# Policy statement

## Clarifying when a 'downstream supply' exists and the roles and responsibilities of downstream and upstream suppliers

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### Introduction

Drinking water supplies can be connected to each other when one supplier (the 'upstream' supplier) provides drinking water to another supplier (the 'downstream' supplier).

This policy statement clarifies the views of the Water Services Authority – Taumata Arowai on when a downstream supply exists and the roles and responsibilities of downstream and upstream suppliers.

### What is an upstream supplier?

An upstream supplier is a drinking water supplier that provides drinking water to a downstream supply.

Drinking water is defined by the Water Services Act 2021 (the Act) to mean water used for human consumption, oral hygiene, food or drinking preparation or washing utensils used for these purposes. Drinking water does not include water intended *only* for irrigation, stock water or other non-human use.

An upstream supplier is responsible for supplying safe drinking water to the point of connection with the downstream supply.

### What is a downstream supplier?

A downstream supplier is a drinking water supplier that receives drinking water from an upstream supply and then supplies that water to others. To be a downstream supply, the person who owns the downstream drinking water infrastructure must be different from the person who owns the upstream supply.

Downstream supplies have been added to section 6 of the updated Drinking Water Quality Assurance Rules 2026 as a standalone category of supply. The new Rules will come into effect on 1 July 2027.

### Additional treatment

A downstream supply exists where risks in the supply mean additional treatment is either needed or already installed to ensure drinking water supplied to consumers is safe. Additional treatment may include:

- primary disinfection (such as UV treatment, chlorination)
- residual disinfection
- coagulation

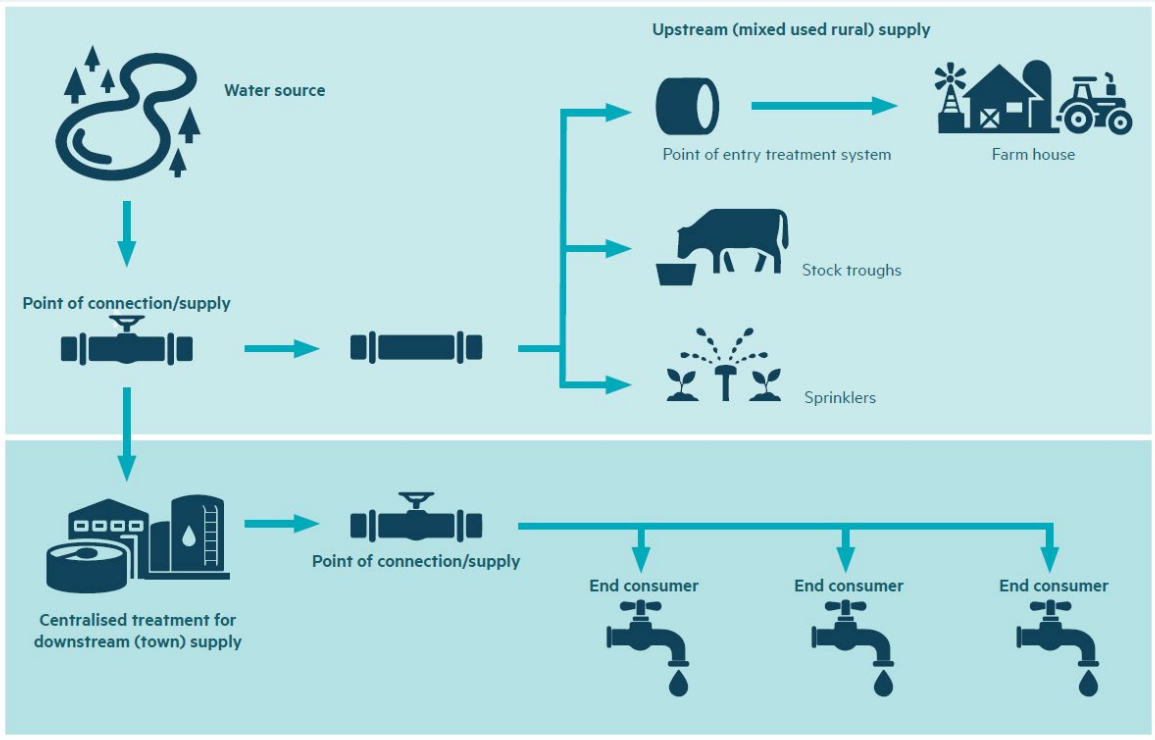
- sedimentation
- filtration
- end-point treatment at consumers' properties through an Acceptable Solution.

