	2,834	-	-	2,834
Business Intelligence Data Platform	399	-	-	399
Work in progress (software)	-	-	-	-
Total Intangible Assets Costs	3,233	-	-	3,233

Accumulated Amortisation and Impairment Losses	Balance at 30 June 2022 \$000s	Amortisation Expense \$000s	Impairment \$000s	Balance at 30 June 2023 \$000s
Hinekōrako	198	339	-	537
Business Intelligence Data Platform	6	13	-	19
Work in progress (software)	-	-	-	-
Accumulated Amortisation and Impairment Losses	204	353	-	556

Accumulated Amortisation and Impairment Losses	Balance at 30 June 2023 \$000s	Amortisation Expense \$000s	Impairment \$000s	Balance at 30 June 2024 \$000s
Hinekōrako	537	361	-	898
Business Intelligence Data Platform	19	60	-	79
Work in progress (software)	-	-	-	-
Accumulated Amortisation and Impairment Losses	556	420	-	977

Carrying Amounts	Balance at 30 June 2022 \$000s	Balance at 30 June 2023 \$000s	Balance at 30 June 2024 \$000s
Hinekōrako	2,383	2,296	1,936
Business Intelligence Data Platform	84	380	320
Work in Progress (Software)	44	-	-
Total Carrying Amounts	2,510	2,676	2,256

Capital commitments

There were no contractual commitments for the acquisition of intangible assets at balance date.

8. Payables and deferred revenue

Short-term payables are recorded at the amount payable.

Breakdown of Payables and deferred revenue	Actual 2023/24 \$000	Actual 2022/23 \$000
Payables and deferred revenue under exchange transactions		
Accounts payable	772	1,112
Accrued expenses	253	212
Income in Advance (Exemption Fees)	5	27
Other payables	44	14
Total payables and deferred revenue under exchange transactions	1,074	1,365
Payables under non-exchange transactions	-	-
Total Payables and deferred revenue	1,074	1,365

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

9. Employee entitlements

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.

Presentation of employee entitlements

Accrued salaries, wages, annual leave and sick leave are classified as a current liability. The Authority does not offer long service leave entitlements to employees and there are no other non-current employee entitlements.

Breakdown of Employee Entitlements	Actual 2023/24 \$000	Actual 2022/23 \$000
Current portion		
Accrued salaries & wages	405	238
Annual leave	552	311
Sick leave	16	15
Total current portion	973	564
Total non-current portion	-	-
Total employee entitlements	973	564

10. Provisions

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
- 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.

Breakdown of current provisions	Actual 2023/24 \$000	Actual 2022/23 \$000
Current portion		
ACC Workplace Cover Levies	14	15
Redundancy	118	-
Other provisions	28	-
Total current portion	161	15
Total non-current portion	-	-
Total provisions	161	15

ACC workplace cover levies

The Authority has made a provision for the ACC levies due for the quarter from April to June 2024 based off payroll reporting as ACC charges levies on a March financial year-end.

Redundancy

The Authority announced a detailed proposal and restructuring consultation process on 13 June 2024. The final decisions are expected to be made in July and the new structure in effect from August/September 2024. This provision represents the estimated costs for redundancy arising from the restructure.

Other provisions

Other provisions includes an estimated cost to the Authority for reciprocal secondment arrangements. It also includes a retention amount related to a contract for office fitout pending satisfactory completion of the work.

11. Contingencies and commitments

Contingent assets and liabilities

The authority had no contingent assets or liabilities as at 30 June 2024 (2023: Nil).

Operating lease commitments

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to Taumata Arowai 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.

The future aggregate minimum lease payments to be paid under operating leases are as follows:

Breakdown of Operating Leases	Actual 2023/24 \$000	Actual 2022/23 \$000
Not later than one year	788	480
Later than one year and not later than five years	1,103	1,004
Later than five years	-	-
Total Operating Leases	1,891	1,484

The Authority leases its main premises at Level 2, 10 Brandon Street, Wellington which expires on 30 November 2026.

