

TAUMATA AROWAI: D.20

Statement of Performance Expectations 2022/23



Mihi o Taumata Arowai

Mihi o 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

Presented to the House of Representatives pursuant to section 149C of the Crown Entities Act 2004.

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Statement of Performance Expectations 2022/23

Date July 2022

ISSN: 2815-8474 (Print)

ISSN: 28158482 (Online)

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Introductions and Statement of Responsibility

From the Board

Taumata Arowai is a young organisation.

The work to date has been focused on building a foundation of strong principles and relationships. Our work with Te Puna has been integral to this, allowing us to establish a clear vision as the regulator of water services in Aotearoa New Zealand, based on Te Mana o te Wai.

Te Mana o te Wai is a functional concept focused on restoring and preserving the balance between water (wai), the environment (taiao) and people (tāngata) now and in the future.

The first set of values most New Zealanders are relatively familiar with: good governance, stewardship and the care and respect for water.

It is critical for Taumata Arowai to weave these values into its regulatory approach.

This Statement of Performance Expectations (SPE) is a statutory document, required under section 149C of the Crown Entities Act 2004. This SPE sets out annual performance expectations and provides a base against which our actual performance can be assessed.

Over this period, the focus will be on building on the foundations we have established, ensuring New Zealanders understand the regulatory role of Taumata Arowai and that Taumata Arowai has the tools it needs to deliver on its obligations.

The timeline for this SPE is through to 30 June 2023, with a new version being developed in early 2023 for the 2023/24 financial year. As the reforms around water service delivery begin implementation, we know the next 12 months will be a time of significant public interest and change. To meet these challenges Taumata Arowai will adhere to the principles of Te Mana o te Wai and Te Tiriti, guided by Te Puna, to ensure all New Zealanders have access to clean, healthy drinking water.

From Te Puna

The principle of Te Mana o te Wai reflects the importance of the health and wellbeing of wai (water). It is about lifting the standard for how we care for water, recognising that the priority is ensuring the health of the water itself.

At Taumata Arowai, the Board is responsible for the governance of Taumata Arowai and Te Puna is integral to the success of that governance.

Te Puna and the Board have a formal agreement that sets out our shared expectations to work as partners to make sure all New Zealanders have safe drinking water. To ensure this, two dual members have been appointed to the Board and Te Puna to act as a bridge between the partners.

This approach to governance of Taumata Arowai has the added advantage of giving effect to the principles of Te Tiriti o Waitangi.

- Rangatiratanga – delivering and monitoring regulations in ways that enhance Māori self-determination and mana motuhake.
- Equity – ensuring equitable access to clean, healthy drinking water for Māori.
- Protection – using fair processes; consulting and, where appropriate, making decisions with people whose interests are to be protected.
- Partnership – on-going engagement with iwi, hapū, whānau and Māori communities to govern, design, deliver and monitor services that seek to improve access to clean, healthy drinking water.

Since Taumata Arowai was established on 1 March 2021, we have worked hard to ensure the principles of Te Mana o te Wai and Te Tiriti o Waitangi are embedded in the very fabric of Taumata Arowai. This work will continue – healthy water makes for healthy people.

Statement of responsibility

The Board certifies that the information contained in this Statement of Performance Expectations (SPE) reflects the operation and prospective financial statements, including the appropriateness of the underlying assumptions for Taumata Arowai for the period 1 July 2022 to 30 June 2023.

In signing this statement, we acknowledge our responsibility for the prospective financial statements contained in this SPE.



Dame Karen Poutasi
Board Chair



Loretta Lovell
Board Member

Our operating context

Tō mātou tikanga mahi: Kaitiakitanga

Our ways of working: We will protect the health of water as it applies to our functions, powers or duties

Our identity

Our name Taumata Arowai was gifted to us by Hon Nanaia Mahuta, Minister of Local Government. The name creates an identity for Taumata Arowai.

- **Taumata** is used to refer to a summit or gathering of people coming together around an important area of focus. Taumata for us also conveys a high point in the landscape, a peak or steppingstone to a higher place.
- **Arowai** speaks to the intention to be in the presence of water. It conveys our focus on wai (water) as a taonga (treasure) now and in the future and our focus to put wai mauri, wai mana and wai ora at the centre of everything we do.

Our legislation

Taumata Arowai is a Crown entity established under the [Taumata Arowai—the Water Services Regulator Act 2020](#) to regulate and report on drinking water and has oversight of wastewater and stormwater and report on the environmental performance of networks for drinking water, wastewater and stormwater. A key part of our role is to have people reflect on the importance, reciprocity and interconnectivity of the health of water and people.

We were established on 1 March 2021 and, from the commencement of the Water Services Act 2021 on 15 November 2021, the role of the drinking water regulator transferred from the Manatū Hauora/Ministry of Health to Taumata Arowai. We worked closely with the Ministry of Health, District Health Boards and Public Health Units to ensure a smooth transition.

The [Water Services Act 2021](#) provides the detailed powers Taumata Arowai uses in administering the water services regulatory system. The initial focus of Taumata Arowai is on regulating water services for the provision of safe and sufficient drinking water. This includes taking enforcement activities when a water supplier fails to meet its duties, particularly if the drinking water provided poses a serious risk to public health.

The establishment of Taumata Arowai as the new regulator for drinking water and new legislation in the form of the Water Services Act 2021 (replacing Part 2A of the Health Act 1956) are integral parts of the Government's [Three Waters Reform programme](#).

As a Crown agent – a form of Crown entity – we also are subject to the provisions of the [Crown Entities Act 2004](#).

Treaty of Waitangi

As a Crown agent, Taumata Arowai is committed to working alongside whānau, hapū and iwi/Māori as a Te Tiriti o Waitangi partner. Leadership starts at the top. The Board must:

- ensure Taumata Arowai has the capability and capacity to uphold Te Tiriti o Waitangi and its principles and to engage with and understand the perspectives of Māori
- conduct itself in accordance with Te Tiriti o Waitangi and its principles.

In addition to the general expectation that all Crown entities will embody a good-faith and collaborative approach to Māori Crown relationships, the Taumata Arowai–the Water Services Regulator Act 2020 specifically requires us to:

- partner and engage early and meaningfully with Māori, including to inform Taumata Arowai on how it can give effect to Te Mana o te Wai and understand, support and enable the exercise of mātauranga Māori, tikanga Māori and kaitiakitanga¹
- build and maintain credibility and integrity, so that Taumata Arowai is trusted by Māori²
- engage with Māori and understand their perspectives.³

Te Mana o te Wai

New Zealanders have a special relationship with water, particularly valuing the fresh water that flows in our rivers, lakes and aquifers. Wai in all its forms is also a taonga of particular significance to tangata whenua. As they do with all natural resources, Māori have a direct whakapapa relationship with wai, including awa (rivers), roto (lakes) and repo (wetlands).

Te Mana o te Wai has deep roots in Te Ao Māori and is not a new concept. More recently it has been recognised in mainstream planning documents including the National Policy Statement for Freshwater Management (NPS-FM)⁴ established under the Resource Management Act 1991 (RMA), and subsequently the Taumata Arowai – Water Services Regulator Act 2020 and the Water Services Act 2021 (Taumata Arowai legislation). Te Mana o te Wai will continue to be a fundamental concept across all parts of the natural resource management system (including the planned new regional water services entities) and Aotearoa as a whole.

Te Mana o te Wai requires us to provide for and protect the health and mauri of water as the first priority, followed secondly by providing for the human health needs of people (such as drinking water) and thirdly providing for other uses so long as these do not degrade the mauri of the wai.

For Taumata Arowai, giving effect to Te Mana o te Wai will ensure water suppliers are providing safe drinking water, consistent with our vision of safe drinking water every day for everyone.

Te Mana o te Wai is underpinned by six key principles:

¹ [Taumata Arowai–the Water Services Regulator Act 2020, section 18\(2\)\(e\)](#).

² [Taumata Arowai–the Water Services Regulator Act 2020, section 18\(2\)\(a\)](#).

³ [Taumata Arowai–the Water Services Regulator Act 2020, section 19](#).

⁴ Ministry for the Environment (2020). [National policy statement for freshwater management | Ministry for the Environment](#).

1. **Mana whakahaere:** the power, authority, and obligations of tangata whenua to make decisions that maintain, protect, and sustain the health and well-being of, and their relationship with, freshwater.
2. **Kaitiakitanga:** the obligation of tangata whenua to preserve, restore, enhance, and sustainably use freshwater for the benefit of present and future generations.
3. **Manaakitanga:** the process by which tangata whenua show respect, generosity, and care for freshwater and for others.
4. **Governance:** the responsibility of those with authority for making decisions about freshwater to do so in a way that prioritises the health and well-being of freshwater now and into the future.
5. **Stewardship:** the obligation of all New Zealanders to manage freshwater in a way that ensures it sustains present and future generations.
6. **Care and respect:** the responsibility of all New Zealanders to care for freshwater in providing for the health of the nation.

A key objective for all persons exercising functions, powers, or duties under the Water Services Act 2021, including both Taumata Arowai and water suppliers, is to give effect to Te Mana o te Wai in the performance of those functions, powers and duties. Taumata Arowai will provide guidance and support for suppliers and the sector as we implement the new regulatory regime.

The requirement to give effect to Te Mana o te Wai in the Water Services Act 2021 will also apply to the four regional Water Services Entities proposed under the Water Services Entities Bill 2022.

Embedding Te Mana o te Wai will require Taumata Arowai to build effective, positive and enduring relationships with mana whenua and kaitiaki who will determine tikanga and mātauranga which underpin Te Mana o te Wai within their rohe. Taumata Arowai will also listen to local communities to understand their needs with respect to water. Those relationships and connectivity are critical to the success of embedding Te Mana o te Wai as we expect them to shape the way suppliers engage with mana whenua, iwi, hapū, papakāinga and local communities. We are developing a baseline knowledge and understanding about water, to weaving together what is important to our communities and the science underpinning regulation.

Our strategic framework

The following diagram shows how our strategic framework works as a whole.



Monitoring and governance

The responsible Minister and the monitoring agency

The responsible Minister for Taumata Arowai is the Minister of Local Government. Te Tari Taiwhenua/the Department of Internal Affairs (DIA) is the Government's monitoring agency for Taumata Arowai.

