

[DRAFT] Water Services Information Disclosure Determination 2026 NZCC [XX]

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[Signature]

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COMMERCE COMMISSION

Wellington, New Zealand

Determination history		
Determination date	Decision number	Determination name
[Day] [Month] 2026	2026 NZCC [XX]	Water Services Information Disclosure Determination 2026 NZCC [XX]

Guidance note

We have grouped our proposed ID requirements into two categories in the Draft Determination to make feedback easier:

- **Basic disclosures:** information that we think is essential to support a basic understanding of our initial focus areas (asset management, financial sustainability and ring-fencing), and to identify issues that may need further scrutiny.
- **Additional disclosures** (shaded grey): information that would provide deeper insight. We will consider not including these in our first set of ID requirements (and potentially introducing them later as sector capability improves), only applying them to certain regulated suppliers where needed, or giving all or some regulated suppliers more time to comply (eg, a delayed start). We are interested in your views on these options.

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Under section 52P of the Commerce Act 1986, the Commerce Commission makes the following determination:

Part 1 – General provisions

1.1 Title

This determination is the Water Services Information Disclosure Determination 2026.

1.2 Commencement

This determination comes into force on [date].

1.3 Application

- (1) This determination applies to regulated suppliers as suppliers of regulated services (being water supply services and wastewater services).
- (2) In some cases, this determination also requires other persons to disclose information.

1.4 Overview

- (1) This determination provides that regulated suppliers must disclose information in relation to the regulated services.
- (2) In some cases, this determination also requires—
 - (a) regulated suppliers to disclose information in relation to other matters; and
 - (b) other persons to disclose information.
- (3) Part 1 relates to preliminary matters, including the interpretation of terms used in this determination.
- (4) Part 2 provides that regulated suppliers must disclose information in accordance with this determination.
- (5) Part 3 requires that certain information be disclosed periodically as follows (with some exceptions and variations around timing):
 - (a) forecast information relating to the period of the next 10 financial years must be disclosed annually;
 - (b) information relating to the most recently ended financial year must be disclosed annually;
 - (c) forecast information relating to the period of the next 30 financial years must be disclosed when a water services strategy is adopted (generally, once every 3 years);
 - (d) a strategic asset management plan must be disclosed,—
 - (i) for the first 2 occasions that a water services strategy is adopted, each time a strategy is adopted (generally, once every 3 years); and
 - (ii) then, every second time a strategy is adopted (generally, once every 6 years);

- (e) an asset management plan relating to the period of the next 30 financial years must be disclosed when a water services strategy is adopted (generally, once every 3 years):
 - (f) an investment and delivery plan, relating to the period of the next 30 financial years for capital expenditure and the period of the next 10 financial years for operating expenditure, must be disclosed when a water services strategy is adopted (generally, once every 3 years):
 - (g) an annual delivery report relating to the most recently ended financial year must be disclosed annually.
- (6) Part 4 requires that certain information be disclosed (including, in some cases, by persons who are not regulated suppliers)—
 - (a) shortly after certain events; or
 - (b) initially and then on an ongoing basis.
- (7) Part 5 requires regulated suppliers to disclose certain information in water services annual reports prepared under the LGWS Act.
- (8) Part 6 sets out in more detail the required content of some of the financial information that must be disclosed under Part 3.
- (9) Part 7 sets out the way in which certain information must be audited or otherwise subjected to an assurance process.
- (10) Schedule A sets out transitional, savings, and related provisions.
- (11) Schedule B sets out, in more detail, categories and components of expenditure for the purpose of disclosure under Part 3.
- (12) Schedule C sets out, in more detail, the required content of the asset management information that must be disclosed under Part 3.
- (13) Schedules D and E provide templates for directors' certification for disclosures.
- (14) This clause is intended only as a guide to the general scheme and effect of this determination.

1.5 Interpretation

- (1) Unless the context otherwise requires,—
 - (a) terms used in this determination that are defined in the Commerce Act, but not in this determination, have the meaning given in the Commerce Act; and
 - (b) terms used in this determination that are defined in the LGWS Act, but not in this determination or the Commerce Act, have the meaning given in the LGWS Act; and
 - (c) terms used in this determination that relate to financial information and that are not defined in this determination, the Commerce Act, or the LGWS Act, have the meaning that they have under GAAP; and
 - (d) financial items must be measured and disclosed in accordance with GAAP, unless otherwise required by this determination; and

- (e) non-financial items must be measured and disclosed in accordance with standard industry practice unless otherwise required in this determination; and
 - (f) materials incorporated by reference into this determination, including standards promulgated by other bodies, are incorporated in accordance with Schedule 5 of the Commerce Act.
- (2) If a schedule of this determination is inconsistent with Parts 1 to 7, Parts 1 to 7 prevail to the extent of the inconsistency.

1.6 Definitions

In this determination, unless the context otherwise requires,—

adopted, in relation to a water services strategy, means adopted in accordance with section 230(2) of the LGWS Act

allocated to the regulated service, in relation to an amount, means,—

- (a) for the purposes of disclosure at the single services level, the amount is allocated to the provision of a regulated service in accordance with clause 1.7; and
- (b) for the purposes of disclosure at the combined services level, the amount is allocated to the provision of either or both of the regulated services in accordance with clause 1.7

annual delivery report means a report required under clause 3.7

arm's-length terms, in relation to a transaction, means a transaction that is on terms that would be reasonable in the circumstances if the parties were connected or related only by the transaction in question, each acting independently, and each acting in its own best interests

asset management plan means a plan required under clause 3.5

auditor means the Auditor-General

capital expenditure means costs incurred or forecast to be incurred in the acquisition or development of an asset (including a vested asset or an asset acquired under a lease) that is commissioned or that is intended to be commissioned

charge, in relation to a regulated service,—

- (a) includes a fee or any other amount however described that is payable for the provision of the regulated service; and
- (b) includes a serviceability charge; but
- (c) excludes—
 - (i) any amount of IFF levy; or
 - (ii) a development contribution

combined services level, in relation to disclosure, means disclosure in accordance with clause 2.2(1)(b)

Commerce Act means the Commerce Act 1986

Commission means the Commerce Commission

connection charge means a charge for which the primary reason is—

- (a) the connection of a new consumer to the network or the alteration of an existing connection; or
- (b) a change in demand on the network or a part of the network that contributes to the potential requirement for—
 - (i) additional capacity to meet the demand; or
 - (ii) additional investment to maintain standards of service

consumer has the same meaning as in clause 2(1) of Schedule 7 of the Commerce Act

contaminant charge means any non-residential charge payable by a class of consumers in respect of contaminants (for example, for suspended solids, biological oxygen demand, or metals) in wastewater

development contribution has the same meaning as in section 109 of the LGWS Act

directly attributable, in relation to the provision of a service, means—

- (a) an amount of expenditure that is—
 - (i) wholly incurred in the provision of the service; and
 - (ii) not incurred for any other purpose; or
- (b) an amount of revenue or other income that is—
 - (i) wholly received for the provision of the service; and
 - (ii) not received for any other purpose

director means,—

- (a) for a company, a director of the company; and
- (b) for a local authority, a member of the governing body of the local authority; and
- (c) for any other body, any person occupying a position in the body that is comparable with that of a director of a company

dividend, in relation to a regulated supplier, means a distribution by the regulated supplier to a person that has an equitable interest in the regulated supplier whether the distribution is paid in cash, in shares, in kind, or in any other form

dividend policy, in relation to a regulated supplier, means any policy relating to the payment of dividends by the regulated supplier, whether or not—

- (a) the policy also relates to activities other than the provision of regulated services; or
- (b) the regulated supplier carries out any activities other than the provision of regulated services

entity level, in relation to disclosure, means disclosure in accordance with clause 2.2(1)(c)

expenditure category means a category of operating expenditure or of capital expenditure that is described in Schedule B

expenditure component means a component of operating expenditure or of capital expenditure that is described in Schedule B

financial year means a period of 12 months commencing on 1 July and ending with 30 June

fixed charge means a fixed charge payable for the provision of a regulated service

GAAP means generally accepted accounting practice, within the meaning of section 8 of the Financial Reporting Act 2013

IFF levy means a levy, within the meaning of section 7(1) of the Infrastructure Funding and Financing Act 2020

impairment means a loss in the future economic benefits or service potential of an asset (other than depreciation)

innovation practice means an activity or practice, in respect of the supply of a regulated service, that is focussed on the creation, development, or application of a new or improved technology, process, or approach

investment and delivery plan means a plan required under clause 3.6

ISAE (NZ) 3000 (Revised) means the International Standard on Assurance Engagements (New Zealand) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information

LGWS Act means the Local Government (Water Services) Act 2025

Local Government Funding Agency means the Funding Agency, within the meaning of section 4(1) of the Local Government Borrowing Act 2011

network means a water supply network or a wastewater network

network asset means an asset that is part of a network

network operating expenditure means operating expenditure related to a network

non-network asset means an asset that is associated with, or necessary for, the provision of a regulated service but is not a network asset (for example, resource consents, information and technology systems, asset management systems, office buildings, vehicles, tools, and machinery)

non-network operating expenditure means operating expenditure that is not network operating expenditure

non-residential, in relation to a charge, means a charge payable for a service other than a charge payable for a service supplied in respect of residential property

NZ IAS 16 means the New Zealand Equivalent to International Accounting Standard 16 Property, Plant and Equipment (NZ IAS 16)

operating expenditure means a cost incurred by a regulated supplier in the provision of a regulated service, but excludes any of the following:

- (a) a cost that is treated as a cost of an asset by GAAP:
- (b) an amount that, in accordance with GAAP, is depreciation, tax, a subvention payment, a revaluation, or an interest expense:
- (c) an amount that is an impairment loss on a network asset or a non-network asset:

(d) a cost associated with the issuance of debt by a regulated supplier

other charge means a charge that is not a fixed charge, volumetric charge, contaminants charge, connection charge, or serviceability charge

PBE IPSAS 17 means the Public Benefit Entity International Public Sector Accounting Standard 17 Property, Plant and Equipment (PBE IPSAS 17)

programme means a group of related projects with a common purpose

project means a temporary endeavour requiring concerted effort, undertaken to create a defined outcome

regulated service means one of the following services provided by a regulated supplier:

(a) water supply service:

(b) wastewater service

regulated supplier has the same meaning as in clause 2(1) of Schedule 7 of the Commerce Act

related party, in relation to a regulated supplier, means—

(a) a person that is related to the regulated supplier where the regulated supplier would be considered as the reporting entity as defined under GAAP; or

(b) any part of the regulated supplier that does not supply regulated services

related party transaction means a transfer of any resources or obligations between related parties (whether or not anything is provided in exchange)

residential, in relation to a charge, means a charge payable for a service supplied in respect of residential property

responsible SPV has the same meaning as in section 7(1) of the Infrastructure Funding and Financing Act 2020

SAE 3100 (Revised) means the Standard on Assurance Engagements 3100 (Revised) – Assurance Engagements on Compliance

serviceability charge means a charge under section 88 of the LGWS Act

single service level, in relation to disclosure, means disclosure in accordance with clause 2.2(1)(a)

strategic asset management plan means a plan required under clause 3.4

usage charge means a charge that is not a connection charge or serviceability charge

vested asset means an asset received in exchange for nominal or no consideration

volumetric, in relation to a charge, means that the charge varies according to volume (for example, the volume of water supplied or wastewater collected)

wastewater network means the infrastructure and processes that are—

(a) used to provide a wastewater service; and

(b) owned by, or operated by, for, or on behalf of, a regulated supplier

wastewater service has the same meaning as in section 57A(1) of the Commerce Act

water organisation has the same meaning as in section 4 of the LGWS Act

water service assets, in relation to a regulated service, means the network assets and non-network assets associated with, or necessary for, the provision of the service

water services strategy has the same meaning as in section 220 of the LGWS Act

water supply network means the infrastructure and processes that are—

- (a) used to provide a water supply service; and
- (b) owned by, or operated by, for, or on behalf of, a regulated supplier

water supply service has the same meaning as in section 57A(1) of the Commerce Act

work in progress, in relation to an asset, means—

- (a) construction of the asset has commenced and has not concluded; and
- (b) the asset is not ready for its intended use.

1.7 Allocation to regulated service

- (1) An amount of expenditure disclosed under clause 3.2 must be allocated to the regulated service in accordance with the cost allocator that is disclosed—
 - (a) under clause 6.23(3);
 - (b) at the same time that the amount of expenditure is disclosed.
- (2) An amount of revenue or other funding disclosed under clause 3.2 must be allocated to the regulated service in accordance with the approach and methodology to revenue and funding allocation that is disclosed—
 - (a) under clause 6.24;
 - (b) at the same time that the amount of revenue or other funding is disclosed.
- (3) An amount of expenditure disclosed under clause 3.1 or 3.3,—
 - (a) must be allocated to the regulated service in accordance with the cost allocator most recently disclosed under clause 6.23(3) in accordance with clause 3.2; or
 - (b) if that cost allocator is no longer appropriate or available, must be accompanied by—
 - (i) a description of the cost allocator that has been used; and
 - (ii) an explanation for the change in cost allocator; and
 - (iii) a list of the expenditure categories and expenditure components listed in Schedule B that are affected by the change in cost allocator.
- (4) An amount of revenue or other funding disclosed under clause 3.1 or 3.3,—
 - (a) must be allocated to the regulated service in accordance with the approach and methodology to revenue and funding allocation most recently disclosed under clause 6.24 in accordance with clause 3.2; or
 - (b) if that approach and methodology is no longer appropriate or available, must be accompanied by—
 - (i) a description of the approach and methodology that has been used; and

- (ii) an explanation for the change in approach and methodology.
- (5) For the purposes of disclosure at the combined services level, a reference to the regulated service in this clause must be read as a reference to one or both of the regulated services.
- (6) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under subclause (3)(b) or (4)(b).

1.8 Forecast amounts must be nominal amounts

Any amount of money included in, or used to calculate, forecast information to be disclosed under this determination must be in nominal New Zealand dollars (that is, the actual amount of New Zealand dollars in the year to which the forecast relates) unless otherwise specified in this determination.

1.9 Amounts must be exclusive of GST

Any amount of money included in, or used to calculate, information to be disclosed under this determination must be included or used exclusive of GST unless otherwise specified in this determination.

