



ANNUAL REPORT

FOR YEAR ENDED 30 JUNE 2025

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Taki

He wai, he wai
He wai herenga tāngata
He wai herenga whenua

He wairua

He waioara

Tihei mauri ora!

'Tis water, 'tis water
Water that joins us
Water that necessitates the land
Soul of life
Life forever
'Tis the breath of life!

Foreword

The past year has been one of both highs and lows for Wellington Water. Confronting the need for significant change in the organisation has been of paramount importance. This change has been led by our Board of Directors and a new Chief Executive, and we have been singularly focussed on discovering areas of poor practice improving value for money for shareholders and preparing the organisation for handover to Metro Water.

Following an independent review into the budgeting advice error for councils' 2024-34 Long Term Plans in July 2024, we commissioned other independent reviews and reports to shed light on which of our systems and processes needed urgent attention. These have made it clear that significant changes are required, not only to ensure ratepayers are getting a good deal on the services we provide, but also to ensure our organisation and our people are in the best shape possible to transition to the Metro Water.

As a result, we have set in motion a raft of actions that significantly alter the way we work as an organisation. At the heart of this is a change to our culture. We have worked hard to move to a culture of listening and action where our people are encouraged to raise risks early, challenge status quo and take accountability for improvements in their areas of responsibility. While we have more work to do, we are already seeing a shift in staff behaviour and early escalation of issues.

Another area of focus has been to increase commercial and competitive tension in our approach to procuring services on behalf of our shareholders. For too long we have relied heavily on the expertise of consultants, contractors and suppliers. While there is merit in getting expert support, we need to ensure we are acting as a smart purchaser and have the right controls and capability internally to continually drive better value for money and protect the interest of Wellington Water.

This has included implementing a new procurement policy which has seen us move away from the historical use of panels to greater open market tendering. As a consequence, the pace of delivery slowed, and we weren't able to deliver our full capital programme. However, in the interest of ensuring value for money, it was the right thing to do. Additionally, we have started to reduce our spending on contractors by hiring more staff with the right expertise. This ensures Wellington Water has the right ownership and controls of its projects, and it is more cost effective and allows us to retain important institutional knowledge.

We have made significant changes to our financial controls. Previous practices around the creation of large annual purchase orders and automatic monthly payments to some suppliers without the right level of oversight and approvals have now stopped. Consultants who previously sat on the panel are now required to provide us with individual invoices for work completed by project, and if we are not happy with the work that is delivered, this is challenged, and payment is withheld. All staff with financial delegations have now undergone fraud and corruption training to ensure there is strong awareness of potential risks and how to prevent these.

Lastly, central to us maturing our business to become an effective asset management and water utility is having the right technological systems. Currently, we are dependent on old systems that are in urgent need of replacement, or we rely on the use of systems

belonging to our shareholding councils or contractors. In some cases, the systems we need are all together lacking. Additionally, the organisation has not been clear in the past with our shareholders about our resource needs and therefore investment in this space has been lacking. This year, thanks to council funding, we have established our Technology Systems Investment programme, which will upgrade the core essential technology systems any effective water services entity will need. These new systems will enable Metro Water to be effective.

In recognition that Wellington Water has one year remaining, we have intentionally prioritised action that allows us to address the most important shifts needed now to earn back the trust of our stakeholders, as well as what will lead to the best chances of success for Metro Water. While these changes signal that we have turned a corner, there is still a long way to go.

The year ended on a high note with the achievement of significantly reducing leaks and water loss in the region.

With ongoing investment from councils to find and fix leaks, this year we reduced water loss by 11 million litres a day or the daily water use of around 50,000 people. We tackled thousands of leaks across the region, which brought the average level of water loss from 41% down to 37%. While this may not sound like much, the amount of water saved well exceeded the 7.4 million litres reduction target that Water Services Authority Taumata Arowai set for us and saw the region's backlog of leaks come down to a sustainable level for the first time in a number of years.