The role of the Minister is to oversee and manage the Crown's interest in, and relationship with, Taumata Arowai and to exercise any statutory responsibilities. Taumata Arowai is also accountable to the House of Representatives for its actions.

This SPE is informed by the Minister's Letter of Expectations, provided to the Board of Taumata Arowai in November 2021.

E rua ngā awa, engari kia whakakotahi rāua, kia kaha ake ai

Two rivers, when joined are stronger

The Board

Taumata Arowai is governed by a Board, appointed by the Minister of Local Government and chaired by Dame Karen Poutasi. [Profiles of the Board members are available on our website.](#)

The Board is responsible for the stewardship and future wellbeing of the organisation. The Board leads Taumata Arowai, ensuring that it acts in a manner consistent with its objectives and functions under the Taumata Arowai–the Water Services Regulator Act 2020. The Board is also required to meet its responsibilities under the [Crown Entities Act 2004](#). In discharging their responsibilities, the Board and its members have collective and individual duties which are owed to the Minister and Taumata Arowai.

The Board has two subcommittees.

- The Finance, Risk and Assurance Committee (FRAC) has oversight of budgeting, the annual audit processes and risk management. FRAC has an independent chair.
- The Chief Executive's Performance and Remuneration Committee has oversight of the Chief Executive's performance criteria, assessment and remuneration.

The Board and Te Puna – the Taumata Arowai Māori Advisory Group – have agreed, through their [Memorandum of Understanding](#) (He Pukapuka Oratau i Waenga i Te Poari me Te Puna) to act as partners. Together, they provide strategic and thought leadership to ensure improvements to and the protection of drinking water, wastewater and stormwater within our communities, helping to give effect to Te Mana o te Wai for the betterment of current and future generations.

The Board is required to have regard for the advice of Te Puna and Taumata Arowai must demonstrate in our Annual Report how the Board responded to this advice.

Te Puna

Together with the Board, Te Puna has a significant role to play to ensure that Taumata Arowai delivers better outcomes for all New Zealanders, including its obligations to iwi/Māori. Te Puna is

chaired by Tipa Mahuta who, along with other members, was appointed by the Acting Minister of Local Government, Hon Kelvin Davis. [Profiles of Te Puna members are available on the Taumata Arowai website.](#)

Te Puna is established under the Taumata Arowai—the Water Services Regulator Act 2020 and advises on Māori interests and knowledge as they relate to the objectives, functions and operating principles of Taumata Arowai and the collective duties of the Board. This includes:

- developing and maintaining a framework that provides advice and guidance for Taumata Arowai on how to interpret and give effect to Te Mana o te Wai
- providing advice on supporting and enabling the exercise of mātauranga Māori, tikanga Māori and kaitiakitanga
- any other matters as agreed by the Board and Te Puna.

Direction setting, feedback and advice provided by Te Puna is critical to Taumata Arowai. It informs the approach taken to upholding Te Tiriti o Waitangi and its principles and to giving effect to Te Mana o te Wai, when performing our functions and duties within our unique legislative context.

[The Terms of Reference for Te Puna can be found on our website.](#)

Why is a dedicated regulator needed?

Ka hoki kōmuri ngā whakaaro kia anga whakamua te titiro

Turn our minds to the past to determine our way forward

Everyone in Aotearoa should have access to safe drinking water every day, no matter where they live. This is not the case currently.

Local government has been asking successive governments for reform of the water services sector for some time.⁵ There has been ongoing concern about the past compliance-based approach to regulation, fragmented regional responses and a lack of enforcement actions.

Taumata Arowai was established following the Inquiry into a 2016 outbreak of waterborne disease in Havelock North's drinking water supply and as part of the decisions made through the Government's Three Waters Reform programme. This reform programme examined issues relating to the entire three waters system and regulatory framework. Consumption of contaminated drinking water in Havelock North resulted in up to 8,320 campylobacteriosis illnesses. Of these, 953 cases were physician-reported, 42 people were hospitalised, three developed Guillain-Barré syndrome and

⁵ [Three Waters | Ko Tātou LGNZ](#) downloaded 30 March 2022.

four died.⁶ The inquiry into the Havelock North emergency specifically recommended that a new regulator be established.⁷

In August 2018, the Government established a group to broaden the conversation with Māori on freshwater – the [Kahui Wai Māori](#). In April 2019, the group refined the concept of Te Mana o te Wai and provided a set of recommendations to the Minister for the Environment. Subsequently, some of those recommendations were formalised through the NPS-FM 2020 and embedded in the Taumata Arowai legislation.

The Havelock North outbreak was not an isolated incident. In 2010, the Law and Economics Consulting Group (LECG, now Sapere), while conducting a cost benefit analysis of raising the quality of Aotearoa New Zealand’s reticulated drinking water, estimated there were 35,000 cases of acute gastrointestinal illness contracted from reticulated drinking water per year. LECG acknowledged that this was a conservative estimate and that American analyses of the number of gastrointestinal illnesses attributed to drinking water would put the estimate in excess of 100,000 cases per year amongst those on reticulated supplies. The Havelock North Inquiry heard evidence that a figure of 100,000 cases plus per year was more likely to be accurate, particularly when small private supplies are included.⁸

The number of notified cases understate the real rates of illness for a variety of reasons, including whether people seek medical advice. In addition, many potential waterborne illnesses are not notifiable.⁹

Sufficient and safe water to drink, straight from the tap, every day is not a reality for some people in Aotearoa. Some communities have boil water notices in place because the water is not safe to drink – some notices are temporary, others more permanent. In 2020/21 there were close to 60,000 people impacted by 26 permanent and 56 temporary boil water notices.¹⁰ In 2019/20, the numbers peaked at over 490,000 people impacted because of a temporary boil water notice in Christchurch.¹¹ The drinking water report that these figures come from only covers supplies that are registered and supply populations of greater than 100.

Such notices place a burden on consumers and are not a substitute for providing safe drinking water. They are also likely to become less effective over time. Some suppliers may not know that the water they are supplying is not safe or may have failed to communicate the associated risks to their consumers.

⁶ Gilpin, Brent et al. (2020). [A Large Scale Waterborne Campylobacteriosis Outbreak, Havelock North, New Zealand](#). Journal of Infection. 81. 10.1016/j.jinf.2020.06.065.

⁷ [Report of the Havelock North Drinking Water Inquiry - Stage 2 - dia.govt.nz](#) Part 10

⁸ Department of Internal Affairs (2017) [Report of the Havelock North Drinking Water Inquiry: Stage 2 - PDF version](#), paragraphs 113, See B230 at[1.1] Calculation based on Reynolds (2008) estimate for the contribution of community drinking water supplies to all cases of Acute Gastrointestinal in the USA.

⁹ Department of Internal Affairs (2017) [Report of the Havelock North Drinking Water Inquiry: Stage 2 - PDF version](#), paragraphs 113-115.

¹⁰ Ministry of Health (2022). [Annual Report on Drinking-water Quality 2020–2021 | Ministry of Health NZ](#)

¹¹ Ministry of Health (2021). [Annual Report on Drinking-water Quality 2019-2020 | Ministry of Health NZ](#).

At this stage, there is a lack of reliable data of the impact of unsafe water on Māori and on rural communities. Small communities in areas with only limited reticulation and that are at risk of drought (eg Far North and East Cape) are also at risk of not having sufficient drinking water at all times and face potentially significant cartage costs. The 2020 Government investment of \$30 million to assist small, rural supplies not run by district councils to upgrade their infrastructure is designed to help address this need.¹²

Over the timeframe of this SPE, Taumata Arowai will identify and engage with communities experiencing unsafe or insufficient drinking water supply to understand their needs and potential improvement pathways. We have started discussions with registered Māori water supplies, iwi organisations and representative groups such as Federated Farmers and Rural Women, who may assist us to reach out to rural and community suppliers.

Principles of drinking water safety

Whāngaia te iwi

Sustain the people

The report of the Havelock North Drinking Water Inquiry identified six principles of drinking water safety that are instilled in good drinking water management practice worldwide and should underpin every aspect of our approach to drinking water.¹³ These principles are embedded in the ethos of the Water Services Act 2021 and inform our regulatory approach.

The principles and their impacts on our work programmes can be summarised as follows.

1. A high standard of care must be embraced.
2. Protection of source water is of paramount importance.
3. Maintain multiple barriers against contamination.
4. Change precedes contamination.
5. Suppliers must own the safety of drinking water.
6. Apply a preventative risk management approach.

Te Mana o te Wai underpins safe drinking water. Te Mana o te Wai is a universal concept that places the health of the water as the primary focus. For Taumata Arowai, this includes ensuring water supplied for human consumption is safe and fit for purpose.

In accordance with the Water Services Act 2021, Taumata Arowai is moving from a solely compliance focused model to one that requires suppliers embrace the above principles, including taking responsibility for the safety of the water they supply. Suppliers are required to give effect to Te Mana o te Wai, including by identifying, understanding and actively planning to manage the risks associated with their supplies. Drinking water safety planning includes reviewing and identifying the unique hazards associated with supplies to manage, control or eliminate them.

¹² [Government announces allocation of three waters funds for councils | Beehive.govt.nz](#)

¹³ [Report of the Havelock North Drinking Water Inquiry - Stage 2 - dia.govt.nz](#)

Organisations in the water services system

There are a significant number of organisations that have roles to play in the water services system. Taumata Arowai, as the drinking water regulator with oversight of wastewater and stormwater, is focused on regulating and improving the performance of those who provide water services.

The following diagram shows the key organisations in the water services system and their primary roles.

At the centre of the system, are drinking water consumers and communities with wastewater and stormwater services. These are the people who benefit from and are impacted by the quality of water services.

The organisations delivering water services are registered and unregistered drinking water suppliers and council-based wastewater and stormwater network operators. Subject to the proposed establishment of the four water entities, through the Three Waters Reform, the providers of water services will likely change over the period of this SPE.

Laboratories are a key part of the water services system, testing drinking water, wastewater and stormwater for the providers. At the time of preparing this SPE (end May 2022), there were 42 laboratories accredited for testing drinking water.