1.10 Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule A have effect according to their terms.

Part 2 – Information disclosure requirements

2.1 Information disclosure

- (1) A regulated supplier must disclose information in accordance with this determination.
- (2) A regulated supplier must disclose the information in respect of—
 - (a) a water supply service if the regulated supplier makes decisions of a type described in section 57D(2)(a) or (b) of the Commerce Act in respect of the water supply service:
 - (b) a wastewater service if the regulated supplier makes decisions of a type described in section 57D(2)(a) or (b) of the Commerce Act in respect of the wastewater service.
- (3) In accordance with clause 7 of Schedule 7 of the Commerce Act, a regulated supplier must also, in relation to any other activities that it undertakes, disclose the information that this determination requires to be disclosed about those other activities.

2.2 Information that must be disclosed at specified level

- (1) If a provision in this determination requires a regulated supplier to disclose information at—
 - (a) the **single service level**—
 - (i) and the regulated supplier supplies a water supply service, the regulated supplier must disclose the information in respect of the water supply service; and
 - (ii) and the regulated supplier supplies a wastewater service, the regulated supplier must disclose the information in respect of the wastewater service:
 - (b) the **combined services level** and the regulated supplier supplies a water supply service and a wastewater service, the regulated supplier must disclose aggregated information in respect of both regulated services:
 - (c) the **entity level**, the regulated supplier must disclose aggregated information in respect of the regulated supplier (including any unregulated activities of the regulated supplier).
- (2) For disclosure at the single service level or combined services level, the information must be disclosed as consolidated information as if it were the information of a single economic entity.

Example

Council A and Council B establish a water organisation to provide a water supply service and a wastewater service to consumers in the districts of the 2 councils. Because the councils have transferred all responsibility for providing the regulated services in their districts to the water organisation, and do not make any decisions of a type described in section 57D(2)(a)

and (b) of the Commerce Act, the water organisation is the only regulated supplier in respect of each of the regulated services.

Single service level

A provision that requires a regulated supplier to disclose information at the single service level requires the water organisation to disclose the information in respect of the water supply service as consolidated information as if the information were the information of a single economic entity.

The water organisation must also disclose the information in respect of the wastewater service as consolidated information as if the information were the information of a single economic entity.

Combined services level

A provision that requires a regulated supplier to disclose information at the combined services level requires the water organisation to disclose the information in respect of the water supply service and wastewater service (as one whole) as consolidated information as if the information were the information of a single economic entity.

Entity level

A provision that requires a regulated supplier to disclose information at the entity level requires the water organisation to disclose the information in respect of the water organisation (as a whole) including any unregulated activities of the water organisation.

2.3 Each regulated supplier required to disclose information

- (1) If there is more than 1 regulated supplier for a regulated service, each regulated supplier must disclose information in respect of the regulated service.
- (2) However, to the extent that 1 or more regulated suppliers has disclosed information that is required under this determination in respect of the regulated service,—
 - (a) the other regulated suppliers are not required to disclose that information; and
 - (b) each of the other regulated suppliers must instead disclose in accordance with clause 2.5(1)(a) a link to where the information can be found (for example, a link to the website of the regulated supplier that disclosed the information).
- (3) Subclause (2) does not apply to—
 - (a) information that must be disclosed at the entity level; or
 - (b) information that must be disclosed under clause 2.4.

Example

Council A and 2 other councils establish a water organisation to provide a water supply service to consumers in the districts of the 3 councils. Because the councils make some decisions of a type described in section 57D(2)(a) and (b) of the Commerce Act in respect of the regulated service, the councils (and the water organisation) are all regulated suppliers in respect of the regulated service.

A provision that requires a regulated supplier to disclose information at the single service level requires council A to disclose the information in respect of the water supply service (as

a whole) as consolidated information as if the information were the information of a single economic entity.

However, if one of the other councils or the water organisation discloses that information, council A does not have to disclose it and must instead disclose a link to where the information can be found.

2.4 Regulated supplier involved in part only of supplied area required to disclose information

(1) Subclause (2)—

(a) applies if a regulated supplier—

- (i)** makes decisions about the level of charges or revenue recovery for a regulated service in a part of the area to which the regulated service is provided (but does not make those decisions for the rest of that area); and
- (ii)** expects that subclause (a)(i) will continue to apply for at least 2 financial years following the current financial year; and
- (iii)** is required to disclose information about the regulated service at the single service level or the combined services level; but

(b) does not apply in relation to information disclosed under any of the following clauses:

- (i)** clauses 3.4 to 3.7;
- (ii)** clauses 4.1, 4.3 to 4.6, and 4.8 to 4.10;
- (iii)** clause 6.27.

(2) The regulated supplier must also disclose, in addition to the disclosure referred to in subclause (1)(a)(iii), the information in respect of the part area as if the regulated service or services were supplied to the part area only.

Example

Council A and 2 other councils establish a water organisation to provide a water supply service to consumers in the districts of the 3 councils. Each council makes some decisions about the level of charges or revenue recovery for the regulated service that applies in their own district.

A provision that requires a regulated supplier to disclose information at the single service level requires council A to disclose the information in respect of council A's district as if the regulated service were supplied to that district only.

2.5 How information must be disclosed

(1) A regulated supplier that is required to disclose information under this determination must disclose the information by—

- (a)** publicly disclosing the information by making the information available, free of charge, to the public on a prominent part of a website maintained by or on behalf of the regulated supplier; and

- (b) providing the information to the Commission.
- (2) Information disclosed under subclause (1),—
 - (a) must be disclosed in a text-searchable format that can be viewed inside most web browsers (for example, a PDF file); and
 - (b) if the information is quantitative data, must also be disclosed in an easily accessible tabular form in a commonly used electronic file type (for example, a CSV or XLSX file).
- (3) A regulated supplier must also, if required to make information available under subclause (1)(a),—
 - (a) make copies of the information available for inspection by any person during ordinary office hours at the principal office of the regulated supplier; and
 - (b) if a person requests the information, within 10 working days of the request, send a copy of the information to the person by post or (if the person prefers) make the information available for collection during ordinary office hours at the principal office of the regulated supplier.
- (4) A regulated supplier must keep available, in accordance with subclauses (1)(a) and (3), any information that it is required to disclose under this determination for at least 7 years from the date that the information is first required to be disclosed.

2.6 Information may be combined

- (1) Information that a regulated supplier is required to disclose under this determination may be combined with and disclosed with any other information (including any other information that the regulated supplier is required to disclose under this determination).
- (2) If combined, the information must clearly identify—
 - (a) the part or parts that is information that the regulated supplier is required to disclose under this determination; and
 - (b) for each part, the specific requirement or requirements of this determination to which the part relates.

2.7 Retention of information

- (1) This clause applies to—
 - (a) any information that a regulated supplier is required to disclose or provide to the Commission under this determination; and
 - (b) any information from which a regulated supplier derives information referred to in paragraph (a).
- (2) The regulated supplier must retain the information for at least 15 years from the date on which the information referred to in subclause (1)(a) is first required to be disclosed.
- (3) The information may be kept in any form so long as it is readily retrievable.

- (4) The requirement to retain the information described in subclause (1) applies only to the extent that another regulated supplier to which subclause (1) applies does not retain that information.
- (5) The requirement to retain the information described in subclause (1)(b) applies only to the extent that it is reasonably practicable to retain that information.
- (6) If a regulated supplier that is required to retain the information described in subclause (1)(b) disposes of or otherwise ceases to retain the information before the end of the period described in subclause (2), the regulated supplier must promptly notify the Commission of the following matters:
 - (a) the information that the regulated supplier has ceased to retain:
 - (b) the date on which the regulated supplier ceased to retain the information:
 - (c) the circumstances that led to it no longer being reasonably practicable to retain the information.
- (7) Subclause (8) applies to information that a regulated supplier is required to retain under this clause if the regulated supplier intends to cease being a regulated supplier in respect of the regulated service to which the information relates.
- (8) The regulated supplier must, before ceasing to be a regulated supplier, ensure that the information is transferred to the regulated supplier that, under the transfer agreement, will have responsibility for providing the regulated services.

2.8 Exemptions

- (1) The Commission may, by written notice to a regulated supplier,—
 - (a) exempt the regulated supplier from any requirement of this determination for the period and on the terms and conditions that the Commission specifies in the notice; and
 - (b) amend or revoke an exemption given under paragraph (a).
- (2) A notice under subclause (1) is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only to 1 or more named persons.

2.9 Disclosing errors in previously disclosed information

- (1) This clause applies to an error that—
 - (a) a regulated supplier identifies in any information that it has disclosed under this determination (the **original disclosure**); and
 - (b) has 1 or more of the following effects:
 - (i) any data in the original disclosure is incorrect:
 - (ii) a statement in the original disclosure is incorrect:
 - (iii) the compilation of disclosed information in the original disclosure was not consistent with the requirements of this determination (as it applied at the time of disclosure); and

- (c) does not have an effect or effects described in paragraph (b) merely because new information has become available since the original disclosure was made.
- (2) If the error is a material error, the regulated supplier must disclose the matters described in subclause (4) within 7 months of identifying the error.
- (3) If the error is not a material error, the regulated supplier may disclose the matters described in subclause (4) within 7 months of identifying the error.
- (4) The regulated supplier, when disclosing an error under this clause, must disclose the following information:
 - (a) a description of the error including the quantum of the error and a summary of the disclosures, data, and statements affected by the error:
 - (b) the reason the error occurred:
 - (c) which of the data and statements from the original disclosure were affected by the error:
 - (d) materially correct versions of the data or statements that were affected by the error (prepared in accordance with this determination as it applied at the time of the original disclosure):
 - (e) if (in respect of the information affected by the error) it was required under this determination as this determination applied at the time of the original disclosure,—
 - (i) an assurance report under Part 7; and
 - (ii) a certificate under Part 7.
- (5) The regulated supplier that has disclosed an error must ensure that the original disclosure kept available to the public under clause 2.5 includes the information specified in subclause (4).
- (6) Information disclosed in accordance with this determination that refers to or relies on information contained in a previous disclosure must be consistent with the previous disclosure, except to the extent that an error disclosure related to that information has been made in accordance with this clause.

Part 3 – Periodic disclosure requirements

3.1 Annual disclosure of forecast information

- (1) A regulated supplier must disclose the information specified in subclause (2) on or before 30 June in each year.
- (2) The information is the forecast information, for each of the 10 consecutive financial years beginning with the upcoming financial year, that is specified in the following clauses:
 - (a) clauses 6.7 to 6.11 (operating expenditure):
 - (b) clause 6.12 (depreciation):
 - (c) clause 6.13 (financing costs):
 - (d) clauses 6.15 to 6.18 (capital expenditure):
 - (e) clause 6.29 (investment indicators):
 - (f) clauses 6.30 to 6.32 (revenue and funding indicators):
 - (g) clause 6.33 (financing indicators):
 - (h) clauses 6.34 and 6.35 (financial sustainability indicators).
- (3) The regulated supplier must disclose the information at the single service level and the combined services level, except as otherwise provided in Part 6.
- (4) The regulated supplier must,—
 - (a) in addition to preparing and disclosing the information in nominal amounts in accordance with clause 1.8, prepare and disclose the information in constant prices (that is, prices expressed in New Zealand dollars as at the mid-point of the current financial year); and
 - (b) disclose with the information an explanation of how the regulated supplier determined the value of nominal amounts and constant prices, and of the relationship between them (including, for example, whether one was calculated from the other, and describing any inflator series that was used for that purpose).
- (5) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to any amount of expenditure on cybersecurity disclosed in accordance with clause 6.10 or 6.18.

3.2 Annual disclosure of actual information

- (1) A regulated supplier must disclose the information specified in subclauses (2) and (3) for each financial year on or before 30 November in the following financial year.
- (2) The information is the actual information, for the financial year, that is specified in the following clauses:
 - (a) clauses 6.1 to 6.4 (revenue):
 - (b) clause 6.5 (other income):
 - (c) clause 6.6 (IFF levies):

- (d) clauses 6.7 to 6.11 (operating expenditure):
 - (e) clause 6.12 (depreciation):
 - (f) clause 6.13 (financing costs):
 - (g) clause 6.14 (impairment of network and non-network assets):
 - (h) clauses 6.15 to 6.21 (capital expenditure):
 - (i) clause 6.22 (value of vested assets):
 - (j) clause 6.23 (cost allocation):
 - (k) clause 6.24 (approach to revenue and funding allocation):
 - (l) clause 6.25 (allocation of assets and liabilities):
 - (m) clause 6.26 (changes to entities):
 - (n) clause 6.27 (related party transactions):
 - (o) clause 6.28 (ring-fencing of revenue):
 - (p) clause 6.29 (investment indicators):
 - (q) clauses 6.30 to 6.32 (revenue and funding indicators):
 - (r) clauses 6.33 (financing indicators):
 - (s) clauses 6.34 and 6.35 (financial sustainability indicators).
- (3) The information must include the information specified in clause 6.36 (financing and funding arrangements).
 - (4) The regulated supplier must disclose the information at the single service level and the combined services level, except as otherwise provided in Part 6.
 - (5) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the following information disclosed under this clause:
 - (a) any amount of expenditure on cybersecurity (clause 6.10 or 6.18):
 - (b) the explanation of the approach to cost allocation (clause 6.23(3)).

3.3 Periodic disclosure of forecast information

- (1) A regulated supplier must disclose the information specified in subclause (2)—
 - (a) every time a water services strategy is adopted in respect of the regulated service; and
 - (b) on or before the date on which the strategy is adopted.
- (2) The information is the forecast information, for each of the 30 consecutive financial years for which the strategy identifies matters under clause 2(3) of Schedule 3 of the LGWS Act, that is specified in clauses 6.15 to 6.18, 6.20, and 6.23.
- (3) The regulated supplier must disclose the information at the single service level and the combined services level, except as otherwise provided in Part 6.