With a committed Board of Directors and Executive Leadership Team, backed by dedicated and professional staff, we will continue to work at pace alongside our council shareholders to deliver the best water outcomes for the region until it's time to hand the reins over to Metro Water.



Nick Leggett

Nick Leggett
CHAIR OF THE BOARD



Pat Dougherty

Pat Dougherty
CHIEF EXECUTIVE

Highlights

248.5m

worth of capital projects which focused on upgrades, improvements, and building new water infrastructure across the region.



64b

litres of safe drinking water delivered



54.7%

reduced leaks backlog (1,405 to 636)



11m

litres reduced water loss per day



\$4.02b

litres of savings in water loss realised



65.4b

litres wastewater treated across the region



\$12.6m

spent on planned asset maintenance



\$18.9m

spent on renewal of metropolitan wastewater treatment plants



\$48.2m

spent on reactive asset maintenance



\$9.4m

spent on stormwater repairs and maintenance



70%

average customer satisfaction rate for the year



13.1km

of pipe renewals completed across the region



4200

applications processed for the three waters network in our region, 1,400 building consents, 820 water and drainage connections, and 400 resource consents

Introduction

Who we are and what we do

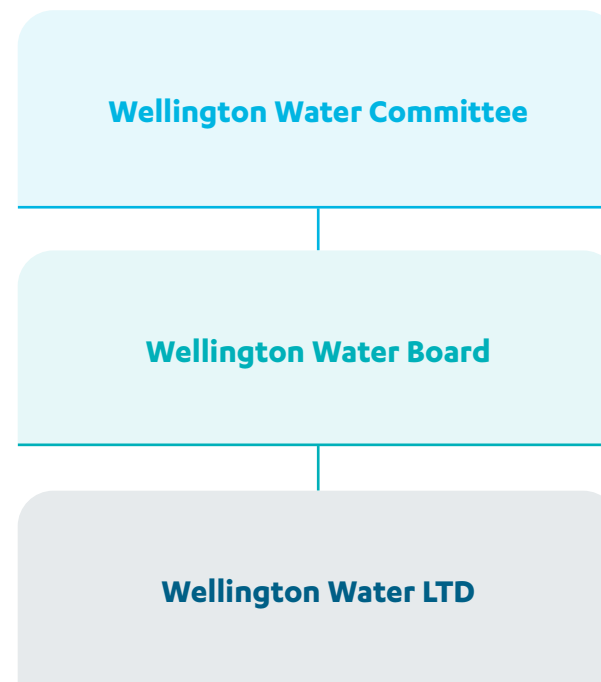
Wellington Water exists so that people in the Wellington region have safe, reliable, compliant and affordable drinking water, stormwater, and wastewater services.

We are owned by Wellington City Council, Hutt City Council, Porirua City Council, Upper Hutt City Council, Greater Wellington Regional Council, and South Wairarapa District Council. This makes Wellington Water a Council Controlled Organisation (CCO) – operating at arm's length from shareholding councils while remaining accountable to them.

Councils own the water assets in the region and set the level of funding and investment. They task us to manage the infrastructure and deliver water services to communities and to provide investment advice.

Our governance structure

Wellington Water is governed by a Board of Directors. We receive overall leadership and direction from the Wellington Water Committee. The Committee is made up of representatives from our shareholding councils and mana whenua.



Our values

We are a values-driven organisation, and the value of water sits at our heart. Everyday Wellington Water people come to work and strive to deliver services and build infrastructure in a way that provides the best outcomes for communities and the environment.

Our values reflect this and set out what we stand for and how we behave:

- **Tangata tiaki: together we protect our most precious taonga**
We are responsible for looking after our water, our environment, our community, and the future of our mokopuna through the work we do.
- **Whānau: united we support, connect with and respect each other**
The key to the wellbeing of any whānau is collaboration and sharing knowledge. We support, acknowledge, accept each other all the same - no matter how closely we work. We treat each other how we want to be treated.
- **Mana: we recognise, respect, and value the mana of others and seek to build mana-enhancing relationships.**
We accept that our performance is judged by the communities we serve, so we honour our plans, commitments and duties with pride, integrity and transparency.