International Accreditation New Zealand (IANZ) regulates and accredits laboratories and authorised people and organisations established under the Water Services Act 2021.

Other key stakeholders include central and local government, iwi/Māori, industry, training and research organisations.

Everyone with duties, functions and powers in the drinking water system needs to work together to improve the system – no one organisation or group can achieve this alone.

The health system is also changing substantially over the timeframe of this SPE. One agency – Health New Zealand, in partnership with the Māori Health Authority – will replace multiple district health boards. We will continue to work with the health system public health agencies and the Ministry of Health as lead agency on public health policy.

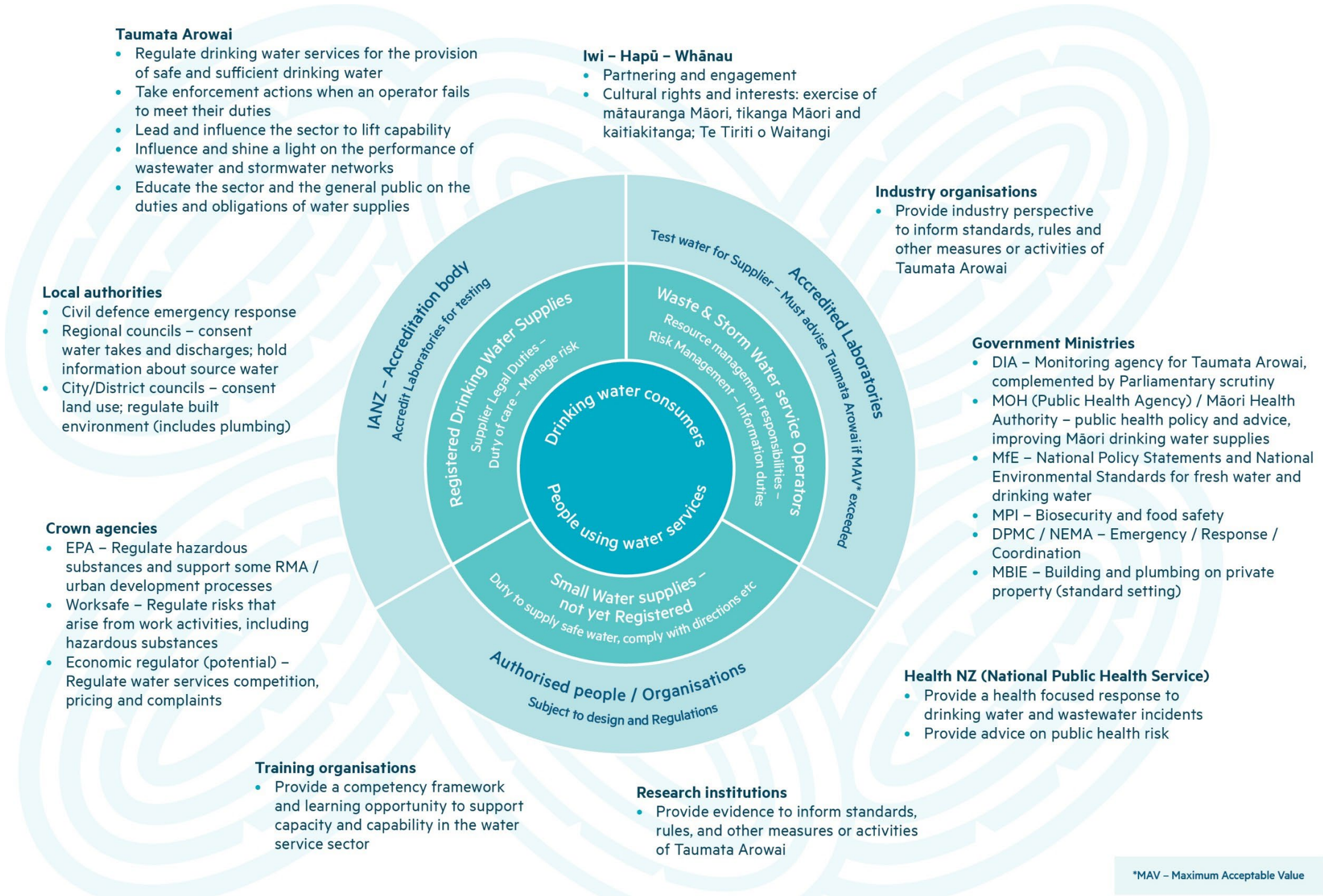
DIA has set up a National Transition Unit to progress the three waters reform package, including establishing the four new water entities proposed under the [Water Services Entities Bill](#). When enacted, this legislation will shift the responsibility for the delivery of the majority of water services from local councils to the four water service entities.

In addition, the Government is considering the appointment of an economic regulator for water – an agency tasked with ensuring that access to water is equitable and affordable.

Iwi/Māori have significant interests in all of these developments. They will be key partners in the governance of the four water services entities, through the Māori Health Authority, as well as involvement in proposed structural changes to the resource management system and as drinking water suppliers.

Over the next year, Taumata Arowai will collaborate across the entire system on a variety of initiatives to strengthen system performance and improve outcomes for the benefit of people and the environment.

Landscape of key organisations in the water services system



Who supplies drinking water?

There are a variety of ways drinking water is supplied in Aotearoa. All water suppliers – regardless of their size, or if they are registered or not – have a duty of care to provide safe drinking water to the people they serve.

We have developed Hinekōrako¹⁴, our online regulatory and intelligence system, combining a self-service portal, the public register of drinking water supplies, registration management, and ongoing reporting from suppliers.

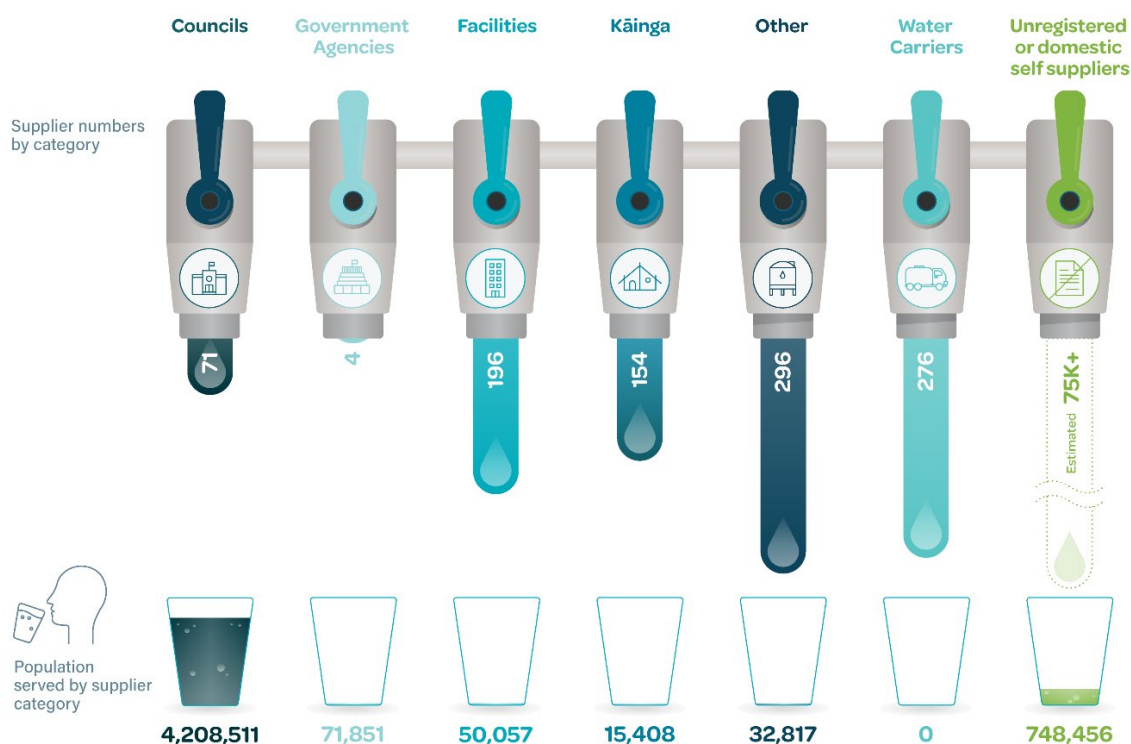
This section focuses on the drinking water suppliers: organisations or individuals who own drinking water supplies and laboratories.

By the numbers – registered water supplies

The Act requires drinking water supplies and suppliers who own, manage and operate them to be registered. There are 997 registered drinking water suppliers who own, manage and operate 1,975 supplies which serve 85.4% of New Zealanders (4,378,644 people). Drinking water supplies include the water sources, treatment plants and distribution zones. These statistics were taken from Hinekōrako on 15 June 2022 during the preparation of this report, reflecting the current understanding of registered suppliers and suppliers.

Figure 1 – Numbers of suppliers and populations served

Who's filling your cup?



¹⁴ Personification of the lunar rainbow – this name was gifted to Taumata Arowai for our regulatory and intelligence system by Te Atiawa.

- **Council:** Local and Regional Councils or Council-Controlled Organisations (COOs) such as Watercare and Wellington Water.
- **Government agencies:** This includes schools (Te Tāhuhu o te Mātauranga/Ministry of Education), campsites and huts (Te Papa Atawhai/Department of Conservation), prisons (Ara Poutama Aotearoa/Department of Corrections) and Defence facilities (Te Ope Kātua o Aotearoa/New Zealand Defence Force).
- **Facilities:** Such as universities, private schools, hospitals, airports, and ski fields.
- **Kāinga:** This group includes iwi entities, kura kaupapa Māori, kōhanga reo, marae, papakāinga, and Māori communities.
- **Other:** This category includes mixed-use rural supplies, residential and other private or communities supplies not owned by councils.
- **Water carriers:** Operators who transport drinking water to homes and events without reticulation. Water carriers do not record the population served by water carriers.
- **Unregistered or domestic self supply:** New Zealanders who do not drink water from a registered supply either drink water from an unregistered drinking water supply or their own stand-alone domestic dwelling supply like a roof water supply (known as “domestic self-supplies”).