3.4 Periodic disclosure of strategic asset management plan

- (1) A regulated supplier must disclose a strategic asset management plan—

- (a) when a water services strategy is adopted in respect of the regulated service for the first time; and
 - (b) when a water services strategy is adopted in respect of the regulated service for the second time; and
 - (c) subsequently, every second time a water services strategy is adopted in respect of the regulated service.
- (2) The plan must be disclosed on or before the date on which the strategy is adopted.
- (3) A strategic asset management plan must provide the information specified in Schedule C in relation to the period of 10 consecutive financial years to which the strategy relates under section 230(3)(c) of the LGWS Act.
- (4) The information contained in the plan may be disclosed at—
 - (a) the single service level; or
 - (b) the combined services level; or
 - (c) if the regulated supplier also supplies stormwater services, the combined services level as if the stormwater services were also a regulated service.

3.5 Periodic disclosure of asset management plan

- (1) A regulated supplier must disclose an asset management plan—
 - (a) every time a water services strategy is adopted in respect of the regulated service; and
 - (b) on or before the date on which the strategy is adopted.
- (2) An asset management plan must provide the information specified in Schedule C in relation to the period of 30 consecutive financial years for which the strategy identifies matters under clause 2(3) of Schedule 3 of the LGWS Act (except where Schedule C provides otherwise).
- (3) The information contained in the plan may be disclosed at—
 - (a) the single service level; or
 - (b) the combined services level; or
 - (c) if the regulated supplier also supplies stormwater services, the combined services level as if the stormwater services were also a regulated service.

3.6 Periodic disclosure of investment and delivery plan

- (1) A regulated supplier must disclose an investment and delivery plan,—
 - (a) every time a water services strategy is adopted in respect of the regulated service; and
 - (b) on or before the date on which the strategy is adopted.
- (2) If the plan is updated to align with the supplier's water services annual budget, the regulated supplier must disclose the updated plan before the start of the financial year to which the annual budget relates.

- (3) An investment and delivery plan must, except where Schedule C provides otherwise, provide the information specified in Schedule C in relation to the following periods:
 - (a) for capital expenditure, in relation to the period of 30 consecutive financial years for which the strategy identifies matters under clause 2(3) of Schedule 3 of the LGWS Act:
 - (b) for operating expenditure, in relation to the period of 10 consecutive financial years to which the strategy relates under section 230(3)(c) of the LGWS Act.
- (4) The information contained in the plan may be disclosed at—
 - (a) the single service level; or
 - (b) the combined services level; or
 - (c) if the regulated supplier also supplies stormwater services, the combined services level as if the stormwater services were also a regulated service.

3.7 Annual disclosure of annual delivery report

- (1) A regulated supplier must disclose an annual delivery report for each financial year on or before 30 November in the following financial year.
- (2) The report must, except where Schedule C provides otherwise, provide the information specified in Schedule C in relation to the financial year to which the plan relates.
- (3) The information contained in the plan may be disclosed at —
 - (a) the single service level; or
 - (b) the combined services level; or
 - (c) if the regulated supplier also supplies stormwater services, the combined services level as if the stormwater services were also a regulated service.

Part 4 – Occasional disclosure requirements

4.1 Transfer agreement

- (1) A person who enters into a transfer agreement (whether or not they are a regulated supplier) must provide an unredacted copy of the transfer agreement to the Commission.
- (2) The unredacted copy must be provided to the Commission within 10 working days of the date on which the transfer agreement is entered into.
- (3) A person is not required to comply with this clause in relation to a transfer agreement if another party to the transfer agreement has already provided an unredacted copy to the Commission.
- (4) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under this clause.

4.2 Value of assets and liabilities

- (1) This clause applies to every person who enters into a transfer agreement with a water organisation.
- (2) The person (whether or not they are a regulated supplier) must provide to the Commission the information specified in subclause (3) within 30 working days of the date on which the transfer agreement is entered into.
- (3) The information is, for each group of assets or liabilities that is transferred under the transfer agreement,—
 - (a) the value of the group of assets or liabilities; and
 - (b) whether the group of assets or liabilities is wholly transferred or partly transferred under the agreement; and
 - (c) the approach and methodology used to calculate the value of the group of assets or liabilities; and
 - (d) if the group of assets or liabilities is partly transferred,—
 - (i) the allocation of the value of the group of assets or liabilities between the parties who now hold the group of assets or liabilities; and
 - (ii) the approach and methodology used to allocate the value between the parties.
- (4) A person is not required to comply with this clause in relation to a transfer agreement if another party to the transfer agreement has already provided the information specified in subclause (3) to the Commission.
- (5) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under this clause.

4.3 Date on which person becomes regulated supplier

A person that becomes a regulated supplier must, within 10 working days of becoming a regulated supplier, disclose to the Commission—

- (a) that the person has become a regulated supplier; and
- (b) the date on which the person became a regulated supplier.

4.4 Date on which regulated supplier ceases to be regulated supplier

A regulated supplier that becomes aware that it will cease to be a regulated supplier must, within 5 working days of becoming aware, disclose to the Commission—

- (a) that the regulated supplier will cease to be a regulated supplier; and
- (b) the date on which the regulated supplier will cease to be a regulated supplier.

4.5 Taking over the drinking water supply of another provider

A regulated supplier that temporarily or permanently takes over the management and operations of a drinking water supply in the circumstances described in section 72 of the LGWS Act must, within 10 working days of the date on which it takes over, disclose to the Commission—

- (a) that the regulated supplier has taken over the management and operations of the drinking water supply to be a regulated supplier; and
- (b) whether the regulated supplier has taken over temporarily or permanently; and
- (c) the date on which the regulated supplier took over the management and operations of the drinking water supply.

4.6 Dividends policy

(1) A regulated supplier must disclose—

- (a) its dividends policy; or
- (b) if it does not have a dividends policy, a statement to that effect; or
- (c) if it is not permitted to pay dividends, a statement to that effect.

(2) A regulated supplier that adopts a new dividends policy or amends its dividends policy must disclose the new or amended policy within 10 working days of the date on which the policy was adopted or amended.

4.7 Policy for funding growth

(1) A regulated supplier must disclose the information specified in this clause on the regulated supplier's policy relating to funding growth.

- (2) The information is—
 - (a) every charge or obligation that is related to a new connection or other type of growth and that is or may be payable to the regulated supplier, or to a related party of the regulated supplier; and
 - (b) the circumstances in which each charge or obligation applies (for example, in the case of a subdivision).
 - (c) an explanation of the regulated supplier's approach to funding growth; and
 - (d) the regulated supplier's reasons for taking that approach, which must include a statement of whether, and if so, a demonstration of how,—
 - (i) growth is self-funded; and
 - (ii) projects that contribute to growth as well as renewal or improvement to the level of service are at least partially funded by connection changes.
- (3) However, if the charge or obligation is a development contribution, the information must instead—
 - (a) specify where information on the development contributions is located; and
 - (b) include a link to, or instructions on how to locate, the information on the development contributions.
- (4) Subject to subclause (3), subclause (2)(a) and (b) applies to a charge or obligation regardless of the form or mechanism by which the charge or obligation is imposed (for example, self-payment and vesting, or financial contributions under the Resource Management Act 1991).
- (5) The regulated supplier must disclose the information at the single service level.
- (6) A regulated supplier that adopts a new policy or amends its policy must disclose the information specified in this clause within 10 working days of the date on which the policy was adopted or amended.

4.8 Information about charges, IFF levies, and development contributions

- (1) A regulated supplier must disclose the information about amounts payable to or collected by the regulated supplier that is specified in clauses 4.9 and 4.10.
- (2) The regulated supplier must disclose the information at the single service level.
- (3) A regulated supplier that introduces a new amount or changes any aspect of an amount specified in clause 4.9 or 4.10 must, within 10 working days of the date on which the new amount or the change was approved, disclose the information required under clause 4.9 or 4.10.

4.9 Content of information about charges

- (1) The information in subclause (2) must be disclosed for the following categories of charge:
 - (a) fixed charges:

- (b) volumetric charges:
 - (c) connection charges:
 - (d) contaminants charges (for wastewater services only):
 - (e) serviceability charges:
 - (f) other charges.
- (2) For each charge within the category, the information must specify—
- (a) the category:
 - (b) the name of the charge:
 - (c) whether the charge is residential, non-residential, or a combination of residential and non-residential:
 - (d) the geographic area or areas in which the charge applies:
 - (e) the circumstances in which the charge is payable:
 - (f) the amount or rate of the charge (including GST):
 - (g) if the charge is not directly attributable to the provision of the service, the part of the charge (including GST) that the regulated supplier has allocated for the provision of the service (using the same approach and methodology disclosed under clause 6.24):
 - (h) the charging basis (for example, whether the charge is general rates, targeted rates, a uniform annual general charge, based on connection size, based on presence of contaminants, a billing fee, or payable on the provision of specific services):
 - (i) any other information that describes how the amount of the charge is calculated, the matters for which the charge is payable, or circumstances where no charge or a different charge is payable.

4.10 Content of information about IFF levies and development contributions

- (1) In relation to any IFF levy collected by the regulated supplier on behalf of a responsible SPV, the information must specify—
- (a) a description of the IFF levy:
 - (b) the amount or rate of the IFF levy (including GST):
 - (c) the levy order under which the IFF levy is payable.
- (2) In relation to development contributions payable to the regulated supplier, the information must—
- (a) specify where information on the development contributions is located; and
 - (b) include a link to, or instructions on how to locate, the information on the development contributions.

Part 5 – Information to be disclosed in water services annual report

5.1 Part relates to water services annual report

- (1) This Part specifies information that a regulated supplier must specify in a water services annual report for a financial year in accordance with section 246(1)(b) of the LGWS Act.
- (2) However, if a regulated supplier is not required to prepare a water services annual report for a financial year (for example, in accordance with clause 6 of Schedule 1 of the LGWS Act), the regulated supplier must disclose the information specified in clauses 5.2 to 5.4 with the information it is required to disclose under clause 3.2.

5.2 Asset values – network asset values roll-forward

- (1) The information in a water services annual report must specify, for each asset class specified in clause B4(6), the information specified in subclause (2).
- (2) The information is, in relation to each class,—
 - (a) for a regulated supplier that is a public benefit entity, the disclosures that are required under paragraphs 88(d) and (e) of PBE IPSAS 17; and
 - (b) for a regulated supplier that is a for-profit entity, the disclosures that are required under paragraphs 73(d) and (e) of NZ IAS 16.
- (3) The information disclosed under subclause (2) must specify, for each class,—
 - (a) the total amount for any additions relating to completed assets transferred from work in progress; and
 - (b) the total amount for any additions excluding the additions referred to in paragraph (a); and
 - (c) the net movement in the value of work in progress in the class (including expenditure on work in progress and transfers out of work in progress for completed assets).

5.3 Asset values – carrying value of work in progress

The information in a water services annual report must specify, for each asset class specified in clause B4(6), the amount of expenditure recognised in the carrying amount of work in progress assets.

5.4 Asset values – capitalised borrowing costs

The information in a water services annual report must specify—

- (a) the total amount of the regulated supplier's borrowing costs that have been capitalised in relation to work in progress network assets; and
- (b) the capitalisation rate that has been applied to determine the borrowing costs eligible for capitalisation in accordance with paragraph (a).

Part 6 – Financial matters

6.1 Revenue – total revenue

- (1) Information disclosed under this clause must specify—
 - (a) the total amount of revenue allocated to the regulated service; and
 - (b) the total amounts of revenue allocated to the regulated service from each of the following sources:
 - (i) usage charges excluding rates:
 - (ii) usage charges that are rates:
 - (iii) connection charges:
 - (iv) development contributions:
 - (v) serviceability charges:
 - (vi) other charges.
- (2) The amounts specified under subclause (1)(b) must add up to the amount specified under subclause (1)(a).

6.2 Revenue – usage charges

- (1) Information disclosed under this clause must specify, for each of the categories specified in subclause (2),—
 - (a) total revenue from usage charges that are payable by residential sources only; and
 - (b) total revenue from usage charges that are payable by non-residential sources only; and
 - (c) total revenue from usage charges that are payable by residential and non-residential sources.
- (2) The categories are—
 - (a) fixed charge:
 - (b) volumetric charge:
 - (c) contaminants charge.
- (3) The information disclosed under this clause must specify, for each usage charge within a category specified in subclause (2), the following:
 - (a) the category:
 - (b) the name of the charge:
 - (c) the amount or rate of the charge:
 - (d) total revenue from the charge:
 - (e) if the charge is not directly attributable to the provision of the service,—
 - (i) the part of the amount or rate specified under paragraph (c) that the regulated supplier has allocated for the provision of the service (using the approach and methodology disclosed under clause 6.24); and

- (ii) the amount of the total revenue specified under paragraph (d) that the regulated supplier has allocated for the provision of the service (using the approach and methodology disclosed under clause 6.24):
- (f) the total number of instances, or the total volume, time, or other basis for which the charge is payable, in respect of which the charge was paid in the period:
- (g) the number of connections in respect of which, at any time in the period, the charge was paid.

6.3 Revenue – connection charges

- (1) Information disclosed under this clause must specify—
 - (a) the number of instances in which the regulated supplier received a connection charge directly from a consumer; and
 - (b) for each connection charge, the name of the charge and the basis for the charge, including:
 - (i) whether the charge is fixed; and
 - (ii) if there are variables factoring into the charge to consumers, what those variables are; and
 - (iii) any other information that the regulated supplier considers is useful to understand the charge.
- (2) For the purposes of subclause (1), a single connection charge that is received in instalments must be treated as a single instance of receiving a connection charge.

6.4 Revenue – development contributions

- (1) Information disclosed under this clause must specify the number of instances in which the regulated supplier received a development contribution.
- (2) For the purposes of subclause (1), a single development contribution that is received in instalments must be treated as a single instance of receiving a development contribution.

6.5 Other income

- (1) Information disclosed under this clause must specify the total amounts of income allocated to the regulated service (excluding any revenue disclosed under clause 6.1) from each of the following sources:
 - (a) vested assets:
 - (b) grants for capital or operating expenditure related to the network paid by a territorial authority:
 - (c) external grants for capital or operating expenditure related to the network (not including any amount disclosed under paragraph (b) or (e)):

- (d) net amount of gains and losses on disposals of any water service assets (the gain or loss for a disposed asset being the price for which the asset is sold minus its depreciated carrying value at the time it is disposed);
 - (e) financial contributions (within the meaning of section 108(9) of the Resource Management Act 1991);
 - (f) IFF income (being grant funding or reimbursement in relation to eligible infrastructure, within the meaning of section 8(1) of the Infrastructure Funding and Financing Act 2020);
 - (g) infringement fees (within the meaning of section 256 of the LGWS Act) and late payment penalties;
 - (h) charges relating to payment (for example, billing fees and credit card surcharges);
 - (i) all other income sources.
- (2) The information must, if any IFF income is disclosed under subclause (1)(f), specify the levy order or levy orders to which the IFF income relates.
- (3) The information must, for any amount or group of amounts that is included in a total amount under subclause (1)(h) or (i) and that the regulated supplier considers is a material amount or a material group,—
- (a) specify the amount or, in the case of a group of amounts, the total amount for the group; and
 - (b) describe the charge or other source of that income.