Our strategic focus

Our work over the past year has been guided by the enduring regional strategic priorities for water set by the Wellington Water Committee. These were to:

- **Look after existing infrastructure;**
- **Support growth;**
- **Ensure sustainable water supply for the future;**
- **Improve water quality of our rivers, streams and harbours;**
- **Reduce our carbon emissions and adapt to the impacts of climate change; and**
- **Increase resilience to natural hazards.**

In addition to these strategic priorities, the Wellington Water Committee indicated in their annual letter of expectation that in 2024/25 Wellington Water was to:

1. Improve efficiency, effectiveness, transparency, and oversight by working with shareholders to produce a single framework that encompasses:
 - i. A reporting and performance management scheme including key performance indicators, but also broader productivity indicators that provide confidence that Wellington Water is delivering value for money and competitive tension.
 - ii. A simplified, reduced traffic management regime within existing Codes of Practice.
 - iii. A capital programme planning and management framework, and associated reporting that; is clearly linked to Council Long Term and Annual Works Plans, enables Councils to comply with LGA audit requirements, and provides for Councils to reprioritise investment to support growth and other priorities as appropriate.
 - iv. High level, pragmatic benchmarking to be reported to the Wellington Water Committee to provide value for money assurance of service delivery.
2. The framework must be common, rather than specific to each of the six shareholders.
3. Provide assurance that Wellington Water has an absolute focus on delivery, value for money and sustainable operational improvements.
4. Wellington Water will review its contracting arrangements around maintenance and capital works and provide assurance that the procurement model is best practice and is delivering the best value for shareholding Councils.
5. Compliance with all regulatory requirements with clear, no surprises advice to shareholders around the risk of non-compliance where appropriate.

This is especially relevant – but not limited - to the performance of wastewater treatment plants.

6. Wellington Water will work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils.
7. Where smart investment can produce asset management improvements that can benefit a new water services model, these will be costed and reported back to the Wellington Water Committee.
8. For the next year, drinking water investments and maintenance should be oriented around mitigating the risk of an acute water shortage for the summer of 2025 and beyond.
9. Wellington Water must ensure that local Mana Whenua priorities are understood and are incorporated into operations.

These priorities were built into Wellington Water's 2024/27 Statement of Intent and 2024/25 Corporate Business plan. Information on our performance against these priorities is provided in this report.

Why we are here

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant and affordable drinking water, stormwater, and wastewater services.

Our organisational strategy

To meet the region's strategic priorities, our organisational strategy is to focus on our core functions and build and maintain trust with our councils, stakeholders, and communities.

We put the safety, wellbeing, and growth of our people first. In all our relationships we are values led and strive to be honest, open, transparent, and accountable.

In October 2024, the Wellington Water Board approved a revised organisation purpose statement, outcomes and near-term results to guide decision making for the next two years.

Wellington Water's Purpose

Wellington Water exists so that people in the Wellington Region have safe, reliable, compliant, and affordable drinking water, stormwater, and wastewater services

Wellington Water's Outcomes

The new set of organisational outcomes were developed to focus Wellington Water effort on desired impact. These 4 outcomes are:

- **Communities receive reliable three waters services.**
- **Services delivered by Wellington Water are compliant.**
- **Water services are affordable and provide value.**
- **Wellington Water is a strong and capable organisation ready to fold into a new asset owning entity.**

Establishment of Metro Water

The five Councils covering the Wellington metropolitan area - Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Greater Wellington Regional Council - confirmed on 1 July 2025 that they will establish a new, jointly-owned organisation to deliver water services to the region. However, this agreement is still subject to the Secretary for Local Government's review and confirmation of the Water Services Delivery Plan, as required under the legislation. The new organisation, with the interim name Metro Water, will own and operate public drinking water, wastewater and reticulated stormwater assets, and will replace Wellington Water from 1 July 2026.