Our initial analysis indicates there could be more than 75,000 unregistered supplies. Water suppliers not currently registered have until 15 November 2025 to register and 15 November 2028 to fully comply with the Act. Stand-alone domestic dwellings with their own water supply, which do not supply water to anyone else, are not considered as water suppliers.

Most New Zealanders drink water from large council supplies (our 10 largest supplies serve 2.8 million New Zealanders). However, most supplies that councils own, manage and operate are actually much smaller. There are only a handful of large supplies not owned by council or government (Only 16 of the 956 supplies not owned by council or government serve more than 500 people). There are many supplies which serve small communities (Half of all supplies combine to serve just one percent of New Zealanders). These numbers highlight the need for a proportionate regulatory system that reflects the scale, complexity and risk of these different supplies.

We do not currently have a full understanding of the geographic areas of council drinking water supplies but are working with councils to collect this data.

Who supplies wastewater and stormwater networks?

Councils and council-controlled organisations and the government departments supplying drinking water generally also have wastewater and urban stormwater networks. In smaller councils, wastewater may not necessarily be reticulated as far afield as drinking water – some areas may have piped drinking water but depend on septic tanks for wastewater management.

Reticulated stormwater networks are generally limited to urban areas, including the central parts of small towns.

There is currently no official count of the number of wastewater and stormwater networks.

Vision, purpose and enduring performance framework

Vision and purpose

The vision statement for Taumata Arowai is “Tiakina te wai, hei oranga te katoa – Safe water every day for everyone”.

The purpose statement is “Transforming the performance of water services to improve the health of water and people”.

Our role is a Crown entity that independently regulates drinking water and monitors wastewater and stormwater network performance.

The following diagram illustrates our Vision, Role and Purpose statements and our long-term and medium-term strategies.

- Strategic Goals have a 15+ year horizon.
- Strategic Objectives have a 5 to 14-year horizon.

Strategic Goals and Objectives are changes in society or behaviour that we intend to contribute to and influence.

- Deliverables outline our key activities and have a 1 to 4-year horizon.
- Inputs are what we, as an organisation, bring to the work.

Our aro

Taumata Arowai has identified three aro or focus areas that describe how we will approach our long-term, medium-term and short-term planning. These correlate in our detailed performance framework to strategic goals, strategic objectives and deliverables.

The performance framework can also be viewed through our three aro.

Aro	Whakapapa definition	Use in Performance framework/SPE
Tiakitanga / Protect	Actively nurturing and growing meaningful partnerships and relationships to support broad guardianship of water; lifting sector capability, capacity, leadership and equitable opportunities for Aotearoa to reach intergenerational aspirations for our water, people and environment.	Is about our ability to affect the long-term health and well-being of water and people – and the environment. We are one of a number of organisations, so success will occur through our collective contribution.
Whakaawetanga / Influence	Promoting and advising on the national standards; shining a light on the performance of wastewater and stormwater; building relationships, trust and confidence within communities and those we work alongside.	Speaks to our ability to persuade others to follow our path – while the quality and frequency of our persuasion is within our control, its effects are not. Influence is a mixture of attribution and contribution.

Aro	Whakapapa definition	Use in Performance framework/SPE
Hautūtanga / Lead	Providing leadership on the three waters, drinking water, wastewater and stormwater; holding ourselves and water service suppliers to account; setting, promoting, advising on, enforcing and monitoring the national standards for drinking water.	Is closest to daily operations and therefore most within our direct control. We can attribute success in these areas to our actions.

What we do

Activities to protect public health and improve performance in the water services sector include the following. These are not a comprehensive list of our statutory functions.

- **Promoting supplier responsibility:** We provide national guidelines and good practice guidance on Te Mana o te Wai, regulatory obligations and suppliers' duties.
- **Taking a balanced approach to regulation:** We use a range of tools and approaches to ensure suppliers have effective risk management practices, strengthen the water services sector's performance and improve environmental outcomes.
- **Undertaking enforcement action:** Our enforcement activities are proportionate to the risk to consumers and the extent to which the supplier has failed to meet their duties and reflect the undertakings in our Compliance, Monitoring and Enforcement (CME) Strategy (appended to our SOI 2022–2026).
- **Responding to emergencies to ensure public safety:** We engage effectively with response agencies and ensure our emergency powers are available to support emergency responses when it is appropriate to do so.
- **Providing information and insights to advise the sector and prioritise our activities:** We analyse the data and information we obtain from suppliers to prioritise our work based on risk and share insights to support the continuous improvement of performance across the drinking water sector.
- **Enhancing sector capability:** We contribute to the water services sector's growth and development.
- **Informing and protecting consumers and communities:** We ensure consumers and communities understand critical information about their drinking water supply and can engage their supplier. The public know how to raise a concern or a complaint about water services.
- **Developing meaningful and trusted relationships, including with iwi/Māori:** To be effective as a regulator, we need to work closely with and through others. In particular, we are required by our founding legislation to partner with iwi/Māori.

In all of these activities, we need to give effect to Te Mana o te Wai.

Measuring performance

How we will measure our performance against the enduring performance framework, including targets as appropriate, is described in the framework illustrated in the diagram and the table on the following pages.¹⁵

¹⁵ Note that, in the following diagram and the detailed performance measures, “water services” includes drinking water, wastewater and stormwater.

VISION: Tiakina te wai, hei ora te katoa.
Safe water every day for everyone.

PURPOSE: Transforming the performance of water services to improve the health of water (wai) and people (tangata).

ROLE: A Crown entity that independently regulates drinking water and monitors the environmental performance of wastewater and stormwater networks

WHAKAWETANGA (INFLUENCE)

STRATEGIC GOALS

Wai mauri. People from all communities (urban, rural and Māori) give effect to Te Mana o te Wai.
Wai mana. The delivery of drinking water, wastewater and stormwater is strengthened.
Wai ora. People's health and wellbeing is protected.

STRATEGIC OBJECTIVES

Taumata Arowai gives effect to Te Mana o te Wai through our information provision, engagement programmes and the way we work with others.
All drinking water suppliers and other duty holders comply with legislative requirements.
The capability and resilience of the water services sector grows over time.
People and communities have equitable access to safe and sufficient drinking water, and resilient water networks.
The performance of drinking water supplies, and wastewater and stormwater networks improves.
Taumata Arowai is seen as a trusted and effective regulator.

DELIVERABLES

Publish, monitor and enforce standards, rules and processes and report on compliance.
Provide drinking water suppliers with the guidance they need to meet our expectations and give effect to Te Mana o te Wai.
Inform consumers who their drinking water supplier is so feedback can be provided.
Collaborate with others to care for and build the water services regulatory system.
Provide effective, efficient, easy to use registration and notifications systems.
Have oversight of and participate in responses to drinking water incidents.
Participate in programmes that build the capability of the water services sector.
Identify the mix of resources we need to operate effectively.
Provide timely responses to statutory requests for information, reporting and notifications.

INPUTS

Staff skills and knowledge	Membership of regulatory networks
Te Ao Māori expertise	Partnerships with hapū and iwi/Māori organisations
Business systems	Relationships with industry, local/central government
Regulatory interventions	Risk-based, intelligence-led decision-making
External/third party suppliers	Communication channels and engagement
Strategic influence	Leadership from a Board and Te Puna
Platforms for managing and analysing registration and performance data	

TIAKITANGA (PROTECT)

HAUTŪTANGA (LEAD)

Enduring performance framework – detailed measures

This framework comprises the “critical few” measures, over long-term (15+ year) and medium-term (5 – 14 year) horizons, plus the timeframe of the Statement of Intent (SOI, 4 years). Together, done well, they are proxies for good overall performance in the long term, not just the life of this SPE or the current SOI.

Our approach to designing this framework has been to look at what Taumata Arowai does to achieve improvements in the performance of water services and the behaviour of network suppliers, rather than to measure compliance by the suppliers, since we can only influence supplier behaviour and we are only one of a number of potential influences.

In addition to the indicators shown in the following tables, there will be a range of other metrics and trends reported on in the Annual Report to provide context to our work, including volumes of work done (eg the number of supplies that have been registered, the populations they serve, the numbers and types of enforcement action taken, key decisions such as exemptions granted etc).

A number of our measures have scoping and/or baselining as the targets for 2022/23. This reflects the work we are currently doing to establish data collection and assessment tools. Performance against these measures will be assessed as having been Achieved, Partly Achieved or Not Achieved.

Strategic Goals (Outcomes) – Aro: Tiakitanga / Protect

We have three long-term (15+ year horizon) key result areas. We are one of many organisations required to act to achieve these results, so we **contribute** to them (as opposed to being able to **attribute** improvements over time to the direct actions of Taumata Arowai).

Since we are a new organisation and this is our first SPE, we have no past performance to compare with or on which to base targets, so many of our targets for 2022/23 involve creating data collection systems and baseline measures.

Ref	How we will collect data for measures	Performance assessment 2022/23	Performance assessment in the outyears
1.	Wai mauri: 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>Regular (annual or three-yearly) surveys of stakeholder groups, water suppliers and the general public. Timing of surveys to be scoped during the establishment of the baseline.</p> <p>The general public survey will be statistically adjusted to reflect the population of Aotearoa.¹⁶ The surveys will track perceptions of our performance against a number of Key Result Areas. They will also help us to identify lead indicators to predict behaviour change, such as the number of articles referencing the use of Te Mana o Te Wai guidance by suppliers.</p> <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 well-being of water and the health and wellbeing of people. - Taumata Arowai contributes to the health and well-being 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. 	<p>Baseline survey achieved.</p> <p>Survey regularity to be confirmed in 2022/23.</p>	<p>Report trends from measures and assess if targets would be useful.</p>
1.2	<p>Case studies:</p> <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. 	<p>Initial case study participants identified with formal agreements negotiated in 2022/23.</p>	<p>Identify the number and type of case studies that will demonstrate progress on giving effect to Te Mana o Te Wai.</p>

¹⁶ Surveys will be commissioned by Taumata Arowai but undertaken independently and, for the general public survey, the results will be adjusted to reflect the current population makeup of Aotearoa.