6.6 IFF levies

Information disclosed under this clause must specify,—

- (a) the total amount of IFF levy collected by the regulated supplier on behalf of a responsible SPV; and
- (b) for each type of IFF levy, the following information,—
 - (i) a description of the IFF levy;
 - (ii) the amount or rate of the IFF levy (including GST);
 - (iii) the number of people or entities in respect of which, at any time in the financial year, the IFF levy was paid.

6.7 Operating expenditure

- (1) Information disclosed under this clause must specify the total operating expenditure allocated to the regulated service.
- (2) The information disclosed under subclause (1) must specify the amount of the total annual operating expenditure allocated to the regulated service that is in each of the following expenditure categories:
 - (a) network operating expenditure;
 - (b) non-network operating expenditure.

- (3) The amounts specified under subclause (2) must add up to the amount specified under subclause (1).

6.8 Operating expenditure – network

Information disclosed under this clause must specify the amount of the operating expenditure specified under clause 6.7(2)(a) that is in each of the expenditure categories described in clause B1.

6.9 Operating expenditure – non-network

Information disclosed under this clause must specify the amount of the operating expenditure specified under clause 6.7(2)(b) that is in each of the expenditure categories described in clause B2.

6.10 Operating expenditure – components

Information disclosed under this clause must specify the amount of the operating expenditure specified under clause 6.7(1) that is in each of the expenditure components described in clause B3.

6.11 Operating expenditure – variances from forecast

- (1) Information disclosed under this clause must:
 - (a) identify any instance where—
 - (i) actual operating expenditure for an expenditure category or expenditure component varied materially from the amount most recently disclosed by the regulated supplier in accordance with clause 3.1 for the category or component; and
 - (ii) the actual amount or the forecast amount (or both) are material amounts; and
 - (b) specify the amount of the variance; and
 - (c) provide an explanation for the variance.
- (2) Whether a variance or an amount is material must be determined by the regulated supplier by applying a materiality threshold determined by the regulated supplier for that purpose.
- (3) The information must specify the regulated supplier's—
 - (a) materiality threshold; and
 - (b) approach to determining and applying a materiality threshold.

6.12 Depreciation

Information disclosed under this clause must specify the total amount of depreciation allocated to the regulated service for all of the water service assets.

6.13 Financing costs

Information disclosed under this clause must specify the total amount of borrowing costs allocated to the regulated service that are recognised as an operating expense under GAAP.

6.14 Impairment of network and non-network assets

Information disclosed under this clause must specify—

- (a) the total amount of impairment losses allocated to the regulated service on network assets; and
- (b) the total amount of impairment losses allocated to the regulated service on non-network assets.

6.15 Capital expenditure

- (1) Information disclosed under this clause must specify the total capital expenditure allocated to the regulated service.
- (2) The information must specify the amount of the total capital expenditure allocated to the regulated service in each of the following categories of capital expenditure:
 - (a) network assets:
 - (b) non-network assets.
- (3) The amounts specified under subclause (2) must add up to the amount specified under subclause (1).

6.16 Capital expenditure – network assets

- (1) Information disclosed under this clause must specify the amount of the capital expenditure specified under clause 6.15(2)(a) that is in each of the following expenditure categories described in clause B4(1), (3), and (5):
 - (a) growth:
 - (b) levels of service:
 - (c) renewals.
- (2) The amounts specified under subclause (1) must add up to the amount specified under clause 6.15(2)(a).
- (3) The information must specify the amount of capital expenditure specified under subclause (1)(a) (growth) that is in each of the expenditure categories described in clause B4(2).

- (4) The information must specify the amount of the capital expenditure specified under subclause (1)(b) (levels of service) that is in each of the expenditure categories described in clause B4(4).
- (5) The information must specify the amount of the capital expenditure specified under subclause (1)(c) (renewals) that is in each of the expenditure categories described in clause B4(6).
- (6) Subclauses (7) and (8) apply to an amount of expenditure that must be disclosed under this clause if there are 2 or more reasons for the decision or project to which the expenditure relates and the reasons relate to 2 or more expenditure categories.
- (7) For the purposes of disclosure under clauses 3.1 and 3.2, the amount must be apportioned between the expenditure categories according to the relative importance of each of the reasons to the decision or project.
- (8) However, for the purposes of disclosure under clause 3.3, the regulated supplier may—
 - (a) apportion the amount between expenditure categories in accordance with subclause (7); or
 - (b) allocate the amount entirely to the category that represents the primary reason for the expenditure.
- (9) The information disclosed under this clause must specify the approach and methodology used by the regulated supplier to apportion amounts of expenditure between expenditure categories.

6.17 Capital expenditure – non-network assets

Information disclosed under this clause must specify the amount of the capital expenditure specified under clause 6.15(2)(b) (non-network assets) that is in each of the expenditure categories described in clause B5.

6.18 Capital expenditure – components

Information disclosed under this clause must specify the amount of the capital expenditure specified under clause 6.15(1) that is in each of the expenditure components described in clause B6.

6.19 Capital expenditure – variances from forecast

- (1) Information disclosed under this clause must—
 - (a) identify any instance where—
 - (i) actual expenditure for an expenditure category or expenditure component varied materially from the amount most recently disclosed by the regulated supplier in accordance with clause 3.1 for the category or component; and
 - (ii) the actual amount or the forecast amount (or both) are material amounts; and

- (b) specify the amount of the variance; and
 - (c) provide an explanation for the variance.
- (2) Whether a variance or amount is material must be determined by the regulated supplier by applying a materiality threshold determined by the regulated supplier for this purpose.
- (3) The information must specify the regulated supplier's—
 - (a) materiality threshold; and
 - (b) approach to determining and applying a materiality threshold.

6.20 Capital expenditure – material projects and programmes

Information disclosed under this clause must specify the total amount of expenditure for each material project or programme that is specified in the investment and delivery plan in accordance with clause C18(3)(c).

6.21 Capital expenditure – unit cost of replacement

- (1) Information disclosed under this clause must specify the estimated unit cost of replacing 1 metre of—
 - (a) 100mm diameter underground water pipe (in respect of water supply services); and
 - (b) 150mm diameter underground wastewater pipe (in respect of wastewater services).
- (2) Information disclosed under subclause (1)(a) or (b) may,—
 - (a) specify a single estimated unit cost; or
 - (b) if the regulated supplier prefers, specify different estimated unit costs that apply in different circumstances (for example, the estimated unit cost if the pipe is under a berm, the estimated unit cost if the pipe is under a road, and so on).
- (3) To the extent that it is known to the regulated supplier, the information must also specify the estimated unit cost for the replacement of the pipes specified in accordance with subclauses (1) and (2) in each of the following areas:
 - (a) an urban area;
 - (b) a rural area;
 - (c) a metropolitan area.
- (4) A regulated supplier may also, in respect of the estimated unit costs specified under subclause (3), specify different estimated unit costs that apply in different circumstances within each specified area (for example, the estimated unit cost if the pipe is in rocky ground in an urban area, the estimated unit cost if the pipe is in soil-based ground in an urban area, and so on).
- (5) Estimated unit costs disclosed under this clause—
 - (a) must be specified in units of dollars per metre; and

- (b) may reflect the replacement cost information used in the regulated supplier's asset valuations or be calculated on any other basis.
- (6) The information disclosed under this information must specify any assumptions made and methodologies used to estimate the unit costs.

6.22 Value of vested assets

Information disclosed under this clause must specify the total value (allocated to the regulated service) of vested assets acquired in the period.

6.23 Cost allocation

- (1) Information disclosed under this clause must specify, for the categories specified in subclause (2),—
 - (a) the amount of expenditure that is directly attributable to the provision of a regulated service; and
 - (b) the amount of expenditure that is partly attributable but not directly attributable to the provision of a regulated service; and
 - (c) the total amount of expenditure (both directly attributable and partly attributable but not directly attributable) for the provision of the service.
- (2) The categories are:
 - (a) operating expenditure for the provision of the service:
 - (b) capital expenditure for the provision of the service:
 - (c) each of the expenditure categories and expenditure components listed in Schedule B.
- (3) The information disclosed under this clause must specify, for each category specified in subclause (2)(c), and in relation to the amount of expenditure in each category that is partly attributable but not directly attributable to the provision of the regulated service,—
 - (a) the cost allocator used to allocate part of the amount to the regulated service; and
 - (b) the rationale for using that cost allocator for that expenditure.
- (4) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under subclause (3).

6.24 Approach to revenue and funding allocation

- (1) The information disclosed under this clause must specify the approach and methodology used by the regulated supplier to allocate amounts of revenue or other funding received that is partly attributable but not directly attributable to the provision of the regulated service between the provision of the regulated service and other activities.

- (2) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under this clause.

6.25 Allocation of assets and liabilities

- (1) Information disclosed under this clause must specify—
- (a) the value of any asset, liability, or group of assets or liabilities that is allocated—
 - (i) between a part of the regulated supplier that provides a regulated service and a part of the regulated supplier that does not provide a regulated service (for example, between the water services division of a council and the rest of the council); or
 - (ii) between the regulated supplier and any other entity (for example, between a water organisation and its shareholder); and
 - (b) the approach and methodology used to calculate the value of the asset, liability, or group of assets or liabilities; and
 - (c) the allocation of the value of the asset, liability, or group of assets or liabilities; and
 - (d) the approach and methodology used to allocate the value between the parties; and
 - (e) any material changes to the value or the allocation of the asset, liability, or group of assets or liabilities that have occurred—
 - (i) in the case of the first disclosure under this clause, since the end of the previous financial year; and
 - (ii) in any other case, since the regulated supplier's previous disclosure under this clause.
- (2) Clause 2.5(1)(a), (3), and (4) (which relates to public disclosure of information) does not apply to the information provided under subclause (1)(d).

6.26 Changes to entities

- (1) Information disclosed under this clause must specify the total amount of operating expenditure and the total amount of capital expenditure by the regulated supplier on developing or implementing any of the following change activities:
- (a) establishing a water organisation;
 - (b) becoming a shareholder in a water organisation;
 - (c) disestablishing a water organisation;
 - (d) changing the shareholding arrangements in a water organisation;
 - (e) entering into a significant contract (within the meaning of section 24 of the LGWS Act);
 - (f) entering into a joint water service provider arrangement (within the meaning of section 26 of the LGWS Act);
 - (g) merging with or acquiring another water service provider.

- (2) The information disclosed under subclause (1) must specify:
 - (a) which of the change activities specified in subclause (1) were developed or implemented; and
 - (b) the benefits resulting from the expenditure on those change activities.
- (3) Despite clauses 3.1(3) and 3.2(4), the regulated supplier—
 - (a) is not required to disclose the information required under this clause at the single service level or the combined services level; and
 - (b) must disclose the information required under this clause at the entity level.

6.27 Related party transactions

- (1) If the regulated supplier entered into any related party transaction, the information disclosed under this clause must include a diagram that shows the relationship between—
 - (a) the regulated supplier; and
 - (b) each related party of the regulated supplier with which the regulated supplier transacted.
- (2) The diagram must be accompanied by a description of the principal activities of each related party referred to in subclause (1)(b).
- (3) If the regulated supplier entered into any related party transaction on arm's-length terms, the information must—
 - (a) summarise the terms of the transaction (including price); and
 - (b) specify why the terms of the transaction are arm's-length terms.
- (4) If the regulated supplier entered into any related party transaction other than on arm's-length terms, the information must summarise the terms of the transaction (including price) and specify—
 - (a) the regulated supplier's approach to setting or agreeing the terms of the transaction (including price); and
 - (b) the total expenditure by the regulated supplier in the transaction; and
 - (c) the amount of the total expenditure specified under paragraph (b) associated with each regulated service supplied by the regulated supplier; and
 - (d) the total revenue received by the regulated supplier in the transaction; and
 - (e) the amount of the total revenue specified under paragraph (d) associated with each regulated service supplied by the regulated supplier.
- (5) Despite clause 3.2(4), the regulated supplier is not required to disclose information under this clause at the combined services level.

6.28 Ring-fencing of revenue

- (1) Information disclosed under this clause must include a statement by the regulated supplier on the extent to which the regulated supplier's spending of revenue received from and funding received for providing regulated services is consistent

with section 18(1)(a) of the LGWS Act.

- (2) The statement must specify—
 - (a) how the regulated supplier has analysed the extent to which its spending of revenue received from and funding received for providing regulated services is consistent with section 18(1)(a) of the LGWS Act; and
 - (b) any assumptions that have been made for the purposes of the statement and the analysis; and
 - (c) any plans the regulated supplier has to change its approach to ring-fencing.
- (3) To the extent that, in relation to a regulated service provided by the regulated supplier, any other party is also a regulated supplier, the statement must be accompanied by—
 - (a) a description or diagram that identifies the regulated suppliers involved in the provision of the service and shows their respective roles in the provision of the service; and
 - (b) an explanation of how the involvement of more than 1 regulated supplier, and the sharing or division of roles in respect of the provision of the service, have been taken into account in the statement.
- (4) Despite clause 3.2(4), if the information is disclosed under this clause at the combined services level, the regulated supplier is not required to disclose that information at the single service level.

6.29 Investment indicators

- (1) Information disclosed under this clause must specify, for each asset class specified in clause B4(6), the asset consumption ratio, being—
 - (a) if the regulated supplier measures assets using the revaluation model, the total carrying value of assets in the class divided by the total estimated replacement value of assets in the class;
 - (b) if the regulated supplier measures assets using the cost model, the total carrying value of assets in the class divided by the total undepreciated cost of assets in the class.
- (2) Despite clauses 3.1(3) and 3.2(4), the regulated supplier is not required to disclose information under this clause at the combined services level.