Additional office space at 149 Featherston Street, Wellington has been leased from 1 March 2024 and expires on 28 February 2027.

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

12. Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Capital contribution from the Crown
- Total comprehensive revenue and expense.

Breakdown of Equity	Balance at 30 June 2022 \$000s	Capital Contribution or Surplus \$000s	Capital Repayment or Deficit \$000s	Balance at 30 June 2023 \$000s
Contributed Capital	3,400	-	-	3,400
Accumulated surplus/(deficit)	6,023	1,601	-	7,623
Total Equity	9,423	1,601	-	11,023

Breakdown of Equity	Balance at 30 June 2023 \$000s	Capital Contribution or Surplus \$000s	Capital Repayment or Deficit \$000s	Balance at 30 June 2024 \$000s
Contributed Capital	3,400	-	-	3,400
Accumulated surplus/(deficit)	7,623	221	-	7,845
Total Equity	11,023	221	-	11,245

13. Related party transactions

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
- 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.

Related party transactions required to be disclosed

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

	Actual 2023/24 \$	Actual 2022/23 \$
Key Management Personnel Compensation		
Board Members		
Remuneration	120,000	120,000
Headcount	0.88	0.88
Executive Leadership Team		
Remuneration	1,272,371	1,070,437
Full-time equivalent members	4.43	4.01
Total key management personnel remuneration	1,392,371	1,190,437
Total full-time equivalent personnel	5.31	4.89

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. An analysis of Board member remuneration is provided in the [Board section](#) of this Annual Report.

14. Financial instruments

The Authority is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, 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.

All financial assets and financial liabilities are measured at amortised cost.

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Actual 2023/24 \$000	Actual 2022/23 \$000
Financial Instrument Categories		
Financial liabilities measured at amortised cost		
Payables	1,074	1,365
Total financial liabilities measured at amortised cost	1,074	1,365
Financial assets measured at amortised cost		
Cash and cash equivalents	9,962	9,936
Debtors and other receivables	99	30
Total financial assets measured at amortised cost	10,061	9,965

15. Events after the balance date

There were no significant events after the balance date.

16. Explanation of major variances against budget

Statement of comprehensive revenue and expense

On 29 January 2024, the Chair of the Board received an Interim Letter of Expectations from the Minister of Local Government, replacing the previous Letter of Expectations from 14 December 2022. That letter conveyed an expectation that “the Board look at making efficiencies across Taumata Arowai operational spending, to avoid any future budget escalations. This may mean utilising your reserves to maintain your current baseline.” The Authority took immediate steps to adjust its planned expenditure in response to those expectations, including a pause on recruitment plans and absorbing vacancies as they arose, to position its operations to match this change in anticipated revenue for 2024/25.

The Authority started the year as an \$18m annualised organisation and had forecast growing to be an approximately \$30m annualised organisation by the end of the financial year. Adjusting the organisation to operate within the lower level of forecast revenue for 2024/25 required work programme adjustments and a stop/pause on staffing recruitment since February 2024 in order to reduce costs going into 2024/25. This resulted in a significant planned underspend against budget. The deliberate underspend is being used to fund part of our 2024/25 operations.

Personnel Costs

Personnel costs were less than budgeted by \$1.612 million, as a result of lower future forecast baseline funding. The subsequent adjustment on work programmes also led to a pause in recruitment in early 2024, where our headcount has remained steady.

Other Expenses

Other expenses were less than budgeted by \$1.225 million due to:

- delayed spend on external consultants for policy projects through a reduced work programme as a result of the adjustment.
- greater focus on internal maintenance of software rather than external development, resulting in lower software development costs.
- reduced travel for site visits due to a focus on reviewing Drinking Water Safety Plans by our operational and technical staff.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents were \$4.628 million higher than budget due to the higher level of surplus than forecast at the beginning of the period (2022/23 surplus). This increased due to the reduced expenditure in the 2023/24 year than planned (see Statement of comprehensive revenue and expense).