Ref	How we will collect data for measures	Performance assessment 2022/23	Performance assessment in the outyears
2.	Wai mana: Taumata Arowai strengthens the delivery of drinking water, wastewater and stormwater services in communities.		
2.1	<p>See 1.1 for a description of the survey.</p> <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). - Iwi/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. - Performance of networks and services over time (baselined in 2023/24). - People and key stakeholders involved in water services believe that Taumata Arowai is contributing to improved water networks in communities. (From 2024/25). 	<p>Baseline survey achieved.</p> <p>Survey regularity to be confirmed in 2022/23.</p>	<p>Report trends from measures and assess if targets would be useful.</p> <p>2023/24 baseline performance of networks</p> <p>2023/24 reporting on wastewater and stormwater network performance scoped</p>
2.2	<p>Trends from annual drinking water regulation and drinking water, wastewater, stormwater network environmental performance reporting.</p> <p>Performance of networks and services over time.</p>	Drinking water regulation baseline achieved.	Wastewater and stormwater measures scoped in 2023/24; baseline establishment achieved or partially achieved in 2024/25.
3.	Wai ora: 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 well-being.		
3.1	<p>See 1.1 for a description of the survey.</p> <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 establishment achieved.	Report trends from measures and assess if targets would be useful.

Ref	How we will collect data for measures	Performance assessment 2022/23	Performance assessment in the outyears
3.2	Instances where safe water unable to be provided eg boil water notices, water outages, populations affected, duration of effect.	Baseline achieved.	Report trends from measures and assess if targets would be useful.
3.3	Trends in gastroenteritic and other potentially water-related disease notifications in areas where new treatment methods have been installed.	Data definition and collection process scoped.	Baselined in 2023/24, and, in outyears, report trends from the measures and assess if targets would be useful.
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.	<p>Data collection process scoped in 2023/24.</p> <p>Baselined in 2024/25, and, in outyears, report trends from measures and assess if targets would be useful.</p>

Strategic objectives (Impacts) – Aro: Whakaawetanga / Influence

We have six medium-term (5 to 14 year horizons) key result areas that support and arise from our strategic goals. As with the longer-term results, we are one of many organisations required to act to achieve these results, so we **contribute** to them (as opposed to being able to **attribute** improvements over time to the actions of Taumata Arowai).

In many cases, we will be spending 2022/23 building the data capture and analysis systems and baselining the results.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
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. (Contributes to Wai mauri .)		
4.1	Library of Te Mana o te Wai guidance documents (number of times accessed/downloaded).	Baselined in 2022/23.	Report trends from measures and assess if targets would be useful.
4.2	Number of webinars about Te Mana o te Wai, number of participants, feedback from participants.	Baselined in 2022/23.	Report trends from measures and assess if targets would be useful.
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 Te Mana o te Wai.	Baselined in 2022/23.	Report trends from measures and assess if targets would be useful.
4.4	Trends in the results of regulatory audits and monitoring.	Baselined in 2022/23.	Report trends from measures and assess if targets would be useful.
4.5	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 the Taumata Arowai–the Water Services Regulator Act 2020.)	Baselined in 2022/23.	Report trend from measure and assess if a target would be useful.
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. (Contributes to Wai mauri and Wai mana .)		
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.	Report trends from measures and assess if targets would be useful.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
5.2	Case studies for qualitative assessment of the behaviours and motivations of suppliers and other duty holders.	Case study participants identified with formal agreements negotiated in 2022/23.	Studies begin being tracked 2023/24. Network operators added to case studies from 2024/25.
5.3	Kaupapa Māori research on iwi/Māori responses to regulatory approach.	Research scoped.	Research implemented.
6.	We help to grow the capability and resilience of the water services sector so that water services improve over time. (Contributes to Wai mana .)		
6.1	Programme of work to measure the regulatory system's impact on capability and resilience.	Programme scoped.	Programme implemented and, in outyears, measures identified.
7.	Through our mana and influence, drinking water suppliers provide equitable access to safe and sufficient drinking water and resilient water networks. (Contributes to Wai mana .)		
7.1	Success of our input into decision-making on the distribution of funding to support the upgrade of small supplies, especially marae and papakāinga. Number of communities assisted and results of assistance (improvements in health of water and people over time).	Data collection and analysis work programme scoped.	Data baselined and, in out years, measures identified.
7.2	Trends from the annual Drinking Water Regulation and Network Environmental Performance reports.	Baselines established for Drinking Water Regulation.	Report trends from measures and assess if targets would be useful. Baselined for Network Environmental Performance report/s in 2024/25.
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).	Baselined in 2023/24, report trend from measures and assess if a target would be useful.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
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. (Contributes to Wai mana .)		
8.1	Trends from the Network Environmental Performance report/s.	Approach to the reports scoped.	Baselined in 2024/25.
9.	Taumata Arowai is acknowledged as a trusted and effective regulator by the Crown, Te Tiriti partners, stakeholders and the general public. (Contributes to Wai ora).		
9.1	See 1.1 for a description of the survey. The % of survey respondents (stakeholders, suppliers, network operators and the general public including iwi/Māori) who view Taumata Arowai as trusted and effective regulator.	Baseline from the stakeholder and supplier survey.	Baseline from the public survey 2023/24. Baseline for network operators 2024/25.
9.2	Trends in results from participation in the Kiwis Count survey.	Establish if we can get responses specific to Taumata Arowai from this survey.	Baselined, and in outyears, measures identified.

Deliverables – Aro: Hautūtanga / Lead

We have nine short-term (up to 4-year horizon) key result areas. Success in these areas is **attributable** to the performance of Taumata Arowai.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
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. (Links to Wai mana and KRA 8).		

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
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 - feedback on consultation process. 	Report trend from 2021/22 baseline measures and assess if a target would be useful.	Report trends from measures and assess if targets would be useful.
10.2	No secondary regulatory instrument made or issued by Taumata Arowai is disallowed by Parliament.	Achieved/Partly Achieved/Not Achieved.	Achieved/Partly Achieved/Not Achieved.
10.3	Trends from the annual Drinking Water Regulation and Network Environmental Performance reports.	Baseline established for Drinking Water Regulation reporting.	Report trends from measures and assess if targets would be useful. Baseline established for Network Environmental Performance reporting in 2024/25.
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. (Links to Wai mauri .)		
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.	Baseline established in 2022/23.	Report trends from measures and assess if targets would be useful.
11.2	See 1.1 for a description of the survey.	Baseline established from the stakeholder and supplier survey.	Baseline established for network operators 2024/25.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
	The % of survey respondents (stakeholders, suppliers, network operators) who advise that the guidance is useful to them.		
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. (Links to Wai mauri and Wai mana.) 		
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.	Baseline established in 2022/23.	Report trend from measure and assess if a target would be useful.
12.2	See 1.1 for a description of the survey. The % of public survey respondents who advise that the guidance is useful to them.	Baseline established in 2022/23.	Report trend from measure and assess if a target would be useful.
12.3	Up to date, accessible, searchable public register of drinking water suppliers (as supplies are verified).	Achieved.	Achieved.
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. (Links to Wai mana .)		
13.1	Reviews of the regulatory system: <ul style="list-style-type: none"> - assessment of % of the performance of the regulatory system that is reviewed - frequency of reviews - actions taken to resolve risks and issues within the system. 	Data collection and analysis scoped.	Baseline established in 2023/24.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
	Benchmarked against other regulatory steward agencies.		
14.	We provide effective, efficient and easy to use registration and notification systems. (Links to Wai mana .)		
14.1	<p>The Taumata Arowai registration and notifications systems are available for >95% of time (measure may change once a baseline is established).</p> <ul style="list-style-type: none"> - number of outages - planned/unplanned - time until restored. 	Baseline established in 2022/23.	Report trends from measures and assess if targets would be useful.
14.2	<p>See 1.1 for a description of the survey.</p> <p>The % of supplier and laboratory survey respondents who advise that:</p> <ul style="list-style-type: none"> - our systems are effective, efficient and easy to use - help is readily available if required. 	Baseline established in 2022/23.	Report trends from measures and assess if targets would be useful.
15.	We have oversight of responses to drinking water incidents and provide appropriate advice when there is a civil defence or drinking water emergency. (Links to Wai ora .)		
15.1	Number of incidents where Taumata Arowai had to intervene and use powers to ensure effective management.	Baseline established in 2022/23.	Report trend from measure and assess if a target would be useful.
15.2	<p>Trend from post-incident reviews and participant surveys:</p> <ul style="list-style-type: none"> - % of participants in drinking water incidents/emergencies who approve of the actions and advice given by Taumata Arowai. 	Baseline established in 2022/23.	Report trend from measure and assess if a target would be useful.

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
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. (Links to KRA 4)		
16.1	Programme of work to build sector capability and capacity, including Te Mana o te Wai capability and capacity.	Programme scoped.	Programme implemented and baseline established in 2023/24.
16.2	See 1.1 for a description of the survey. 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.	Baseline established in 2024/25.
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. (Links to Wai ora and KRA 5)		
17.1	See 1.1 for a description of the survey. The % of stakeholder survey respondents that see Taumata Arowai as having the right mix of resources to operate.	Baseline established in 2022/23.	Report trend from measures and assess if a target would be useful.
17.2	Trends in regulatory capability framework, gap analysis and targeted learning solutions.	Scoped and implemented 2022/23.	Baselined 2023/24. Report trends from measures and assess if targets would be useful.
18.	We respond to statutory requests for information, reporting requirements and critical notifications lawfully and in a timely manner. (Links to Letter of Expectations.)		
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.	> 95%	> 95%

Ref	What we will measure	Performance assessment 2022/23	Performance assessment in the outyears
18.2	No decisions to overturn responses following complaints to or decisions from the Ombudsman or Privacy Commissioner.	Achieved.	Achieved.
18.3	See 1.1 for a description of the survey. The % of stakeholder survey respondents who describe our response to requests for information as being timely.	Baseline established in 2022/23.	Report trend from measures and assess if a target would be useful.
18.4	Tracking of responses to critical notifications in Hinekōrako, our registrations and intelligence system.	Tracking and reporting method scoped and implemented.	Baseline established 2023/24. Report trend from measures and assess if a target would be useful.

Taumata Arowai funding

In 2022/23, Taumata Arowai is primarily funded through Vote Internal Affairs (Non-Departmental Output Expenses: Taumata Arowai).