6.30 Revenue and funding indicators – cost as proportion of household income

- (1) Information disclosed under this clause must specify—
 - (a) the average total charges for the provision of the regulated service to a household for the financial year (expressed in dollars); and
 - (b) the amount disclosed under paragraph (a) as a proportion of median annual household income (expressed as a percentage).

- (2) The information must be accompanied by a brief explanation of the method and any assumptions used to calculate the average total charges and the median annual household income.
- (3) In subclause (1) (and despite paragraph (c) of the definition of charge in clause 1.6), charges for the provision of the regulated service include any amount of IFF levy collected by the regulated supplier on behalf of a responsible SPV in relation to the provision of the regulated service.

6.31 Revenue and funding indicators – operating surplus ratio and operating cash ratio

- (1) Information disclosed under this clause must specify—
 - (a) the operating surplus ratio, being—
 - (i) operating surplus (or deficit); divided by
 - (ii) operating revenue; and
 - (b) the operating cash ratio, being—
 - (i) operating surplus (or deficit) plus depreciation plus interest costs plus impairment losses (except to the extent any of those items have already been excluded from operating expenses); divided by
 - (ii) operating revenue.
- (2) In this clause,—

financing activities means activities that result in changes in the size and composition of the contributed capital and borrowings of the entity

investing activities means the acquisition and disposal of long-term assets and other investments not included in cash equivalents

operating expenses means expenses incurred from activities other than investing activities or financing activities

operating revenue means revenue from activities other than investing activities or financing activities

operating surplus (or deficit) means operating revenue minus operating expenses.

6.32 Revenue and funding indicators – revenue from charges and rates

- Information disclosed under this clause must specify total revenue from—
- (a) charges for the provision of regulated services; and
 - (b) any other charges allocated to fund the provision of the regulated service (for example, a portion of general rates or a targeted rate allocated for that purpose).

6.33 Financing indicators

- (1) Information disclosed under this clause must specify—
 - (a) net debt; and

- (b) debt to revenue ratio, being—
 - (i) net debt; divided by
 - (ii) operating revenue; and
 - (c) headroom or shortfall against borrowing limit, being—
 - (i) maximum allowable net debt; minus
 - (ii) net debt; and
 - (d) free funds from operations to debt ratio, being—
 - (i) free funds from operations; divided by
 - (ii) net debt.
- (2) In this clause,—
- borrowing limit** means any limit, expressed as a percentage, of net debt to operating revenue imposed on the regulated supplier by the Local Government Funding Agency
- free funds from operations** means—
- (a) total revenue; minus
 - (b) total operating expenses; plus
 - (c) depreciation and other non-cash expenses (except to the extent those items have already been excluded from operating expenses); minus
 - (d) revenue from interest
- maximum allowable net debt** means operating revenue multiplied by the borrowing limit
- net debt**, for a financial year, means—
- (a) total debt at the end of the financial year; minus
 - (b) cash and cash equivalents at the end of the financial year
- operating revenue** means revenue from activities other than investing or financing activities
- total revenue** means—
- (a) cash earnings from rates, grants and subsidies, charges, interest, dividends, financial and other revenue; but
 - (b) excluding any non-government capital contribution (for example, a development contribution or vested asset).
- (3) Despite clauses 3.1(3) and 3.2(4), the regulated supplier must also disclose the information required under this clause at the entity level.

6.34 Financial sustainability indicators – variances from forecast

- (1) Information disclosed under this clause must, to the extent that the regulated supplier has identified and analysed any instances where actual information disclosed under clauses 6.29 to 6.33 varied materially from the amount forecast by the regulated supplier in forecast information disclosed in accordance with this determination,—
 - (a) describe the variance; and

- (b) provide a short explanation for the variance.
- (2) Clauses 3.1(3) and 3.2(4) do not apply to information disclosed under this clause.

6.35 Financial sustainability indicators – assumptions, methodologies, and sources

- (1) Information disclosed under this clause must, in relation to the information disclosed under clauses 6.29 to 6.33,—
 - (a) describe any key assumptions and methodologies used by the regulated supplier to prepare the information; and
 - (b) specify the sources that the regulated supplier used to prepare the information.
- (2) Clauses 3.1(3) and 3.2(4) do not apply to information disclosed under this clause.

6.36 Financing and funding arrangements

- (1) Information disclosed under this clause must describe—
 - (a) the financing requirements and sources in accordance with subclause (2); and
 - (b) the details of debt in accordance with subclause (3); and
 - (c) the internal borrowing arrangements in accordance with subclause (4).
- (2) In relation to financing requirements and sources, the information must describe—
 - (a) the regulated supplier's projected borrowing requirements over the 10-year period to deliver the level of investment required; and
 - (b) the regulated supplier's minimum cash and working capital requirements for the sustainable delivery of regulated services; and
 - (c) any borrowing limits for regulated services and (if the regulated supplier is a territorial authority) for other activities of the territorial authority; and
 - (d) whether forecast debt is within borrowing limits; and
 - (e) the regulated supplier's current and expected hedging arrangements for debt; and
 - (f) the regulated supplier's current and expected financing arrangements in relation to the use of fixed or variable interest arrangements, including the forecast interest rates over the 10-year period; and
 - (g) the regulated supplier's financial strategy for financing regulated services investment and operating expenditure; and
 - (h) the expected tenor of new debt and how interest rate and refinancing risk will be managed; and
 - (i) the regulated supplier's debt repayment strategy.
- (3) In relation to each arrangement under which the regulated supplier has actual debt, the information must specify—
 - (a) the type of instrument establishing or governing the arrangement; and
 - (b) the principal amount of the debt; and

- (c) the start and end dates of the loan term; and
 - (d) if the debt is subject to a fixed interest rate, the fixed rate; and
 - (e) if the debt is subject to a floating interest rate, the floating rate as at 30 June in the most recently ended financial year; and
 - (f) whether the debt is hedged (and if it is, whether it is fully or partially hedged); and
 - (g) whether, under the arrangement, any or all of the principal debt is to be repaid before the end of the loan term.
- (4) In relation to internal borrowing arrangements, the information must—
 - (a) outline current internal borrowing arrangements, including whether finance costs are charged on these arrangements, the repayment arrangements, and the effective finance rate; and
 - (b) specify whether the regulated supplier proposes to use internal borrowing arrangements in the 10-year period; and
 - (c) explain how the regulated supplier proposes to manage internal borrowing to ensure that it complies with section 18(1)(a) of the LGWS Act (regarding ring-fencing of revenue).
- (5) In this clause,—
internal borrowing arrangement means—
 - (a) if the regulated supplier is a territorial authority, a borrowing arrangement between the part of the territorial authority that provides the regulated service and any other part of the territorial authority; or
 - (b) if the regulated supplier is a water organisation, any borrowing arrangement between the water organisation and a territorial authority that has transferred responsibility for providing the regulated service to the water organisation
10-year period means the 10 consecutive financial years commencing after the most recently ended financial year.
- (6) Despite clause 3.2(4),—
 - (a) if the information required under subclause (1)(a) is disclosed at the combined services level, the regulated supplier is not required to disclose that information at the single service level; and
 - (b) the regulated supplier must also disclose the information required under subclause (1)(a), (b), and (c) at the entity level.

Part 7 – Audit and assurance

7.1 When assurance report required

An assurance report is required for the actual information disclosed under clause 3.2 and specified in the following clauses:

- (a) clauses 5.2 to 5.4 (asset values):
- (b) clauses 6.1 to 6.4 (revenue):
- (c) clause 6.5 (other income):
- (d) clause 6.6 (IFF levies):
- (e) clauses 6.7 to 6.11 (operating expenditure):
- (f) clause 6.12 (depreciation):
- (g) clause 6.13 (financing costs):
- (h) clause 6.14 (impairment of network and non-network assets):
- (i) clauses 6.15 to 6.21 (capital expenditure):
- (j) clause 6.22 (value of vested assets):
- (k) clause 6.23 (cost allocation):
- (l) clause 6.24 (approach to revenue and funding allocation):
- (m) clause 6.26 (changes to entities):
- (n) clause 6.27(4)(c) and (d), and (5) (related party transactions).

7.2 Assurance report for certain disclosed information

- (1) A regulated supplier must ensure that information for which an assurance report is required is audited by the auditor in accordance with SAE 3100 (Revised) and ISAE (NZ) 3000 (Revised).
- (2) The regulated supplier must disclose the auditor's assurance report with the information to which it relates.
- (3) The assurance report must be signed by the auditor and addressed to the directors of the regulated supplier and to the Commission as the intended users of the report.
- (4) The assurance report must state—
 - (a) the work done by the auditor; and
 - (b) the scope and any limitations of the assurance engagement; and
 - (c) any relationship that the auditor has with, or any interests that the auditor has in, the regulated supplier or any entity related to the regulated supplier; (other than in the auditor's capacity as an auditor acting in accordance with this clause); and
 - (d) whether the auditor has obtained sufficient recorded evidence and explanations that they required from the regulated supplier, and, if not, the nature of the evidence or explanations not obtained; and

- (e) whether, based on the auditor's examination of the evidence supporting the information, anything has come to their attention that causes the auditor to believe that the evidence does not provide a reasonable basis for the information; and
 - (f) whether, in the auditor's opinion, as far as appears from an examination, any information used in the preparation of the information to be disclosed has been properly extracted from the regulated supplier's accounting and other records, sourced from its financial and non-financial systems; and
 - (g) whether, in the auditor's opinion, as far as appears from an examination of the regulated supplier's records, proper records to enable the complete and accurate compilation of the information to be disclosed have been kept by the regulated supplier and, if not, what records and systems were used to compile the information; and
 - (h) whether (and, if not, in which respects), in the auditor's opinion, the regulated supplier has complied, in all material respects, with this determination in preparing the audited disclosure information.
- (5) The assurance report must describe any key audit matters.
- (6) A key audit matter is a matter that—
 - (a) required significant attention by the auditor in carrying out the assurance engagement; and
 - (b) has been selected by the auditor from matters communicated to any director of the regulated supplier; and
 - (c) the auditor has identified, taking into account—
 - (i) areas of higher assessed risk of material misstatement of audited information; and
 - (ii) significant auditor judgements relating to areas in the disclosed information that involved significant judgement of the management of the regulated supplier; and
 - (iii) the effect on the assurance engagement of any significant events or transactions by the regulated supplier that occurred in the period to which the information relates.
- (7) Subclauses (5) and (6) do not limit the application of SAE 3100 (Revised) and ISAE (NZ) 3000 (Revised).

7.3 When director's certificate required

- (1) A director's certificate in the form set out in Schedule D is required for the actual information—
 - (a) disclosed under clause 3.2 and specified in the following clauses:
 - (i) clauses 6.1 to 6.4 (revenue):
 - (ii) clause 6.5 (other income):
 - (iii) clause 6.6 (IFF levies):

- (iv) clauses 6.7 to 6.11 (operating expenditure):
 - (v) clause 6.12 (depreciation):
 - (vi) clause 6.13 (financing costs):
 - (vii) clause 6.14 (impairment of network and non-network assets):
 - (viii) clauses 6.15 to 6.21 (capital expenditure):
 - (ix) clause 6.22 (value of vested assets):
 - (x) clause 6.23 (cost allocation);
 - (xi) clause 6.24 (approach to revenue and funding allocation):
 - (xii) clause 6.26 (changes to entities):
 - (xiii) clause 6.27 (related party transactions):
 - (xiv) clause 6.28 (ring-fencing of revenue):
 - (xv) clause 6.29 (investment indicators):
 - (xvi) clauses 6.30 to 6.32 (revenue and funding indicators):
 - (xvii) clause 6.33 (financing indicators):
 - (xviii) clauses 6.34 and 6.35 (financial sustainability indicators); or
 - (b) disclosed under clause 3.7 (annual delivery report).
- (2) A director's certificate in the form set out in Schedule E is required for forecast information—
- (a) disclosed under clause 3.1 or 3.3 and specified in the following clauses:
 - (i) clauses 6.7 to 6.11 (operating expenditure):
 - (ii) clause 6.12 (depreciation):
 - (iii) clause 6.13 (financing costs):
 - (iv) clauses 6.15 to 6.21 (capital expenditure):
 - (v) clause 6.29 (investment indicators):
 - (vi) clauses 6.30 to 6.32 (revenue and funding indicators):
 - (vii) clause 6.33 (financing indicators):
 - (viii) clauses 6.34 and 6.35 (financial sustainability indicators):
 - (ix) clause 6.36 (financing and funding arrangements); or
 - (b) disclosed under any of the following clauses—
 - (i) clause 3.4 (strategic asset management plan):
 - (ii) clause 3.5 (asset management plan):
 - (iii) clause 3.6 (investment and delivery plan).

7.4 Director's certificate

- (1) A regulated supplier must disclose, with the information specified in clause 7.3(1) or (2), the director's certificate that is required in respect of the information.
- (2) A certificate disclosed under this clause must be signed by 2 directors of the regulated supplier.

Schedule A Transitional, savings, and related provisions

Provisions relating to this determination as made

A1 Disclosure under clause 3.1 not required until 30 June 2027

Despite clause 3.1(1), a regulated supplier is only required to disclose information under clause 3.1 for the first time on or before 30 June 2027 (for each of the 10 consecutive financial years beginning with the financial year commencing on 1 July 2027).

A2 Disclosure under clause 3.2 not required for financial year ending on 30 June 2026

Despite clause 3.2(1), a regulated supplier is only required to disclose information under clause 3.2 for the first time on or before 30 November 2027 (for the financial year ending on 30 June 2027).

A3 Disclosure under clause 3.3 not required until 30 June 2027

- (1) This clause applies—
 - (a) if the first water services strategy that is adopted in respect of a regulated service is adopted before 30 June 2027; and
 - (b) to the strategic asset management plan that, under clause 3.3(1), the regulated supplier is required to disclose on or before the date on which the strategy is adopted.
- (2) Despite clause 3.3(1), the regulated supplier is only required to disclose the plan on or before 30 June 2027.

A4 Disclosure under clause 3.4 not required until 30 June 2027

- (1) This clause applies—
 - (a) if the first water services strategy that is adopted in respect of a regulated service is adopted before 30 June 2027; and
 - (b) to the information that, under clause 3.4(2), the regulated supplier is required to disclose on or before the date on which the strategy is adopted.
- (2) Despite clause 3.4(2), the regulated supplier is only required to disclose the information on or before 30 June 2027.