Departure of SWDC

South Wairarapa District Council (SWDC) voted in November 2024 to consult their community on an option to exit the Wellington regional water services delivery model and to instead develop a water services delivery plan with three other councils – Masterton, Carterton, and Tararua District Councils (commonly known as the "Wai + T" model).

The full go-live for this transition will be no later than 1 July 2027. The first part of the transition took place on 1 July 2025, when capital renewals and capital projects were removed from the Management Services Agreement between Wellington Water and SWDC, and this work was to be handed back to the council.



Wellington Water will, however, retain an ability to spend money on reactive capital expenditure, for example, if a critical asset breaks and an urgent repair or replacement is needed.

Wellington Water will continue to provide operations and maintenance services for SWDC until 30 June 2026. Wellington Water will be updating the management services agreement with SWDC to reflect the changed relationship.

It is yet to be determined who will manage operations and maintenance services for South Wairarapa between 1 July 2026 and the full go-live date. These details will need to be worked out in the coming months.

Wellington Water is working closely with SWDC on managing the logistics of the transition period. To help with the wider transition, SWDC has created a new transition role which will be embedded within Wellington Water to oversee the planning and strategy of the move.

Wellington Water is committed to supporting SWDC in the implementation of their Water Services Delivery Plan and to supporting our affected staff throughout this transition.

Meeting Expectations of Councils, Communities and Regulators

The delivery of waters services is essential to the functioning of our cities, towns and the region. Our council owners, mana whenua partners, customers, and communities count on us to deliver these services safely and effectively. We take this responsibility seriously and work to care for council assets and deliver services on behalf of our councils to the best of our ability, within the funding levels allocated by our council owners.

In previous years we have focused on building trust with councils through the delivery of three water services. While we have again been successful in delivering essential water services during 2024/25 and improved our performance in some key areas, we have had several public revelations about performance shortcomings that has damaged that trust and our wider reputation with the communities we serve. To address the issues identified, during 2024/25 we initiated major changes to the way we operate internally to transform the delivery of our water services.

Organisational Capability Plan

In late 2024, Wellington Water developed an Organisational Capability Plan (OCP) to respond to findings of the Cost Estimation Error report¹. The OCP was a collection of initiatives designed to significantly lift the capability of Wellington Water. The Plan was a recognition by the Board and Executive Leadership Team (ELT) of Wellington Water that fundamental changes to the way we work and operate were needed to ensure we were delivering and demonstrating value for money to our shareholding councils and regional ratepayers.

Changes made as part of implementing the OCP included: developing a new organisational strategy; reviewing and changing our organisational structure; strengthening our finance function; and undertaking a value for money review of our contractors and consultant panels. The Wellington Water Committee took an active interest in the implementation of the OCP and quarterly progress updates were provided to the Committee for Quarter 2 in March 2025, for Quarter 3 in April 2025.

Ultimately, however, this change activity was limited in its scope by the amount of funding made available to Wellington Water for capability improvement activities. This was particularly the case with the maturity uplift needed in Wellington Water's technology systems scheduled to be delivered through a Technology Systems Investment Programme.

¹ The Cost Estimation Error Report investigated the causes of an \$51m error in the budgeting advice Wellington Water provided councils for their 2024/28 Long-Term Plans. The Report was provided to the Board and Wellington Water Committee in July 2024 and contained recommendations on preventing similar errors.

Culture and Value for Money Improvement Plan

In April 2025, Wellington Water noted to the Wellington Water Committee that there were 123 improvement recommendations contained in the Cost Estimation Error report, two internally-commissioned reports into financial systems and processes and value for money previously provided to the Committee, and four other reports and reviews on similar topics. It was agreed with the Committee in May 2025 that all these recommendations be coalesced into a future-oriented Wellington Water Culture and Value for Money Improvement Plan (the Improvement Plan).

The Improvement Plan focuses on recommendations that can be implemented in the short term or within existing resource - including those that relate to the company culture. Moreover, the Improvement Plan also focuses on the key areas of concern identified by the Wellington Water Board and shareholders, namely:

- value for money;
- organisational culture;
- integrity;
- reliable services; and
- a strong and capable organisation.