A downstream supply also exists where additional treatment is provided that is not needed to make the drinking water safe for consumption, and there is a risk that drinking water could become unsafe if the treatment is not applied appropriately. For example, the use of potassium permanganate as an oxidant to remove iron and manganese for aesthetic reasons can make the water unsafe if not done correctly. In this situation, a downstream supply exists to ensure the treatment is done safely.

The diagrams below show two illustrative examples of when a downstream supply exists.

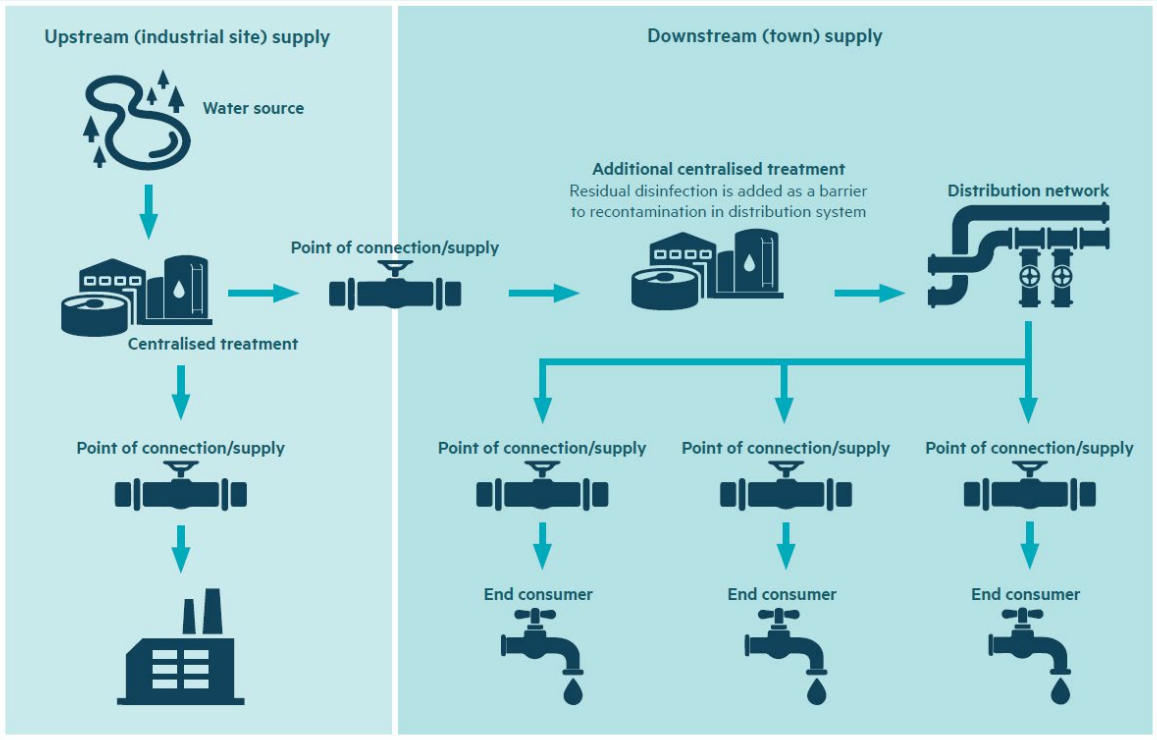
The first example in Figure 1 shows a mixed-used rural supply that provides water for farm use as well as for people to drink. The farmhouses are following an Acceptable Solution and have installed end-point treatment. The mixed-use rural supply also provides raw (untreated) water to a town, which has centralised treatment in place. In this example, the mixed-used rural supply is an upstream supply, and the town is a downstream supply.

**Figure 1: Downstream supply receiving untreated or partially treated water**




The second example in Figure 2 shows an industrial site that is connected to a town, where additional treatment is needed to keep drinking water safe. The town supply adds residual disinfection as a barrier to recontamination in the distribution system. In this example, the industrial site is an upstream supply, and the town is a downstream supply.