Statement of cash flows

Payments to employees

Payments to employees were less than budgeted by \$3.950 million, mainly due to the delays in recruitment noted above, as well as higher than budgeted contractor costs. Consequently, cash outflows for payments to employees were less than budgeted.

Appendix One:

Disclosures

Conflicts of interest and unauthorised transactions

The Board, Māori Advisory Group, the Finance Risk and Assurance Committee of the Board, and the Chief Executive Performance and Remuneration Committee of the Board all maintain a register of members' interests.

At the start of each meeting, all members are required to declare any additional interests acquired since the previous meeting. If a registered interest conflicts with an item on the agenda, they are required to declare this.

For the purposes of section 68 of the Crown Entities Act 2004, no permission to act despite a declared interest in a matter was given to any Board member in 2023/24.

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.

Written directions from the Minister

In 2023/24, we received no new written directions from a Minister.

We did receive two letters of expectation in the year:

- an interim Letter of Expectations from the Minister of Local Government
- an enduring letter of Expectations for Statutory Crown entity boards from the Minister of Finance concerning fiscal management, accountability and performance.

Indemnity insurance

The Authority held professional indemnity insurance cover during the 12 month period to 30 June 2024 of \$5,000,000 in respect of the liability or costs of Board members, Māori Advisory Group 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 have not exercised any reportable search and surveillance powers in the period 1 July 2023 to 30 June 2024.

Appendix Two:

Data collection disclosures

Data consistency with other reports

The Authority is required to publish two reports that provide insights into the performance of the water services sector. The reports cover different periods than this report so data reported will not be the same; however, data definitions are consistent.

How we collect data

Supplier data

Water suppliers, network operators, and laboratories are required, by law, to notify and report to us and we have a variety of levers to ensure compliance with the legal requirements.

Drinking water suppliers are required to use Hinekōrako to:

- register and verify their supplies
- 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.

We also use Hinekōrako to record what actions suppliers are taking to resolve notifications (e.g. by issuing consumer advisories).

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

Registered water testing laboratories are also required to notify us of any water tests indicating potentially unsafe 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 program to ensure that it builds capacity to support future work.

Annual sector reporting data

The Authority uses trends from our two annual reports on 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. New drinking water standards and rules came into effect for drinking water suppliers in November 2022. The report for 2023 therefore covers the first full year that suppliers have been required to monitor and report on their performance and compliance with the Drinking Water Quality Assurance Rules (the Rules).

The Network Environmental Performance Report is based on infrastructure information provided by network operators. This information is similar to the voluntary reporting previously provided for Water New Zealand's National Performance Review. We are phasing requirements for reporting by operators to enable comprehensive, mature data reporting.

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.

Case study data

We have begun a programme of case studies to help us learn about small supplies, including those owned by Māori and communities.

The participants are:

- a local district council providing public water supplies
- a networked supply including marae, kōhanga reo, kura kaupapa and Māori community and village
- a self-supplied building servicing marae
- a networked supply covering a marae, papakāinga and Māori community.

The group also includes those with knowledge of local unregistered supplies.

Participants meet with staff quarterly as a group. All parties are invited to describe their situations and ask questions of the Authority and each other. We have a facilitation role and circulate write ups of the meetings for participants to feedback on and agree to.

Once a year, a formal process to assess the relationship with the Authority from the participants' perspective is undertaken and recorded.

Website analytics data

We use website analytics to understand how often our libraries of guidance are accessed. We track the number of unique users across a year, to understand the level of engagement with guidance.

How we collect survey data

Each year, we survey water services suppliers and our partners and stakeholders in the water services sector asking specific questions about our performance. We also ask questions of the general public.

We do this to test perceptions of us, and to understand the perceptions of those in the sector on us as the regulator. This qualitative measurement is supported by quantitative measures using other data sources.