The Improvement Plan uses Wellington Water's strategy outcomes as the organising frame and has 26 specific improvement objectives with quarterly actions to deliver on each objective until 30 June 2026. The Improvement Plan was considered by the

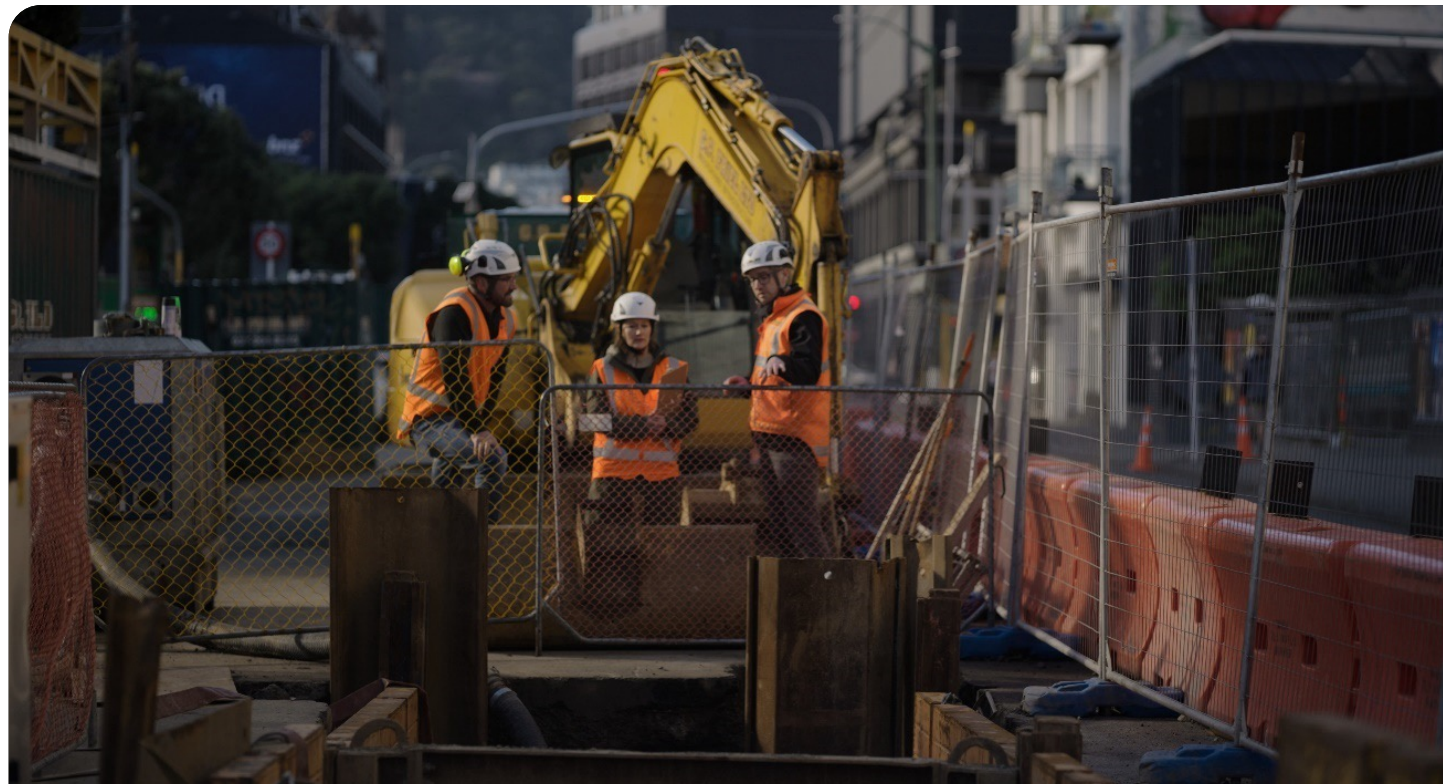
Committee at its meeting on 30 May 2025. The first performance report of the Improvement Plan was delivered to the Committee meeting on 25 June 2025. It is available on the Wellington Water website [here](#).