A5 Disclosure under clause 3.5 not required until 30 June 2027

- (1) This clause applies—

- (a) if the first water services strategy that is adopted in respect of a regulated service is adopted before 30 June 2027; and
 - (b) to the asset management plan that, under clause 3.5(1)(b), the regulated supplier is required to disclose on or before the date on which the strategy is adopted.
- (2) Despite clause 3.5(1)(b), the regulated supplier is only required to disclose the plan on or before 30 June 2027.

A6 Disclosure under clause 3.6 not required until 30 June 2027

- (1) This clause applies—
 - (a) if the first water services strategy that is adopted in respect of a regulated service is adopted before 30 June 2027; and
 - (b) to the investment and delivery plan that, under clause 3.6(1)(b), the regulated supplier is required to disclose on or before the date on which the strategy is adopted.
- (2) Despite clause 3.6(1)(b), the regulated supplier is only required to disclose the plan on or before 30 June 2027.

A7 Disclosure under clause 3.7 not required for financial years ending on 30 June 2026 and 30 June 2027

Despite clause 3.7(1), a regulated supplier is only required to disclose an annual delivery report for the first time on or before 30 November 2028 (for the financial year ending on 30 June 2028).

A8 Disclosure under clause 4.2 for transfer agreements entered into before commencement

- (1) This clause applies to a person who entered into a transfer agreement before this determination commenced.
- (2) The person (whether or not they are a regulated supplier) must disclose to the Commission the information specified in clause 4.2(3) not later than 30 working days of the date of commencement.
- (3) A person is not required to comply with this clause in relation to a transfer agreement if another party to the transfer agreement has already provided the information specified in clause 4.2(3) to the Commission.

A9 Disclosure under clauses 4.6, 4.7, and 4.8 not required until 30 June 2026

A regulated supplier is only required to disclose information under clauses 4.6, 4.7, and 4.8 for the first time on or before 30 June 2026.

Schedule B Expenditure categories and components

B1 Operating expenditure – network

The categories of network operating expenditure are:

- (a) 'energy', which is expenditure for electricity, gas, fuel and other energy sources used in the operation of the network (other than for transport):
- (b) 'chemicals', which is expenditure for chemicals used in the provision of regulated services:
- (c) 'condition and performance assessments', which is expenditure for the systematic evaluation of the current state of an asset (including, for example, visual inspections, FENZ hydrant inspections, CCTV inspections, non-destructive testing, structural evaluations):
- (d) 'planned maintenance', which is expenditure for scheduled activities that are performed regularly and systematically to prevent equipment failure and maintain system reliability (including, for example, valve exercising, flushing, jetting, critical asset and safety inspections, meter testing):
- (e) 'predictive maintenance', which is expenditure for proactive maintenance that uses real-time data and analytics to predict when equipment is likely to fail so maintenance can be performed just in time (including, for example, maintenance in response to sensor data (relating to vibration, temperature, flow, or pressure), oil and lubricant analysis, machine learning models, and SCADA system analytics):
- (f) 'unplanned maintenance', which is expenditure for reactive or corrective maintenance which occurs after an asset failure or an unexpected issue arises (including, for example, maintenance in response to a burst pipe, pump failure, electrical fault):
- (g) 'disposals (by-products/biosolids)', which is expenditure for disposal of by-products and biosolids (being solids or semi-solids from the wastewater treatment process):
- (h) 'compliance', which is expenditure associated with complying with regulatory requirements and acting consistently with Treaty settlement obligations associated with the regulated service (including, for example, sampling and analysis, laboratory services, testing and certification of equipment, and reporting):
- (i) 'other', which is all other network operating expenditure.

B2 Operating expenditure – non-network

The categories of non-network operating expenditure are:

- (a) 'system operations and network support', which is expenditure on the management of the network (including, for example, asset management planning, network and engineering concept design and optioneering that is

not capitalised, network asset data and information management, connection and consumer records, consumer queries and call centres, operational training for network management and field staff, and operational vehicles and transport):

- (b) 'business support', which is expenditure associated with the following corporate activities:
 - (i) human resources and training:
 - (ii) finance (including compliance activities, valuations, and auditing):
 - (iii) CEO and director costs:
 - (iv) legal services:
 - (v) consulting services:
 - (vi) property management (excluding rates):
 - (vii) corporate communications:
- (c) 'rates and levies', which is expenditure for rates and levies, including, for Watercare, payments associated with the interim economic regulation regime under the Local Government (Water Services Preliminary Arrangements) Act 2024:
- (d) 'insurance', which is expenditure in relation to a contract of insurance as defined in section 7(1) of the Insurance (Prudential Supervision) Act 2010:
- (e) 'fines and penalties', which is expenditure associated with fines or penalties imposed on regulated supplier, including any fine or penalties for the breach of a resource consent:
- (f) 'impairment of receivables and recoverables':
- (g) 'consumer and iwi engagement and education', which is expenditure on engaging with the public, including with stakeholders and hapū, iwi, and other Māori organisations (including, for example, engaging through public reporting, consultation, hui, and education sessions):
- (h) 'Treaty settlements', which is expenditure for work undertaken to support Treaty settlements:
 - (i) 'IT', which is expenditure on information technology:
 - (j) 'consents', which is expenditure incurred obtaining approvals under the Resource Management Act 1991 that are related to the provision of regulated services, including resource consents, designations, certificates, and notices:
- (k) 'other', which is all other non-network operating expenditure.

B3 Operating expenditure – components

The components of operating expenditure are:

- (a) 'direct billing', which is expenditure associated with directly billing end consumers and recovering payments due (including, for example, billing services, credit and debtor management, customer call centres, and customer account management):

- (b) 'salaries, consultants, and professional services', which is expenditure on salaries, wages, and the engagement of contractors, consultants, and other professional services:
- (c) 'management support from shareholding council', which is expenditure for administrative or operating support services provided to the regulated supplier by a shareholding council, including costs associated with billing on behalf of the regulated supplier
- (d) 'consequential operating expenditure driven by capital expenditure' which is expenditure relating to new assets forecast to be commissioned in the future that would otherwise be avoidable:
- (e) 'cybersecurity', which is expenditure for the application of technologies, processes and controls to protect systems, networks, programmes, devices, and data.

B4 Capital expenditure – network assets

The categories of capital expenditure on network assets are:

- (1) 'growth', which is expenditure to expand the network, or to increase the capacity of the network, to meet objectives relating to growth:
- (2) the following categories within the growth category:
 - (a) 'capacity upgrade', which is expenditure for asset enhancements for the purpose of increasing capacity of part of, or all of, the existing network to serve increased demand from existing consumers or new consumers:
 - (b) 'network expansions', which is expenditure for—
 - (i) the extension of an existing network to provide the service to new consumers; or
 - (ii) the creation of a new network to service a new development on previously undeveloped land; or
 - (iii) the creation of a new network to service consumers in an area that was not previously serviced
 - (c) 'new connections', which is expenditure for the provision of new consumer connections:
 - (d) 'other', which is all other expenditure in the growth category:
- (3) 'levels of service',—
 - (a) which is expenditure to achieve or improve the level of service provided to users of the regulated service; but
 - (b) excludes expenditure that is driven by asset condition or age:
- (4) the following categories within the levels of service category:
 - (a) 'environmental improvements and efficiencies',—
 - (i) which is expenditure for new or enhanced assets that reduce the environmental impact of the regulated service or improve the efficiency of service delivery (including, for example, carbon or energy

- reduction projects, water reuse or recycling schemes, process optimisation, and smart water metering); but
- (ii) excludes expenditure associated with a regulatory requirement or Treaty settlement obligation:
- (b) 'enhancements to levels of service',—
 - (i) which is expenditure on improving levels of service beyond that which is currently agreed in the regulated supplier's water service strategy; but
 - (ii) excludes expenditure on environmental improvements and efficiencies, regulatory requirements and Treaty settlement obligations, and resilience and risk:
- (c) 'meeting current levels of service', which is expenditure required to retain, restore or deliver the current committed service level to consumers:
- (d) 'regulatory requirements and Treaty settlement obligations', which is expenditure to comply with regulatory requirements and to act consistently with Treaty settlement obligations as they relate to the provision of the regulated service (including, for example, costs associated with health and safety, environmental protection, and public health):
- (e) 'resilience and risk', which is expenditure for new or enhanced assets or systems that improve the regulated supplier's ability to withstand, respond to, and recover from disruptive events (including, for example, risks associated with natural hazards, the impacts of climate change, and other organisational risks such as operational, financial, or technological threats):
- (f) 'other', which is all other expenditure in the levels of service category:
- (5) 'renewals', which is expenditure for the replacement or major refurbishment of an existing asset that has reached the end of its useful life or that is no longer performing efficiently:
- (6) the categories of expenditure within the renewals category that relate to each of the following classes of asset:
 - (a) 'raw water assets', which is expenditure for structural, civil, mechanical, electrical, monitoring and control assets used to abstract, store and convey raw water to a treatment facility (including, for example, dams, reservoirs, weirs, river takes, groundwater bores, pumping stations, pipelines, canals, aqueducts, and tunnels):
 - (b) 'treated water storage',—
 - (i) which is expenditure for storage facilities used to hold treated water prior to distribution to consumers such as bulk or transmission-level storage or storage within the distribution network, and includes, for example, reservoirs, water towers, surge tanks, and balancing tanks; but
 - (ii) does not include expenditure for any storage that is part of a water treatment facility (see paragraph (e)):

- (c) 'treated water pumping stations', which is expenditure for civil, mechanical, and electrical assets used to move water through the reticulated distribution network:
- (d) 'treated water reticulation assets',—
 - (i) which is expenditure for assets used to distribute treated water from a treatment facility or from treated water storage to consumers (including, for example, transmission, bulk, trunk, and distribution mains and service lines up to the consumer connection point including valves, hydrants, meters and backflow devices); but
 - (ii) does not include expenditure for treated water storage (*see* paragraph (b)) or for treated water pumping stations (*see* paragraph (c)):
- (e) 'water treatment facilities', which is expenditure for—
 - (i) structural, civil, mechanical, electrical, monitoring, and control assets to treat raw water to drinking water standards (including, for example, associated buildings and structures, filtration, disinfection, and chemical dosing equipment, control and monitoring systems, and assets associated with the treatment and disposal of any by-products); and
 - (ii) storage and pump stations directly associated with the treatment of drinking water:
- (f) 'water monitoring and control', which is expenditure for systems, devices, and technologies used to monitor, measure, and control the operation of water assets (including, for example, SCADA systems, telemetry, sensors, instrumentation, automation equipment, and associated software and hardware that support real-time data acquisition, remote control, and operational decision-making):
- (g) 'wastewater pumping stations', which is expenditure for pump stations or lifting stations to elevate wastewater from a lower elevation to a higher elevation (including, for example, wet wells, pumps, control systems, electrical assets, valves and piping, and back up generation):
- (h) 'wastewater reticulation assets', which is expenditure for interceptor sewers, trunk sewers, pipes (gravity, vacuum, and pressure), and laterals used to collect and convey wastewater from the consumer connection point to the treatment plant and for manholes and inspection chambers within the public network:
- (i) 'wastewater storage facilities', which is expenditure for civil structures for the purpose of storing wastewater within the reticulated network (including, for example, pump station emergency storage tanks and bulk wastewater storage facilities):
- (j) 'wastewater treatment facilities and outfalls', which is expenditure for structural, civil, mechanical, electrical, monitoring and control assets to treat wastewater to meet resource consent conditions (including, for example, associated buildings and structures, primary, secondary and tertiary

wastewater treatment processes, control and monitoring systems, and assets associated with the treatment of sludge and biosolids):

- (k) 'wastewater monitoring and control', which is expenditure for systems, devices, and technologies used to monitor, measure, and control the operation of wastewater assets (including, for example, SCADA systems, telemetry, sensors, instrumentation, automation equipment, and associated software and hardware that support real-time data acquisition, remote control, and operational decision-making):
- (l) 'other', which is all other expenditure in the renewals category.

B5 Capital expenditure – non-network assets

The categories of capital expenditure on non-network assets are:

- (a) 'property', which is expenditure for land and buildings:
- (b) 'vehicles', which is expenditure for vehicles:
- (c) 'consents', which is expenditure for obtaining approvals under the Resource Management Act 1991 that are related to the provision of regulated services, including resource consents, designations, certificates and notices:
- (d) 'IT', which is expenditure on information technology:
- (e) 'other', which is all other expenditure in the non-network assets category.

B6 Capital expenditure – components

The components of capital expenditure are:

- (a) 'value of assets acquired under a lease', which is expenditure for assets acquired under a finance lease or for right-of-use assets within the meaning of GAAP (if applicable):
- (b) 'consideration paid for vested assets', which is expenditure for vested assets associated with the provision of regulated services that are received by the regulated supplier:
- (c) 'cybersecurity', which is expenditure for the application of technologies, processes, and controls to protect systems, networks, programmes, devices, and data.

Schedule C Asset management disclosure

C1 Strategic asset management plan

- (1) The strategic asset management plan must—
 - (a) specify the date on which it was approved and who approved it for the regulated supplier; and
 - (b) specify the period to which the plan relates; and
 - (c) specify any significant assumptions used in the preparation of the plan and, for each significant assumption, an explanation of:
 - (i) any qualifications that apply to the assumption; and
 - (ii) the reason why the assumption is significant; and
 - (d) include a summary that provides a brief overview of the contents and highlights information that the regulated supplier considers is significant; and
 - (e) specify how the plan aligns with other planning documents, including any asset management plan or water services strategy.
- (2) The plan must include the information specified in clauses C2 to C5.
- (3) Financial forecasts are not required in a strategic asset management plan.