There are limitations to our data and the comparisons, which have been outlined in more detail in this appendix. We are reviewing our methodology for surveys for the 2024/25 reporting period to identify opportunities to improve the robustness of this data.

Methodology

We engaged Verian Group (formerly Kantar Public) to undertake surveys in the 2022/23 and 2023/24 year.

The data is collected as follows:

- annual surveys of suppliers and stakeholders based on contact lists from our online portal, Hinekōrako for suppliers and stakeholders lists from our communications team.
- annual surveys of the general public through a general survey conducted by an external survey consultancy, covering a number of questions and topics.

In the survey, a five-point rating for responses to questions is used:

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

'Do not know' and 'Neither agree nor disagree' are also captured as responses.

Answers for 'tend to agree' and 'strongly agree' are used to identify the percentage that 'agree' with the statements. The ratings given by respondents on the five-point scale in the survey are robust and consistent with standard survey methodologies.

For the stakeholder and supplier surveys, high numbers of respondents have either responded 'Don't know' or 'Neither agree nor disagree' to a number of questions, indicating a lack of visibility of our work with these groups.

The general public survey results are statistically adjusted to reflect the population of New Zealand.

Definitions

Suppliers are suppliers of drinking water that are registered and verified with Taumata Arowai, operators of networks for drinking water (and, in the future, wastewater and stormwater networks once standards have been set for these areas).

Partners include others working with the water sector such as iwi groups, researchers, Water New Zealand etc.

Stakeholders include other government agencies working with the water sector (e.g. Department of Internal Affairs, Ministry of Health, Ministry for the Environment, Ministry of Health, Health New Zealand, Department of Conservation, International Accreditation New Zealand) as well as water testing laboratories.

Māori respondents – some of the survey questions have been limited to those who either identified themselves as Māori, work for a Māori business or organisation, or work for an organisation has a strong Māori ownership or values base.

We do not differentiate between partners and stakeholders in our reporting because of the size of samples. However, we do differentiate between stakeholders and suppliers.

Sample sizes and margin of error

Respondents self-select to complete the survey. This is a standard method of non-probability sampling called 'voluntary response sampling'. This type of sampling does result in some self-selection bias and will not be representative of the overall group; however, it is often used for surveys of this type to ensure as high a level of response as possible.

Because survey respondents self-select to complete the survey, there can be impacts in overall trends if response numbers are low. Higher response numbers will allow for greater degree of confidence to make year-on-year comparisons.

For the surveys run in 2024, 234 suppliers responded (81% of total sample), but only 56 stakeholders (19% of total sample). This means that the margin of error is relatively wide, particularly for stakeholders where there was a low response rate.

In 2023, the respondents were 235 suppliers and 41 stakeholders.

The margin of error for 2024 is +/- 12%; in 2023 it was +/- 14%.

The type of stakeholders that made up the sample this year are different compared to last year's surveys. The 'other' category made up a higher proportion of the sample this year (see chart below). Most of these respondents who were selecting the 'other' category indicated that they were a part of a school – we have included commentary on why this might have impacted results in the section 'Change to approach with schools impacting results' below.

Visibility of our work impacting results

This year, we had a large percentage of 'Don't know' and 'Neither agree nor disagree' responses for some questions. This was mostly evident for stakeholder and public responses and was particularly evident for responses from Māori stakeholders. This indicates a lack of visibility for our work for these groups. This is not surprising as the majority of our work to date has been focused on increasing our visibility amongst suppliers.

Change to approach with schools impacting results

There are a large number of self-supplied schools in New Zealand. These are mostly located in rural areas where there is minimal access to networked or council-owned supplies. In the 2023/24 year, we changed approach from working with individual schools to instead working closely with the Ministry of Education to address concerns that exist across 422 registered self-supplied schools. The Ministry has moved to a position where they are more actively managing the supplies and, as a result, we have engaged more at that level.

This is potentially impacting the results of the surveys as the schools will have experienced a shift this year in approach from the Authority.