Value for Money

In response to performance concerns raised by the Committee, a key organisational focus for 2024/25 was to improve operational efficiency and effectiveness and to demonstrate that we are providing value for money. This saw several values for money workstreams being pursued that specifically aimed to ensure ratepayers' funds are being used effectively and responsibly.

As part of this we carried out a cost audit to assess whether the current Alliance and Panel arrangements continued to deliver value for money and competitive pricing for our expanded operations. This resulted in a performance framework for the Operations and Maintenance Alliance being implemented that contains pain/gain sharing between the Alliance partners.

Our procurement policy was reviewed and updated to require an open tender process for all works over \$100,000 (for both capital and operational expenditure). We also updated our contractor code of conduct to reinforce commercial realities and strengthened our in-house procurement function with new staff and processes.



Technology Systems Investment Programme

When proposing the OCP for endorsement, Wellington Water indicated it needed new funding from shareholding councils in 2025/26 to ensure Wellington Water has the right capability to deliver on councils' capital delivery programmes and prepare for transition to a new entity. Councils advised they were unwilling to provide the extra investment, except for Greater Wellington Regional Council (GWRC), which indicated it would consider specific funding for Wellington Water's Technology Systems Investment (TSI) Programme.

In GWRC's 2025/26 Annual Plan, \$13.8 million was allocated for the TSI Programme and the interest payments on the money borrowed to fund it were to be shared across all councils and recovered through the bulk water levy. The debt itself will be transferred to Metro Water once it is established. More detail on the TSI Programme is provided on page 47.

Delivering planning advice to Councils

As the region's water services provider, we provide our council owners with investment advice on their water assets to maintain, operate and develop them. We do this through the annual planning process and the long-term planning process. Councils then make decisions on what to fund.

Wellington Water initially provided unconstrained advice that \$10 billion in regional capital investment was needed over the next 10 years but recommended \$7.6 billion as more feasible to deliver.

We also provide our councils with investment advice based on our best understanding of asset condition and achieving the best three waters outcomes for communities and the environment. Our advice is based on the strategic priorities set by the Wellington Water Committee for the region. We work through an iterative process with each of our councils based on their priorities and what they can afford. This includes advice on the risks and consequences of not investing.

In 2023/24, the majority of shareholding councils consulted their communities on three waters investment for their 2024-34 Long-term Plans (LTP). Wellington Water initially provided unconstrained advice that \$10 billion in regional capital investment was needed over the next 10 years but recommended \$7.6 billion as more feasible to deliver.

Our council owners continue to face increasing costs and inflationary pressures and have to make hard decisions to strike a balance between investment in water services and other council priorities. Councils agreed on a 10-year \$3.6 billion capital investment programme, from 1 July 2024.

Wellington Water recommended \$1.7 billion regional operating expenditure, with Councils providing approximately \$1.5 billion. The focus of this funding was to be on maintaining and operating existing infrastructure, but we noted that it is insufficient to


address the backlog of pipe renewals and mitigate seasonal water shortage risks.

Wellington Water acknowledges the need to achieve more with the funding provided (by demonstrating value for money). However, the agreed level of funding will not reduce the region's critical risks and will likely see new ones arise over the coming years due to growth and climate change.

The short-term risks (i.e. for the next three years) associated with current levels of investment include:

- the levels of renewals and upgrade work are not keeping up with the condition and age of the existing infrastructure which will continue to deteriorate resulting in on-going disruptions and leakage;
- impacts on the environment through untreated wastewater entering local waterways;
- limited asset information on the state of the region's network and condition of councils' assets, impacting on Wellington Water's and councils' ability to make well informed decisions; and
- management of seasonal water shortage risks until new major investments are made to reduce water demand and increase supply.

For more details on council funding and risks, see [Statement of Intent for 2025-28](#) on our website.

The background is a solid teal color with subtle, wavy, horizontal lines. On the left and right sides, there are vertical bars of varying shades of teal and blue, some of which are partially obscured by the text area.