C2 Strategic asset management plan – asset management framework

The strategic asset management plan must specify—

- (a) if the regulated supplier has an asset management policy, how the asset management policy promotes a consistent approach to asset management and to decision-making across the organisation by aligning with relevant organisational policies and strategies; and
- (b) the regulated supplier's asset management objectives, and
- (c) how the asset management objectives align with and support the priorities, objectives, outcomes, and expectations specified in the water services strategy under clause 2(1)(a) and (b) of Schedule 3 of the LGWS Act, and, for that purpose, specify—
 - (i) any strategies that the regulated supplier intends to implement to achieve the asset management objectives; and
 - (ii) any processes the regulated supplier intends to use to ensure the asset management objectives are realistic and achievable; and
- (d) any other strategies, plans, and asset management documents that influence the asset management practices and how each of these documents relate to each other; and
- (e) how stakeholder engagement informs the regulated supplier's asset management practices, including whether and, if so, how the regulated supplier—

- (i) uses analysis of stakeholder engagement to shape asset management objectives; and
- (ii) addresses competing interests and expectations at a strategic level; and
- (iii) ensures its asset management decisions reflect a balanced consideration of diverse stakeholder needs; and
- (f) the current maturity and effectiveness of asset management within the organisation.

C3 Strategic asset management plan – risk management

- (1) The strategic asset management plan must specify—
 - (a) the risk management framework used by the regulated supplier; and
 - (b) how the framework informs decision making, investment planning, and resilience; and
 - (c) the regulated supplier’s risk policies.
- (2) In specifying the matters in subclause (1), the plan must specify—
 - (a) whether and, if so, how the asset management system supports resilience to natural hazards, including the identification, prioritisation, and mitigation of risks associated with natural hazards; and
 - (b) whether and, if so, how the following matters are incorporated into the risk management framework:
 - (i) impacts of climate change;
 - (ii) risks identified in drinking water safety plans, source water risk management plans, and wastewater network risk management plans;
 - (iii) results of asset criticality assessments;
 - (iv) existing and future Treaty settlement obligations (including how expectations for relationships with hapū, iwi, and other Māori organisations are recognised and embedded in the identification, assessment, and management of cross-boundary and climate-related risks);
 - (v) perspectives of consumers.
- (3) The plan must specify the regulated supplier’s risk appetite in relation to risk management, including—
 - (a) the types and levels of risk that the regulated supplier is willing to accept or avoid in planning and investment decisions; and
 - (b) how the risk appetite influences strategic priorities, trade-offs, and decision making; and
 - (c) any formal statements, thresholds, or criteria used to define acceptable risk.
- (4) The plan must specify any risk management strategies that are in place to address potential challenges in achieving the strategic asset management plan.

C4 Strategic asset management plan – lifecycle asset management

- (1) The strategic asset management plan must specify the regulated supplier's full lifecycle asset management processes, including how needs are identified, prioritised, and addressed through planning, investment, and operational activities.
- (2) In specifying the matters in subclause (1), the plan must specify each of the following:
 - (a) the process the regulated supplier uses to identify asset-related needs, including those that arise due to factors such as population and demand growth, the need to enhance service levels, asset condition and performance issues, regulatory changes, Treaty settlement obligations, and the need to mitigate risks and improve resilience;
 - (b) the regulated supplier's definition of criticality in the context of the provision of the regulated service (including, for example, different levels of reliance for different consumer groups), health and safety, environmental protection, and financial sustainability;
 - (c) any criteria that the regulated supplier uses to prioritise asset-related needs (for example, criteria relating to risk, compliance, cost-effectiveness, service impact, or alignment with strategic goals);
 - (d) how decisions are made to support growth, maintain or improve (or maintain and improve) levels of service, undertake maintenance and renewals, and manage trade-offs to ensure long term sustainability;
 - (e) any high-level plan for the regulated supplier's asset portfolio that outlines the key activities (for example, acquisition, operation, maintenance, renewal, and disposal) that are to support the delivery of asset management objectives;
 - (f) the regulated supplier's approach to asset renewals, including how the regulated supplier makes decisions whether to replace or refurbish assets proactively or to do so reactively in response to failures and criteria used in those decisions (for example, criteria relating to risk, cost-effectiveness, service impact, or alignment with strategic goals);
 - (g) the ways (if any) that condition and performance data are used to optimise decisions in relation to asset maintenance, renewal, and replacement and how the regulated supplier balances cost, risk, and service outcomes to achieve sustainable and efficient asset management;
 - (h) any asset renewal backlog that the regulated supplier has identified and the regulated supplier's approach to managing the backlog, including—
 - (i) an estimate in years of the time that it will take to address the backlog; and
 - (ii) the key risks associated with the backlog; and
 - (iii) how the regulated supplier intends to manage those risks until the backlog is addressed;
 - (i) the regulated supplier's metering strategy, which may include—

- (i) the rationale for metering or not metering specific consumer groups or areas; and
- (ii) the adoption and use of smart metering technologies; and
- (iii) the systems and processes in place for managing and utilising meter data to support demand forecasting, billing, and network planning.

C5 Strategic asset management plan – governance and organisation

In relation to the organisation of the regulated supplier, the strategic asset management plan must specify the following—

- (a) how the regulated supplier has ensured consistency with Treaty settlement obligations in relation to the provision of the regulated service:
- (b) the governance and organisational leadership structure of the regulated supplier:
- (c) the role that governance and organisational leadership has in delivering the regulated supplier's asset management functions, including the responsibilities and accountabilities for asset management at the governance level, the management level, the operations level, and at any other level identified by the regulated supplier:
- (d) the skills, resources, and capabilities that are required to meet the regulated supplier's asset management objectives and the mitigation strategies that the regulated supplier intends to use to fill any skill or resource gaps:
- (e) the current capability and capacity of the regulated supplier's governance, organisational leadership, internal teams, and supply chain to deliver the strategies and plans set out in the asset management documents, including:
 - (i) the systems, processes, and resources in place to support the delivery of the strategic asset management plan, asset management plan, and investment and delivery plan; and
 - (ii) any planned changes to those systems, processes, or capabilities; and
 - (iii) the timelines associated with the implementation of those changes, including any timelines for the fulfilment of the intended benefits of the changes; and
 - (iv) how governance and leadership structures enable effective oversight for asset management and the delivery of operational and capital programmes; and
 - (v) any known constraints with governance, leadership, or delivery capability, and the mitigation strategies that the regulated supplier intends to implement.

C6 Asset management plan

- (1) The asset management plan must—

- (a) specify the date on which it was approved and who approved it for the regulated supplier; and
 - (b) specify any significant assumptions used in the preparation of the plan including, for each significant assumption,—
 - (i) any qualifications that apply to the assumption; and
 - (ii) the reason why the assumption is significant; and
 - (c) include a summary of the plan that highlights information the regulated supplier considers is significant; and
 - (d) specify how the plan aligns with other planning documents, including any of the following:
 - (i) strategic asset management plan:
 - (ii) water services strategy:
 - (iii) investment and delivery plan.
- (2) The plan must include the information specified in clauses C7 to C15.

C7 Asset management plan – consumers

- (1) The asset management plan must specify the consumers of the regulated service, including specifying—
- (a) who the consumers are, their key characteristics, and how they interact with or rely upon the regulated services; and
 - (b) any consumers that have, or could potentially have, a significant impact on network operations, asset management objectives, or revenue, and describe those significant impacts; and
 - (c) the methodology and assumptions used to determine the number of connections in each network and the total population to whom the regulated service is supplied through the network, and the regulated supplier's confidence in the determination of those things.
- (2) The plan must specify how consumer expectations are identified, how current expectations are being met, and how future expectations have shaped the plan, including any identified gaps between expectation and service level delivery, and any proposed actions to address those gaps.
- (3) The plan must specify any practices used for measuring consumer satisfaction, including—
- (a) the methodology and performance indicators used to measure consumer satisfaction; and
 - (b) historical and current performance against the performance indicators; and
 - (c) how consumer satisfaction and complaint data are used to inform operational asset management practices, including how the regulated supplier—
 - (i) responds to and reflects consumer expectations in service delivery; and
 - (ii) addresses competing interests in day-to-day operations; and

- (iii) ensures operational decisions reflect a balanced consideration of diverse stakeholder needs.
- (4) The plan must specify the customer services practices, including—
 - (a) call centre services provided for consumers of the regulated service; and
 - (b) the approach to planning and managing customer complaint resolution.
- (5) The plan must specify the practices for connecting consumers, including—
 - (a) the approach to planning and managing—
 - (i) connections for new consumers, including one-off connections and connections to new developments, and how commonly encountered issues are addressed; and
 - (ii) alterations to existing connections, including upgrades, relocations, or disconnections; and
 - (b) the approach (if any) to minimising costs to consumers for new, altered, or one-off connections, including those within new developments; and
 - (c) the approach to planning and managing communication with consumers regarding new, altered, or one-off connections, including timelines, responsibilities, and expectations; and
 - (d) the approach to providing information to potential new consumers about current and forecast network constraints that may affect connection timing or feasibility.

C8 Asset management plan – networks, assets, and critical assets

- (1) The asset management plan must specify the asset portfolio used to provide the regulated service.
- (2) In specifying the asset portfolio, the plan must specify the following matters:
 - (a) a map or maps showing the location and layout of the network, including all critical network assets:
 - (b) in relation to critical assets, the following:
 - (i) for each critical asset that has been identified within the asset portfolio, a description of the asset and the reasons why it is a critical asset:
 - (ii) a description of the criteria and methodology used to assess asset criticality (for example, the consequences of failure, the likelihood of failure, or the availability of redundancy or backup systems):
 - (iii) a description of any strategies in place to mitigate the risk of failure for critical assets:
 - (iv) if no assessment has been made of whether any assets in the asset portfolio are critical assets, an explanation of why an assessment has not been undertaken:
 - (c) to the extent that criticality assessments are undertaken, a description of how outcomes of those assessments inform broader risk management and planning processes, including any processes relating to—

- (i) maintenance prioritisation; and
 - (ii) renewal and upgrade planning; and
 - (iii) capital investment decisions; and
 - (iv) emergency preparedness and response:
- (d) a summary of the current capacity, performance, and condition of the assets in the asset portfolio and the methods and data sources used to assess those metrics:
- (e) for each asset class specified in clause B4(6),—
 - (i) the number of assets; and
 - (ii) the weighted average theoretical life; and
 - (iii) the weighted average age of assets.

C9 Asset management plan – information management

- (1) The asset management plan must specify—
 - (a) any data management systems used to provide the regulated service; and
 - (b) if there is more than one, the integration between data management systems.
- (2) The plan must specify a statement on whether the data management systems are appropriate, including in relation to—
 - (a) data confidence; and
 - (b) any information gaps and their impact on decision-making; and
 - (c) limitations in data availability or completeness; and
 - (d) initiatives to improve data quality.

C10 Asset management plan – performance indicators

- (1) The asset management plan must specify—
 - (a) performance indicators against which service quality, network performance, asset management practices, efficiencies, and investment benefits will be measured; and
 - (b) for each performance indicator, annual performance targets (if any) for each of the first 10 financial years covered by the plan.
- (2) The performance indicators must specify at least the following:
 - (a) the performance measures included in the water services strategy under clause 3 of Schedule 3 of the LGWS Act:
 - (b) any performance indicators or measures included in the regulated supplier's statement of expectations prepared under subpart 1 of Part 4 of the LGWS Act:
 - (c) any indicators to measure performance in relation to:
 - (i) provision of new connections; and
 - (ii) condition of assets, and planned and predicted maintenance programmes; and

- (iii) growth, level of service, and renewal investment; and
 - (iv) consumer satisfaction, including indicators that reflect service reliability, responsiveness to complaints, and communication effectiveness; and
 - (v) service accessibility and equity across different consumer groups or geographical areas.
- (3) The plan must specify—
 - (a) the basis on which the performance targets for each performance indicator was determined; and
 - (b) whether and the extent to which the performance indicators reflect consumer expectations, other stakeholders' needs, compliance with regulatory requirements, and consistency with Treaty settlement obligations.
- (4) For each performance indicator specified, the plan must specify how meeting the performance targets will demonstrate progress toward achieving the priorities, objectives, outcomes, and expectations specified in the water services strategy under clause 2(1)(a) and (b) of Schedule 3 of the LGWS Act.

C11 Asset management plan – asset enhancements and improvements

- (1) The asset management plan must specify, for each network used to provide the regulated service, how the regulated supplier identifies and responds to demand, including the following:
 - (a) for each asset in respect of which the regulated supplier has assessed current and future utilisation, capacity, and demand, the assessment of those things, and—
 - (i) the bases on which the assessment was made; and
 - (ii) the tools, methods, demand factors, and assumptions used to prepare the assessment; and
 - (iii) any limitations of the assessment; and
 - (iv) a statement of the regulated supplier's confidence in the assessment:
 - (b) how the regulated supplier assesses and manages the impact, timing, and uncertainty of demand changes on existing network assets, including any strategies for:
 - (i) sustaining service delivery amid declining demand; and
 - (ii) leveraging growth opportunities to enhance network efficiency:
 - (c) how the regulated supplier supports and responds to growth, including:
 - (i) the processes used to prioritise network development; and
 - (ii) the alignment of network development with the regulated supplier's asset management objectives; and
 - (iii) the strategies in place to manage planning risks:
 - (d) how the regulated supplier identifies network constraints arising from forecast demand growth, including:

- (i) impacts on assets in specific locations, consented water take and discharge limits, and asset maintenance and renewal; and
 - (ii) any mitigation options the regulated supplier has considered to address those constraints:
- (e) whether and, if so, how the regulated supplier monitors and manages water demand and water loss across its networks, including the strategies, technologies, and operational practices used to improve water use efficiency and minimise non-revenue water.
- (2) The plan must specify every asset improvement that is material and that is necessary to achieve, maintain, or enhance service levels (whether or not the improvement is funded or included in an investment and delivery plan).
- (3) For each improvement specified in accordance with subclause (2), the plan must—
 - (a) specify any regulatory requirement or Treaty settlement obligation to which the improvement relates and, for each specified requirement or obligation, explain how the improvement is expected to ensure compliance with the requirement or consistency with the obligation:
 - (b) specify any level of service to which the improvement relates and, for each specified level of service, explain how the improvement is expected to maintain or enhance the level of service (including any performance indicators or targets):
 - (c) specify any risk or the resilience matter to which the improvement relates and, for each specified matter, and explain how the improvement is expected to manage or mitigate risk or to improve resilience:
 - (d) specify any environmental or efficiency outcome to which the improvement relates and, for each specified outcome, explain how the improvement is expected to improve the outcome (including any relevant measure, for example, the amount of expected energy savings, emission reductions, or water re-use).
- (4) For each improvement specified in accordance with subclause (2), the plan must specify—
 - (a) an overview of potential options that were considered, including any non-asset solutions; and
 - (b) the decision-making criteria that were used to select the proposed approach, including criteria to address any trade-offs.