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

Taumata Arowai will not have any class of outputs that is not reported on.

Cost of service statement

	Estimated actual 2021/22 \$000	Forecast 2022/23 \$000
Revenue from the Crown	18,016	19,290
Other revenue	151	80
Interest revenue	19	30
Total revenue	18,185	19,400
Total expenditure	17,405	19,400
Surplus/(deficit)	780	-

2022/23 strategic and operational environment

We are a new entity, created on 1 March 2021 and becoming the regulator for water services from 15 November 2021. This is our first SPE.

2022/23 will be our first full year of operation, with the focus being on:

- by 15 November 2022, confirming the details and ongoing operation of drinking water supplies whose owners were previously registered with the Ministry of Health under the Health Act 1956
- working to identify and understand the needs of unregistered supplies
- building and refining systems we need to operate as the water services regulator – registration systems, data management and supporting business and analytical skills
- engaging with the water services sector, iwi/Māori, regional councils and network operators to prepare for our oversight role with stormwater and wastewater
- building our capacity and capability to act as a responsible Te Tiriti o Waitangi partner and engaging with Māori in mana-enhancing ways
- engaging with the Three Waters programme and related initiatives to ensure we align with the regulatory settings for the new water services delivery entities and the economic regulator.

Expectations from the Minister of Local Government

The current Letter of Expectations from the Minister asks Taumata Arowai to focus on the following specific areas:

- collaborating closely with the Department of Internal Affairs and the Ministry of Health to ensure a successful transition to the new regulatory regime for drinking water and that the future system operates effectively
- managing our relationships with other government agencies with interests in the wider water services landscape
- managing our relationships with Te Puni Kōkiri and Te Arawhiti from a Crown-Māori perspective
- participating constructively in the ongoing Three Waters Reform Programme, including through the transition process
- developing an interim strategy and statement of performance expectations, prior to preparing an organisational strategy and statement of intent for 2022/23 and outyears
- establishing critical business systems required for the commencement of the Water Services Act
- engaging with rural communities, marae and papakāinga
- building capability within the head office and regions to support Te Mana o te Wai aspirations
- implementing the advice of Te Puna.

Key workstreams for the year

Karangahia ngā ope

Be the voice of welcome

Completing the transfer of previously registered supplies

By 15 November 2022 (one year after we became the regulator) we intend to have completed work to:

- confirm the supply information for all drinking water supplies that were previously registered under the Health Act
- register all drinking water carrier supplies
- ensure that all previously registered drinking water supplies required to have a drinking water safety plan have submitted their plan to Taumata Arowai or have an approved general exemption, acceptable solution or verification method in place
- develop, adopt, publish and implement a Compliance, Monitoring and Enforcement (CME) Strategy.

To achieve these outcomes we are taking the following actions.

- Inviting previously registered suppliers to confirm their registration and details with Taumata Arowai in carefully planned tranches. As at mid-March 2022, all 67 territorial local authorities (councils) and a number of other major water suppliers (Department of Defence, Department of Corrections and Department of Conservation amongst others) had registered and were in the process of confirming the details of their supplies.
- Regularly inviting groups of smaller previously registered suppliers to confirm their registration and details.
- Contacting all known drinking water carriers and identifying others with the help of other stakeholders (eg councils) to let them know that they must be registered by 15 November 2022.
- Engaging with drinking water suppliers and water carriers to ensure that they understand they must have a Drinking Water Safety Plan or a general exemption in place by 15 November 2022. Guidance and resources are readily available on our website and are cited in our communications.
- Providing guidance to help suppliers use our drinking water supply registration and intelligence system, Hinekōrako, and publishing guidance and templates to assist them to create their Drinking Water Safety Plans.
- Publishing, communicating and implementing our CME Strategy to the water services sector, so they know what to expect from us. The CME Strategy is appended to the Statement of Intent.

By 15 November 2022, we expect to have registered and verified the supplies that provide approximately 85% of New Zealand's population with its drinking water.¹⁷

Understanding the needs of unregistered supplies

To achieve the registration of all drinking water supplies by 15 November 2025, we need to understand the particular circumstances of unregistered supplies and find a pathway to registration that works for different types and sizes of water suppliers.

We will continue to work with partners such as Water NZ, Fonterra, Federated Farmers, iwi/Māori organisations, regional and district councils and others to identify unregistered drinking water supplies and understand the needs of their owners and operators. The majority of these supplies are small, private and/or rural and include Māori drinking water suppliers who are a combination of mixed iwi entities, kura kaupapa Māori, kōhanga reo, marae, papakāinga and densely populated Māori communities.

What we learn will then inform how we will gather the unregistered supplies into groups with common features and the approach we will take with each group to create a tailored registration process that will run from 2023 to 15 November 2025 and identify compliance pathways that will enable them to meet regulatory requirements by 15 November 2028.

Building business systems for registration and data management

We require customised business systems to support our regulatory and data collection activities. We have already implemented Hinekōrako as our drinking water supply registration and intelligence system that enables:

¹⁷ See section on Who supplies drinking water for detailed calculations.

- drinking water suppliers to register and confirm their supplies and their key contact details
- suppliers and laboratories to notify Taumata Arowai of any concerns about the safety of drinking water and any exceedances of the Maximum Acceptable Values (MAVs) under the Drinking Water Standards.

We will continue to work with vendors to utilise off the shelf products that support our business and intelligence/data gathering operations. We will work with water suppliers to obtain the data we need to inform our decision making and will develop the analytical systems and skills required to ensure that our drinking water registration and management obligations work effectively and efficiently.

We will ensure that our data is robust and can be turned into useful intelligence and we will share information with others working with the water services sector.

Preparing for wastewater and stormwater responsibilities

In late 2023, we will take on new oversight responsibilities for wastewater and stormwater. Specifically, we will be able to introduce:

- measures, targets and reporting on the environmental performance of stormwater networks
- measures, targets, standards and reporting on the environmental performance of wastewater networks.

Although these responsibilities do not start within the 2022/23 financial year, we are engaging with the water services sector, iwi/Māori, regional councils, network operators, the Public Health Agency (once established) and the Ministry for the Environment to inform our preparation for the oversight role we will have. Over the next year, the focus is on developing our approach to our wastewater provisions, including how we plan to stage the introduction of those provisions.

We continue to build our relationships with key partners and stakeholders. We will also be working on developing a detailed understanding of the existing knowledge landscape so we can ensure we develop standards, measures and targets that are consistent with existing regulatory requirements and build, where possible, on existing information.

Building our capability and capacity to act as a responsible Te Tiriti partner

A key part of our internal capability is mātauranga Māori and how that contributes to Taumata Arowai giving effect to Te Mana o te Wai. We have reached out to mana whenua and mātauranga Māori experts and technicians to build a foundation that gives expression to the aspirations of the name gifted to us – Taumata Arowai. This expression is found in our whakapapa – comprising pou, aro, tikanga and whakataukī – and is a core part of who we are that informs and guides the way we govern, manage, operate and deliver our functions, processes, policies, procedures and services.



With the guidance of our whakapapa we have integrated Te Ao Māori in the design of the operational blueprint of Taumata Arowai, where naming conventions are steeped in mātauranga Māori. We have developed a pathway and internal learning portal, Ngā ia tonu, that enables people to learn and better understand the elements of expression in Te Ao Māori to ensure colleagues feel confident and safe to express themselves in te reo, karakia, waiata, tikanga and kawa.

We will continue to build the capacity and capability needed to act as a responsible Te Tiriti o Waitangi partner, considering the interests of iwi/Māori and engaging with them in mana enhancing ways. We are unique in the Crown entity environment by having our role in terms of giving effect to Te Mana o te Wai laid out in our enabling legislation.

We have a specific programme for engaging with iwi/Māori, beginning with registered Māori water supplies and iwi organisations. We are establishing a new team, Te Rōpū Ārahi, to support iwi/Māori engagement and continue to build capability on giving effect to Te Mana o te Wai.

We are working, together with Te Puna and other partners, on what training is needed to support the development of internal capability on giving effect to Te Mana o te Wai and bringing mātauranga Māori to all our work in a sensitive and appropriate way.

We will continue to develop our staff in the appropriate use of Te Reo Māori in their work and throughout our communications. We are developing a Te Reo Māori policy to guide this practice.

Staff are enrolled in a range of learning opportunities in Te Reo Māori and Te Ao Māori, including waiata practice sessions.

Aligning our settings to the wider regulatory environment

The passage of the Water Services Act 2021 and the creation of Taumata Arowai are key parts of the Government's Three Waters Reform programme. We are currently active participants in the critical planning processes for other aspects of the programme.

We will continue to work closely with the Three Waters Reform programme team and the National Transition Unit to ensure regulatory alignment, including any required legislative changes and our authorisations framework.

Changes to any of the current Three Waters Reform programme and related timeframes may require the Board and Te Puna to revisit to our SOI earlier than required by statute.

We are also participating in, and responsive to, the reforms of the health sector – which is expected to change who we work with to respond to public health issues associated with water – and the Resource Management Act – which is expected to alter the consenting regimes that we work with.

Our approach and how we work

Tō mātou tikanga mahi: Manaakitanga

Our ways of working: We will act in and support mana-enhancing ways to achieve intergenerational sustainability

Our people and locations

Our leadership team is known as Kaihautū o Puni Arowai (KOPA) and consists of the Chief Executive, the Heads of Regulatory, Corporate and Strategy and Insights. The name KOPA places our leadership team at the front, connecting with our people, the people we serve and those we work with.

Our people are our greatest resource for leading the changes needed in the water services sector.

We have regulatory advisers based in the following regional locations – Kirikiriroa/Hamilton; Papaioea/Palmerston North; Ōtautahi/Christchurch and Ōtepoti/Dunedin.

Our head office in Whanganui-a-Tara/Wellington supports our Strategy and Insights, Corporate and Regulatory functions.

Our approach to regulation

Taumata Arowai is taking a balanced regulatory approach.¹⁸ This means we will adopt a mix of responsive and proactive regulatory activities to:

- incentivise desirable behaviour change in the drinking water sector
- disincentivise behaviours that do not support effective risk management or increase the likelihood of harm to consumers from unsafe drinking water
- disincentivise behaviours that do not provide sufficient drinking water.