**Figure 2: Downstream supply receiving treated water, additional treatment required**




## Additional risk factors

A downstream supply exists if the person who owns the downstream drinking water infrastructure is different from the person who owns the upstream supply and the site has one, or all, of these specific significant additional risk factors.

- Water is provided to consumers who are on separate properties, and the network has one or more of these features: fire hydrants, scour valves, network pumps or pump stations, or pressure-reducing valves.
- Extensive storage for drinking water, especially if it is longer-term (i.e. a volume equivalent to 24 hours or more of drinking water storage at times of low demand).
- A consumer or consumers connected to the downstream network has a medium or high risk of backflow. For example, a downstream network (e.g. a subdivision) on-supplies drinking water to an industrial site (the consumer) which uses chemicals that could contaminate the supply if backflow protection was not in place.

If there is an agreement or understanding between the parties that the site is a separate supply, this may indicate that a downstream exists but does not determine the issue.

For example, a retirement village connects to a council supply and provides drinking water to its residents. The retirement village is located on one property. The retirement village operator owns and operates its drinking water infrastructure and only has a small amount of emergency storage on site. Additional treatment is not needed or installed. In this situation, the retirement village is **not** a downstream supply.

For example, a private subdivision which serves a population of 500 people at 180 separate properties and connects to a council network. A separate body corporate owns the subdivision's drinking water infrastructure. The subdivision has fire hydrants and long-term storage. In this situation, the subdivision **is** a downstream supply.

Our expectation is that organisations will apply the criteria to determine if they are a downstream supply, based on an assessment of how the above risk factors apply to their situation.

We are developing additional guidance and information. This will be available ahead of enactment on 1 July 2027 to help you carry out this assessment.

## Other large sites

Large sites which receive drinking water from another drinking water supplier (such as ports, airports, retirement homes, hospitals, prisons, military bases or university campuses) are not a downstream supply unless additional treatment is needed or installed, or specific significant additional risk factors are present.

We will provide guidance to help large sites with storage to manage storage risks.

## What are an upstream supplier's responsibilities?

An upstream supplier is responsible for providing safe drinking water to the point of connection with a downstream supply.

An upstream supplier has two options for complying with the Water Services Act 2021 and ensuring safe drinking water is provided.

You can **either** prepare a drinking water safety plan (DWSP) and follow the Drinking Water Quality Assurance Rules (the Rules) **or** use a readymade option called an Acceptable Solution. If you choose the Acceptable Solution, you will not need to prepare a DWSP or follow the Rules.

Information about the Rules and Acceptable Solutions is available at Rules, Standards and Aesthetic Values.

Alternatively, you may seek a general exemption under the Act where compliance is impracticable, inefficient, unduly costly or unduly burdensome. If you are using an Acceptable Solution, you will need an exemption to supply the downstream supply.

Any general exemption must align with the primary purpose of the Act and may include conditions.

For more information on the choice between following the Rules, using an Acceptable Solution, or obtaining an exemption, please go to: Ways to comply | The Water Services Authority - Taumata Arowai.

An upstream supplier must notify the downstream supply if there is a reasonable likelihood that your drinking water is, or may be unsafe, or if your drinking water does not comply with the Drinking Water Standards.

### What are a downstream supplier's responsibilities?

A downstream supplier is responsible for providing safe drinking water to their consumers, or any further downstream supply.

A downstream supplier can either prepare a DWSP and follow the Rules or follow an Acceptable Solution (Ways to comply | The Water Services Authority - Taumata Arowai).

A downstream supplier only needs to follow Rules that are applicable to their supply. If a downstream supply is carrying out additional treatment, you will need to follow any treatment Rules that are relevant to that treatment process and the population the supply serves. All downstream supplies with a distribution network must also meet the Rules for distribution zones relevant to the population provided with drinking water. A downstream supply will not need to follow source water Rules, unless they have sources in addition to the water provided by the upstream supplier.

If a downstream supplier undertakes testing and has results that might be of concern to the upstream supplier (if, for example, there is a contaminant where the source is uncertain), you will need to inform the upstream supplier as part of your investigation into the source or cause of the problem.

The Rules that are applicable, depending on supply type and size, are identified separately in the Rules.

See Rules, Standards and Aesthetic Values

THE END