C12 Asset management plan – network asset maintenance and renewals

- (1) The asset management plan must specify any asset-specific activities undertaken in relation to network assets, including any of the following matters:
 - (a) condition and performance assessment programmes, including the frequency of, and the methods used in, those programmes:
 - (b) planned and predictive maintenance programmes, including the frequency of, and the standards and specifications used in, those programmes:

- (c) unplanned (reactive) maintenance activities:
 - (d) systemic maintenance issues by asset type, and any proposed corrective actions.
- (2) The plan must specify any renewal information, programmes, and actions that are undertaken or that are planned, including,—
 - (a) for each asset type,—
 - (i) any tools, methods, and assumptions used to develop the schedule of planned renewal activities, including the physical scope and timing of asset replacement, any limitations in the approach, and the level of confidence the regulated supplier has in the schedule of planned renewal activities; and
 - (ii) any renewal activity that has been identified as necessary (whether or not the renewal activity is funded or included in an investment and delivery plan); and
 - (iii) any systemic renewal issues identified with any particular asset type, including any proposed actions to address these problems; and
- (3) The plan must specify, for piped assets, an estimate of the kilometres of pipe that have been identified as requiring replacement (whether or not the replacement is funded or included in an investment and delivery plan) for each financial year for the period covered by the plan.
- (4) The plan must describe whether and, if so, how the regulated supplier manages the interdependencies between maintenance and renewals, including the supplier's approach to balancing short-term operational performance with long-term asset sustainability.

C13 Asset management plan – non-network assets

The asset management plan must specify any enhancements, maintenance, or renewal plans for any non-network asset (including the development of any new asset that is to be acquired or commissioned) that is material, including—

- (a) a description of the non-network asset; and
- (b) the regulated supplier's policies, standards, or procedures for the enhancement, maintenance, and renewal of non-network assets.

C14 Asset management plan – risk and resilience

The asset management plan must specify—

- (a) whether the regulated supplier uses a risk assessment tool and, if it does, the tool that regulated supplier uses; and
- (b) any significant risks to the networks and, for each risk, any vulnerable critical assets and the regulated supplier's mitigation strategy; and
- (c) whether and, if so, how—

- (i) asset resilience is measured in relation to asset criticality and risk and any frameworks or indicators used to assess resilience at the asset or network level; and
- (ii) interdependencies between assets and networks are considered in risk and resilience planning, including potential cascading impacts; and
- (iii) risk and resilience performance is monitored and lessons learned from past events or reviews are used to improve future planning; and
- (d) any emergency and contingency plans that exist for the management of risks and the types of events that those plans are intended to address.

C15 Asset management plan – asset management maturity, continuous improvement, and innovation

- (1) The asset management plan must, if there is a current asset management maturity and capability assessment, specify the assessment, including the following matters:
 - (a) the date of the most recent assessment:
 - (b) the criteria used in the most recent assessment:
 - (c) whether it was conducted internally or by an independent third party:
 - (d) the level of asset management practice that the regulated supplier is seeking to achieve:
 - (e) an evaluation of the regulated supplier's performance against the level referred to in paragraph (d):
 - (f) the outcomes of the most recent assessment:
 - (g) how any recommendations contained in the most recent assessment have been incorporated into the asset management plan and the asset management improvement plan:
 - (h) the proposed date for the next assessment.
- (2) The plan must include an improvement plan that specifies the following matters:
 - (a) a list of each improvement that are identified—
 - (i) by or as a result of an assessment referred to in subclause (1); or
 - (ii) by an assessment of any gaps between current practice and the practice required to meet the asset management objectives from the strategic asset management plan:
 - (b) how the improvements have been prioritised:
 - (c) for each improvement:
 - (i) the benefits of undertaking the improvement:
 - (ii) any performance indicators:
 - (iii) the timeline for completion of the improvement:
 - (iv) the current status of the improvement:

- (v) the resources required to undertake the improvement, including the estimated costs and an assessment of the capability of the regulated supplier to effect the improvement.
- (3) The plan must specify whether the regulated supplier has planned or undertaken any innovation practices and, to the extent that it has, the plan must specify the following:
 - (a) any innovation practices that the regulated supplier has planned or undertaken since the last plan was disclosed, including case studies and trials;
 - (b) the regulated supplier's desired outcome for any innovation practices, and how innovation practices may improve outcomes for consumers;
 - (c) how the regulated supplier measures success and makes decisions regarding any innovation practices, including how it decides whether to commence, adopt, or discontinue innovation practices;
 - (d) how the regulated supplier's decision-making and innovation practices depend on the work of participants in the water sector, including consultants, contractors, regulators, and other regulated suppliers;
 - (e) the types of information that the regulated supplier uses to inform or enable any innovation practices, and the regulated supplier's approach to seeking that information.

C16 Investment and delivery plan

- (1) The investment and delivery plan must specify—
 - (a) the date on which it was approved and who approved it for the regulated supplier; and
 - (b) any significant assumptions used in the preparation of the plan and, for each significant assumption:
 - (i) any qualifications that apply to the assumption; and
 - (ii) the reason why the assumption is significant; and
 - (c) how the plan aligns with other planning documents, including the following:
 - (i) asset management plan;
 - (ii) strategic asset management plan;
 - (iii) water services strategy;
 - (iv) water services annual budget.
- (2) The plan must include the information specified in clauses C17 to C19.

C17 Investment and delivery plan – prioritisation

The investment and delivery plan must specify—

- (a) the process and criteria used to prioritise investments; and
- (b) how the process and criteria align with the strategic asset management plan and asset management plan; and

- (c) whether and, if so, how the following have directly influenced investment priorities:
 - (i) consumer engagement:
 - (ii) asset performance, condition and criticality assessments:
 - (iii) risk evaluations:
 - (iv) growth demands and any relevant future development strategy:
 - (v) compliance with regulatory requirements and consistency with Treaty settlement obligations:
 - (vi) any financial resources or other constraints considered by the regulated supplier.

C18 Investment and delivery plan – forecast investment

- (1) The investment and delivery plan must—
 - (a) include qualitative information, in narrative form, to support—
 - (i) the operating expenditure forecast most recently disclosed under clause 3.1(2)(a); and
 - (ii) the capital expenditure forecast most recently disclosed under clause 3.3(2); and
 - (b) specify how the operating expenditure forecasts have been developed and how they take account of the lifecycle costs of current and new assets; and
 - (c) provide a clear, substantiated justification for the level of capital and operational investment in accordance with subclause (2).
- (2) The justification under subclause (1)(c) must—
 - (a) explain how the forecasts are informed by—
 - (i) the asset management plan (in particular, the matters specified under clauses C10 to C15); and
 - (ii) the investment and delivery plan (in particular, the matters specified under clause C17); and
 - (b) justify the forecast investment related to each of the following areas:
 - (i) growth, including alignment with demand forecasts and any relevant future development strategy:
 - (ii) maintenance and renewals, including asset condition, performance, and lifecycle considerations:
 - (iii) compliance with regulatory requirements and consistency with Treaty settlement obligations:
 - (iv) maintaining or enhancing levels of service, including alignment with performance indicators and any identified gaps between current and targeted level of service:
 - (v) asset management objectives and targeted performance indicators:

- (c) for each area listed in paragraph (b), give an assessment of the extent to which the forecast investment is sufficient to give effect to the activities specified in the asset management plan; and
 - (d) for any area listed in paragraph (b) for which the forecast investment is not sufficient,—
 - (i) identify the requirements and obligations have not been or will not be met; and
 - (ii) describe the associated risks; and
 - (iii) explain how the regulated supplier plans to manage those risks.
- (3) The plan must specify, for each material project or programme that is proposed for the period, the following:
 - (a) the expenditure category that represents the primary reason for the investment and any expenditure categories (if any) that represent secondary reasons for the investment:
 - (b) the regulated supplier's level of confidence in the expenditure forecasts, any key assumptions used in the preparation of the forecasts, and any limitations of the forecasts:
 - (c) the performance indicators specified in the asset management plan under clause C10 on which the project or programme is expected to have an effect:
 - (d) the asset management objectives from the strategic asset management plan through which the benefits of the investment will be realised:
 - (e) if the project or programme relates a renewal, the forecast expenditure by asset class (as specified in clause B4(6)) and the extent to which those investments correspond with the programmes specified in the asset management plan under clause C12:
 - (f) the factors that led to the regulated supplier determining that the project or programme is material in accordance with subclause (4).
- (4) In this clause, **material project or programme** means a project or programme that the regulated supplier has determined is material, after having regard to the following considerations in relation to the project or programme:
 - (a) expenditure value:
 - (b) strategic importance:
 - (c) risk:
 - (d) any other relevant considerations.

C19 Investment and delivery plan – procurement, delivery, and performance

The investment and delivery plan must specify—

- (a) the procurement and delivery approach (or approaches) that the regulated supplier intends to take to implement the plan including how the regulated supplier intends to use in-house and external resources and procurement methods to deliver the plan; and

- (b) the regulated supplier's assessment of the capacity and capability of the regulated supplier, and of the supply chain, to deliver the investments proposed in the plan; and
- (c) any material risks and issues that the regulated supplier is actively managing to ensure that delivery; and
- (d) any performance indicators that the regulated supplier will use to monitor and report on delivery performance; and
- (e) for each performance indicator, annual performance targets (if any) for each year of the period of 10 financial years that begins with the next financial year to commence after the plan is disclosed; and
- (f) for each performance indicator, whether the specified target or targets are consistent with the regulated supplier's water services strategy and the asset management objectives, and if not, the reason or reasons for any inconsistency.

C20 Annual delivery report

- (1) The annual delivery report must specify—
 - (a) the date on which it was approved and who approved it for the regulated supplier; and
 - (b) any significant assumptions used in its preparation and, for each significant assumption:
 - (i) any qualifications that apply to the assumption; and
 - (ii) why the assumption is significant; and
 - (c) how the report aligns with other planning documents, including the following:
 - (i) asset management plan;
 - (ii) strategic asset management plan;
 - (iii) investment and delivery plan;
- (2) The report must include the information specified in clauses C21 to C23.

C21 Annual delivery report – asset management plan performance assessment

- (1) The annual delivery report must include a comprehensive assessment of performance against the performance indicators specified in the asset management plan in accordance with clause C10.
- (2) In providing that assessment, the report must specify, for each performance indicator,—
 - (a) actual performance in the past year against the indicator; and
 - (b) any historical performance against the indicator and analysis going back at least 5 years (to the extent that the necessary information is available); and
 - (c) reasons for any underperformance or overachievement against performance targets and any actions taken or planned to address performance gaps.

C22 Annual delivery report – investment and delivery plan performance assessment

- (1) The annual delivery report must provide a comprehensive assessment of delivery performance.
- (2) In providing that assessment, the report must specify—
 - (a) actual performance against each indicator as specified in the investment and delivery plan under clause C19(d); and
 - (b) the physical and financial progress in the past year of each material project or programme specified in the investment and delivery plan in accordance with clause C18, and, for each material project or programme,—
 - (i) specify whether key milestones were met on time and within budget, including explanations for significant variances between forecasted and completed work, including uncompleted or removed projects or programmes; and
 - (ii) specify any delivery risks that were realised during delivery, how the impacts were managed or mitigated, and any changes to the scope, budget, timing, or other aspects of the material project and programme based on current performance; and
 - (iii) for completed projects or programmes,—
 - (A) specify any early evidence of benefits realised; and
 - (B) if benefits are expected to accrue over time, describe how the regulated supplier intends to monitor and report on the benefits; and
 - (c) the extent to which condition assessments and planned and preventative maintenance activities were completed, including any outstanding maintenance or increase in unplanned or reactive work and the implications of these on asset performance and service delivery; and
 - (d) key lessons from the past year’s delivery experience, including the extent to which the lessons have informed updates to the asset management plan, investment and delivery plan, and the regulated supplier’s delivery practices; and
 - (e) the performance of the supply chain and the effectiveness of the procurement strategies used by the regulated supplier, including—
 - (i) any constraints or innovations that have influenced delivery outcomes; and
 - (ii) any planned changes to procurement or supply chain strategies based on the evaluation; and
 - (f) an assessment of how the investments to date have impacted on the theoretical asset lives, renewal planning, and lifecycle cost efficiency.

C23 Annual delivery report – asset management improvement plan

- (1) The annual delivery report must include a comprehensive assessment of delivery performance, for the past year, of the asset management improvement plan specified in accordance with clause C15.
- (2) In providing that assessment, the report must specify progress against each improvement specified in the asset management improvement plan in accordance with clause C15(2)(a), including—
 - (a) actual performance against each indicator specified for the improvement in accordance with clause C15(2)(c)(ii); and
 - (b) any measurable improvements in asset management capability or outcomes; and
 - (c) any matters that helped or hindered progress; and
 - (d) how the regulated supplier proposes to address those matters.

Schedule D Certificate for disclosures

Clause 7.3(1)

We, [full names], being [directors/members of the governing body] of [name of regulated supplier], having made all reasonable enquiries, certify that to the best of our knowledge:

- a. The information prepared for the purposes of clauses [] of the Water Services Information Disclosure Determination 2026 complies in all material respects with the determination.
- b. The historical information used in the preparation of [] has been properly extracted from the [name of regulated supplier]'s accounting and other records sourced from its financial and non-financial systems.
- c. Sufficient appropriate records have been retained [and, if not, what records and systems were used].

[signatures]

[names]

[date]

Schedule E Certificate for disclosures including forecasts

Clause 7.3(2)

We, [insert full names], being [directors/ members of the governing body] of [name of regulated supplier], having made all reasonable enquiries, certify that, to the best of our knowledge:

- a. The information prepared for the purposes of clauses [] of the Water Services Information Disclosure Determination 2026 complies in all material respects with that determination.
- b. The prospective financial or non-financial information included in the attached information has been measured on a basis consistent with regulatory requirements or recognised industry standards.
- c. The forecast information included in the information is based on objective and reasonable assumptions that align with [name of regulated supplier]'s water services strategy and that are documented in retained records.

[signatures]

[names]

[date]