Our regulatory interventions will be proportionate and directed to address the risk and nature of the behaviours of regulated parties. Our decision to intervene will be based on the need to:

- protect people and communities from a serious risk to their health due to the quality or quantity of drinking water being supplied
- support the water services sector to improve its performance and environmental outcomes.

Where deemed necessary, however, we will take a strong and clear regulatory response if water suppliers engage in unacceptable conduct or do not take their duties and responsibilities suitably seriously.

Further information about our approach can be found in our Compliance, Monitoring and Enforcement (CME) Strategy appended to the SOI 2022-2026.

New responsibilities for drinking water suppliers

To all drinking water suppliers

- We recognise the important contributions you have made to your communities and we wish to work with you to facilitate a smooth transition to the new legislation, which will be completed in full by 15 November 2028.
- We will hear your concerns and work with you to understand your challenges.
- We will work with iwi/Māori, as kaitiaki, consumers and water suppliers, to understand and respond to their needs and aspirations.

The Water Services Act 2021 brings new responsibilities for all drinking water suppliers through a staged set of changes, starting with currently registered water suppliers. The key change is a culture shift for water services – moving from a compliance model to one that requires suppliers to embrace the six drinking principles of drinking water safety, including owning the safety of the supply. Suppliers must identify, understand and actively plan and manage the risks associated with their water supplies.

Drinking water suppliers and water carriers who were registered immediately before the commencement of the Water Services Act 2021 in November 2021, will be required to meet new Drinking Water Standards, Drinking Water Quality Assurance Rules and Drinking Water Aesthetic

¹⁸ Deloitte (2020). [‘If at first you don't find a balanced regulatory model - try, try, again’](#). Blog by Mike Turley, Vice Chairman and Global Public Sector Leader, 5 February 2020.

Values. These new regulatory instruments will be published in mid-2022 and are expected to come into effect in mid-November 2022.

At the time of writing this SPE, local councils comprise many of the currently registered suppliers and, together with other major water suppliers, provide drinking water to approximately 85% of the population.¹⁹

Taumata Arowai continues to engage directly with all registered suppliers to understand their situation. All registered drinking water suppliers will be contacted by Taumata Arowai to discuss their registration, what they are required to do and the timeframes required.

Taumata Arowai is also engaging with unregistered drinking water suppliers and carriers. The Water Services Act 2021 provides an ample transition period for water suppliers, who are not currently registered and supply drinking water to more than one standalone domestic dwelling, to be registered.

- **Unregistered water carriers** have **until 15 November 2022** to register and to provide a drinking water safety plan that complies with the Water Services Act 2021.
- **Unregistered water suppliers** will have up to **15 November 2025** to register their drinking water supplies with Taumata Arowai and **until 15 November 2028** to provide a Drinking Water Safety Plan or comply with an acceptable solution or verification method.

¹⁹ See section in this document on Who supplies drinking water.

Prospective financial statements

Prospective statement of comprehensive revenue and expense for the year ended 30 June 2023

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Revenue		
Funding from the Crown	18,016	19,290
Interest revenue	19	30
Other revenue	151	80
Total revenue	18,185	19,400
Expenses		
Personnel costs	10,523	10,694
Regulatory functions	1,175	1,573
Depreciation and amortisation expense	513	476
Other expenses	5,193	6,658
Total expenses	17,405	19,400
Total comprehensive revenue and expense for the year	780	-

Prospective statement of financial position as at 30 June 2023

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Assets		
Current assets		
Cash and cash equivalents	4,343	4,917
Debtors and other receivables	-	-
Prepayments	59	75
Total current assets	4,402	4,992
Non-current assets		
Property, plant and equipment	737	577
Intangible assets	2,467	2,375
Total non-current assets	3,204	2,952
Total assets	7,606	7,944

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Liabilities		
Current liabilities		
Creditors and other payables	1,312	1,014
Taxes due and payable	(304)	(240)
Employee entitlements	352	924
Provisions	-	-
Total current liabilities	1,360	1,698
Non-current liabilities	-	-
Total liabilities	1,360	1,698
Net assets	6,246	6,246

Prospective statement of changes in equity for the year ended 30 June 2023

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Balance at 1 July	5,466	6,246
Capital contribution from the Crown	-	-
Total comprehensive revenue and expense for the year	780	-
Balance at 30 June	6,246	6,246

Prospective statement of cash flows for the year ended 30 June 2023

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Cash flows from operating activities		
Receipts from the Crown	18,016	19,290
Receipts from other revenue	151	80
Interest received	19	30
Net Goods and Services Tax	122	64
Payments to suppliers	(10,590)	(8,545)
Payments to employees	(6,422)	(10,122)
Net cash flow from operating activities	1,296	797
Cash flows from investing activities		
Receipts from sale of PPE	-	-
Purchase of PPE	-	-

	Estimated Actuals 2021/22 \$000	Forecast 2022/23 \$000
Purchase of intangible assets	(1,796)	(223)
Net cash flow from investing activities	(1,796)	(223)
Cash flows from financing activities		
Capital contribution	-	-
Net cash flow from financing activities	-	-
Net (decrease)/increase in cash and cash equivalents	(500)	574
Cash and cash equivalents at the beginning of the year	4,843	4,343
Cash and cash equivalents at the end of the year	4,343	4,917

Key assumptions

The following significant assumptions have been used in preparing the forecast information:

- A breakeven position is forecast for 2022/23, on the assumption that there will be no significant emergency events or litigation which would require the use of retained earnings.
- Other revenue from fees and charges may vary. The forecast other revenue for 2022/23 is based on the assumed effort required to respond to applications that are subject to cost-recovery under the Water Services (Fees and Charges) Regulations 2021.
- Personnel costs are based on the organisational structure most recently approved in March 2022.
- Continued increased investment in building regulatory frameworks, building organisational capability and capacity, including to act as a responsible Te Tiriti partner and continued investment in business systems.

Statement of accounting policies

Reporting entity

Taumata Arowai—the Water Services Regulator (Taumata Arowai) is a Crown agent as defined by the Crown Entities Act 2004 and is domiciled and operates in Aotearoa New Zealand. Taumata Arowai was established on 1 March 2021 by the Taumata Arowai—the Water Services Regulator Act 2020. Its main objectives and functions are listed in that Act and complemented by functions, powers and duties in the Water Services Act 2021. The Chief Executive of Taumata Arowai has statutorily independent functions that are also set out in the Taumata Arowai—the Water Services Regulator Act 2020. The ultimate parent of Taumata Arowai is the New Zealand Crown.

The primary objectives of Taumata Arowai 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 Wai, to the extent that Te Mana o te Wai applies to the functions and duties of Taumata Arowai.
- 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.

Taumata Arowai has designated itself as a public benefit entity (PBE) for financial reporting purposes and does not operate to make a financial return.

The reporting period covered by these prospective financial statements is for the years ending 30 June 2022 and 30 June 2023 and were approved by the Board on 27 June 2022.

Basis of preparation

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

Statement of compliance

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

These financial statements have been prepared in accordance with Tier 2 PBE accounting standards. Taumata Arowai is eligible to report in accordance with Tier 2 PBE accounting standards as expenses are less than \$30 million as a PBE.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Critical accounting estimates and assumptions

In preparing these financial statements, we have made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances. There are no critical assumptions to detail specifically.

Significant accounting policies

Revenue

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

Funding from the Crown

Taumata Arowai is primarily funded from the Crown. This funding is restricted in its use for the purpose of Taumata Arowai meeting the objectives specified in its founding legislation and the scope of the relevant appropriation of the funder.

Taumata Arowai considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

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

Provision of fee-based services

Fees and charges for the supply of services to third parties on a cost recovery basis under the Water Services (Fees and Charges) Regulations 2021 are recognised as revenue upon the provision of the services. Revenue received in advance of the provision of services is recognised as unearned revenue to the extent that it relates to future accounting periods. Application fees are recognised as revenue in the period in which an application is made.

Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for any term deposits.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars using the spot exchange rates at the dates of the transactions.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to Taumata Arowai as the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

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.

Debtors and other receivables

Short-term receivables are recorded at the amount due, less an allowance for credit losses. Taumata Arowai applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and shown as receivable.

Property, plant and equipment

The property, plant and equipment classes consist of computer hardware, furniture and fittings, plant and equipment and leasehold improvements.

Property, plant and equipment are recorded at cost less accumulated depreciations and impairment losses.

Additions

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

Work in progress is recognised at cost less impairment and is not depreciated.

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

The costs of day-to-day servicing of property, plant and equipment are expensed 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 included in the Statement of Comprehensive Revenue and Expense.

Depreciation

Depreciation is provided on a straight-line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset class	Depreciation rate
Computer hardware	Three to five years (33%-20%)
Furniture and fittings	Three to ten years (33%-10%)
Plant and equipment	Three to ten years (33%-10%)
Leasehold improvements	Over the useful life of the lease

Fixed assets costing more than \$2,000 are capitalised. All other assets costing less than \$2,000 are to be expensed as minor assets in the year of purchase. The exception is where a number of similar items from the same supplier are purchased at the same time for the same purpose and the total value exceeds \$20,000.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

Intangible assets

Software acquisition and development

Intangible assets consist of acquired and internally generated software.

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

The cost of internally generated software represents expenditure incurred in the development phase of the asset only. The development phase occurs after the following can be demonstrated: technical feasibility; ability to complete the asset; intention and ability to sell or use the asset; and development expenditure can be reliably measured. Expenditure incurred on research of an internally generated intangible asset is expensed when it is incurred. Where the research phase cannot be distinguished from the development phase, the expenditure is expensed when it is incurred.

Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Statement of Comprehensive Revenue and Expense on a straight-line basis over the useful life of the asset.

Costs associated with maintaining software are expensed as they are incurred.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Asset class	Amortisation rate
Software internally generated	Three to eight years (33%-12.5%)
Software purchased	Three to eight years (33%-12.5%)

Impairment of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows, and where Taumata Arowai would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss, or any reversal of an impairment loss, is recognised in the Statement of Comprehensive Revenue and Expense.

Creditors and other payables

Creditors and other payables are non-interest-bearing and are normally settled within 30 days and their carrying value approximates their fair value.

Employee entitlements

Employee benefits that Taumata Arowai expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages and contributions to superannuation schemes accrued up to balance date, annual leave earned but not yet taken at balance date and sick leave.

Taumata Arowai recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date to the extent that Taumata Arowai anticipates it will be used by staff to cover those future absences.

Goods and services tax (GST)

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 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, Inland Revenue is classified as an operating cash flow in the Statement of Cash Flows.

Income Tax

Taumata Arowai is a public authority and consequently exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

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 and total comprehensive revenue and expense for the year.

Changes in accounting policies

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information.

Appendix: Glossary of terms

Te Reo Māori terms

Te Reo Māori term	English meaning	Source
Aotearoa	Used as the Māori name for New Zealand.	Aotearoa - Te Aka Māori Dictionary (maoridictionary.co.nz)
Hinekōrako	The personification of the lunar rainbow.	hinekōrako - Te Aka Māori Dictionary (maoridictionary.co.nz) This name was gifted to Taumata Arowai for our Regulatory and Intelligence system by Te Atiawa
Hangarau	Technology	hangarau - Te Aka Māori Dictionary (maoridictionary.co.nz)
Hapori	Community.	hapori - Te Aka Māori Dictionary (maoridictionary.co.nz)
Hapū	Section of a large kinship group and the primary political unit in traditional Māori society.	hapū - Te Aka Māori Dictionary (maoridictionary.co.nz)
Iwi	Extended kinship group, tribe.	iwi - Te Aka Māori Dictionary (maoridictionary.co.nz)
Kaupapa	Topic, policy, matter for discussion, plan, scheme, proposal, purpose, proposal, subject, programme, theme, issue, initiative.	kaupapa - Te Aka Māori Dictionary (maoridictionary.co.nz)
Kaitiakitanga	Guardianship, stewardship, trusteeship.	kaitiakitanga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Kawa	Protocols.	kawa - Te Aka Māori Dictionary (maoridictionary.co.nz)
Kāwanatanga	Governorship.	kāwanatanga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Kete	Basket.	kete - Te Aka Māori Dictionary (maoridictionary.co.nz)
Mana	Prestige, authority, control, power, influence, status, spiritual power, charisma.	mana - Te Aka Māori Dictionary (maoridictionary.co.nz)
Manaakitanga	Support.	manaakitanga - Te Aka Māori Dictionary (maoridictionary.co.nz)

Te Reo Māori term	English meaning	Source
Mana whenua	Territorial rights, power from the land.	mana whenua - Te Aka Māori Dictionary (maoridictionary.co.nz)
Marae	Community meeting place or surrounds.	marae - Te Aka Māori Dictionary (maoridictionary.co.nz)
Mātauranga	Knowledge, wisdom, understanding.	mātauranga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Mauri	Life principle, life force, vital essence, special nature.	mauri - Te Aka Māori Dictionary (maoridictionary.co.nz)
Motu	Island, country, land, nation.	motu - Te Aka Māori Dictionary (maoridictionary.co.nz)
Ngā Kaihautū o Puni Arowai (KOPA)	Leaders/Leadership of Taumata Arowai. Kaihautū – leader. Puni – company of people.	Our Leadership team Taumata Arowai
Ora	Life, health, vitality.	ora - Te Aka Māori Dictionary (maoridictionary.co.nz)
Papakāinga	Home base, village, communal Māori land.	papakāinga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Rohe	Boundary, district, region, territory, area, border	rohe - Te Aka Māori Dictionary (maoridictionary.co.nz)
Tangata Tāngata	Person, human being. People, human beings.	tangata - Te Aka Māori Dictionary (maoridictionary.co.nz)
Tangata whenua	People of the land	whenua - Te Aka Māori Dictionary (maoridictionary.co.nz)
Taiao	Natural world, environment.	taiao - Te Aka Māori Dictionary (maoridictionary.co.nz)
Taonga	Treasure, anything prized.	taonga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Taumata Arowai	Taumata is a term associated with a summit, symposium or congress. Aro means to give attention to, to focus on, or be in the presence of. Wai is water.	Who we are Taumata Arowai This name was gifted to us by Minister Nanaia Mahuta.
Te Arawhiti	Arawhiti – bridge. The Office for Māori Crown Relations.	Te Arawhiti - Tēnā koutou katoa

Te Reo Māori term	English meaning	Source
Te Mana o te Wai	A concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and well-being of the wider environment.	National Policy Statement for Freshwater Management 2020 (environment.govt.nz)
Te Puni Kōkiri	Ministry of Māori Development.	Role and focus (tpk.govt.nz)
Tikanga	The customary system of values and practices that have developed over time and are deeply embedded in the social context.	tikanga - Te Aka Māori Dictionary (maoridictionary.co.nz)
Te Tiriti o Waitangi	The Te Reo Māori version of The Treaty of Waitangi.	Meaning of the Treaty Waitangi Tribunal
Wai	Water.	wai - Te Aka Māori Dictionary (maoridictionary.co.nz)
Whānau	Extended family, family group, a familiar term of address to a number of people.	whānau - Te Aka Māori Dictionary (maoridictionary.co.nz)

Technical terms

Note: where the technical terms arise from the Drinking-water Standards for New Zealand 2005 (revised 2018), these will be replaced by new standards, rules, acceptable solutions and aesthetic values late in 2022.

Technical terms	Meaning	Source
Acceptable Solution	Prescribed requirements which a water supplier can adopt to meet some of the legislative requirements set out in the Water Services Act 2021.	Water Services Act 2021
Aesthetic Values	Aesthetic values may, without limitation, specify or provide for minimum or maximum values for substances and other characteristics that relate to the acceptability of drinking water to consumers (such as appearance, taste, or odour).	Water Services Act 2021
Compliance	A drinking water supply is in compliance when it has met all the compliance criteria requirements.	Drinking-water Standards for New Zealand 2005 (revised 2018)

Technical terms	Meaning	Source
Cyanotoxin determinands	A toxin secreted by certain cyanobacteria.	Drinking-water Standards for New Zealand 2005 (revised 2018)
Determinands	A constituent or property of a sample of water that is determined or estimated.	Drinking-water Standards for New Zealand 2005 (revised 2018)
Drinking water suppliers	A person who supplies drinking water through a drinking water supply to more than one standalone domestic dwelling (Refer to the Water Services Act 2021, s8 for a full definition).	Water Services Act 2021
Incident	An incident is a response to information contained in, or relevant to, a notification. An incident may be raised, for example, when a notification is given a high level of priority.	Taumata Arowai glossary
Inorganic determinands	A chemical consisting of elements other than carbon.	Drinking-water Standards for New Zealand 2005 (revised 2018)
Laboratories	A scientific facility equipped to provided water quality tests	Dictionary derived
Microbiological determinands	Studies or tests relating to living organisms that are too small to be visible with the naked eye, includes bacteria, viruses, protozoa and algae, collectively known as microbes.	Drinking-water Standards for New Zealand 2005 (revised 2018)
Monitoring	Sampling and analysis of a drinking-water supply to test for compliance with the Drinking-water Standards for New Zealand 2005 (revised 2018), or for process control, by detecting changes in the concentrations of its constituent determinands or deviations of these from target values.	Water Services Act 2021
Non-compliant	When a drinking water supply has not met all the compliance rules.	Dictionary derived
Organic determinands	Substances containing carbon that are covalently bonded to other elements, which are commonly from living plants and animals.	Drinking-water Standards for New Zealand 2005 (revised 2018)
Radiological determinands	In water quality analysis, radioactive substances, factors, or elements in the drinking-water that are determinable.	Drinking-water Standards for New Zealand 2005 (revised 2018)

Technical terms	Meaning	Source
Registered water supplies	A drinking water supply registered in accordance with the requirements of subpart 7 of Part 2.	Water Services Act 2021, Subpart 2 - Interpretation
Rules	Requirements that drinking water suppliers must meet to demonstrate that they are not exceeding the maximum acceptable values (MAVs) for microbiological determinands, organic determinands, inorganic determinands, cyanotoxin determinands and radiological determinands that are set out in the New Zealand Drinking-water Standards 2005 (revised 2018).	Drinking-water Standards for New Zealand 2005 (revised 2018)
Temporary drinking water supply (planned event)	Short term events where people gather and where a water supply is required for the duration of an event which continues for less than 30 days.	Water Services Act 2021, section 33
Unsafe drinking water	<p>Drinking water that is likely to cause a serious risk of death, injury, or illness, whether immediately or over time and whether or not the serious risk is caused by the</p> <ul style="list-style-type: none"> i. consumption or use of drinking water, or ii. other causes together with the consumption or use of drinking water. <p>The assessment of serious risk must take into account, among other factors, compliance with drinking water standards.</p>	Water Services Act 2021, section 7(ii)
Unregistered water supplies	A drinking water supply not registered in accordance with the requirements of subpart 7 of Part 2 of the Water Services Act 2021. Supplies that were not required to be registered under the Health Act 1956, or any other legislation.	Health Act 1956 Water Services Act 2021
Verification method	Prescribed requirements which a water supplier can adopt to meet some of the legislative requirements set out in the Water Services Act 2021.	Water Services Act 2021
Water carriers	A drinking water supplier that transports drinking water (other than by reticulation) for the purpose of supplying it to consumers or another drinking water supplier.	Water Services Act 2021
Water services sector	The water services sector refers to any organisation or agents involved with the regulation, provision or management of water supply, trunk sewers, local reticulation, sewage treatment and stormwater assets.	Definition taken from various sources, including Water New Zealand and DIA.

Technical terms	Meaning	Source
Water supplier/s	(a) A person who supplies drinking water through a drinking water supply; and (b) includes a person who ought reasonably to know that the water they are supplying is or will be used as drinking water; and (c) includes the owner and the operator of a drinking water supply; and (d) includes a person described in paragraph (a), (b), or (c) who supplies drinking water to another drinking water supplier; but (e) does not include a domestic self-supplier.	Water Services Act 2021, section 8
Water supply/supplies	The infrastructure and processes used to abstract, store, treat, transmit, or transport drinking water for supply to consumers or another drinking water supplier.	Water Services Act 2021, section 9