This year we processed over 4,200 applications for the three waters network in our region, including approximately 1,400 building consents, 820 water and drainage connections, and 400 resource consents.

Enabling the efficient connection of new property developments

One of the core services we undertake on behalf of our councils is managing the process for new connections to the three waters network.

These activities include involvement in building consents, connections, public drainage permits, engineering approvals, encroachment, resource consents, section 223/224, pre-application, on-site inspections, and other general enquiries.

This year we processed over 4,200 applications for the three waters network in our region, including approximately 1,400 building consents, 820 water and drainage connections, and 400 resource consents.

We also made several improvements which facilitated a significant increase in resource consent applications meeting the timeframes agreed with Councils (being ten or twelve days) from 38% to 56%. The focus for the coming year will be on processing more applications in-house to reduce consultancy spending.

Meeting the expectations of our communities and customers

Water services are essential for health and wellbeing, and our communities and customers rightly expect that they should be able to turn on the tap or flush their toilets without issues.

When we do have issues, we prioritise urgent jobs first – those where our customers completely lose access to drinking water, or where there is an urgent risk to the health of people, property or the environment.

To make the best use of our limited resources, we must prioritise where crews go. Urgent jobs are placed at the top of the list. This means that lower priority jobs will move down the list, and it will take longer for us to respond. This undoubtedly has an impact on our customers as we are not able to get to these jobs as quickly as they would expect.

The two largest drivers of customer satisfaction are response times and keeping our customers updated on progress. We consistently respond quickly for these urgent jobs, and our customers are broadly satisfied with our urgent response. Data for the second half of this year shows that customer satisfaction with our services improved from last year's low of 54% in July to 70% by June this year.

While our response times are directly linked to the level of resources we have available, it is still important we improve our customer service and level of care for those who are not able to receive an urgent response. To do this, we have made improvements to how we track our cases and communicate with our customers in 2024/25. That is within 10 days of receiving a request for service, we provide customers with a plan on how we intend to resolve their job and the priority category that has been assigned to the job, which is important given the longer wait times for less urgent issues.

Wellington Water has a prioritisation process. You can find a copy of our prioritisation framework on our website [here](#).

Disputes Tribunal

No claims were lodged against Wellington Water with the Disputes Tribunal during the 2024/25 financial year.

Utilities Disputes

In the 2024/25 financial year, twelve complaints were submitted to Utilities Disputes Ltd (UDL). Of these:

- Two were formally decided by the UDL Commissioner, with both outcomes in favour of Wellington Water.
- Eight were resolved through clarification, mutual agreement, or were closed due to insufficient evidence provided by the complainant.
- Two complaints remain under review and are currently being managed by UDL case managers.

Last year we also made improvements to how we schedule our work to try to address more non-urgent jobs at once, targeting these jobs based on location and highest drinking water loss and enabling our crews to be more efficient with their time.

As a result of these improvements, we have again had no successful disputes against us through the utilities disputes tribunal or the disputes tribunal during the financial year.

Fluoridating our water supply

We continue our focus on providing fluoridated water to the metropolitan Wellington region and keeping a close watch on the performance of the fluoride facilities. Our target is to meet the Ministry of Health's (MoH) recommended fluoride levels (0.7-1.0ppm, 95% of the time).

This year, all metropolitan Water Treatment Plants (WTPs) met this target, dosing within MoH guidelines on average 97% of the time. Last year only one out of the four metro WTPs met this target. This achievement is the result of a continued organisational focus on ensuring our equipment at the fluoride facilities are running as they should.

To maintain the current MoH compliance target levels for fluoride each year, a long-term solution to upgrade the entire fluoridation system at all the metropolitan WTPs is needed. Developing the best long-term solution would include considering back-up capacity and options at the plants so we can continue to fluoridate drinking water if a facility fails or needs to be turned off for maintenance work, which we commonly must do.

However, significant further investment is still needed to reduce wastewater overflows across the network.

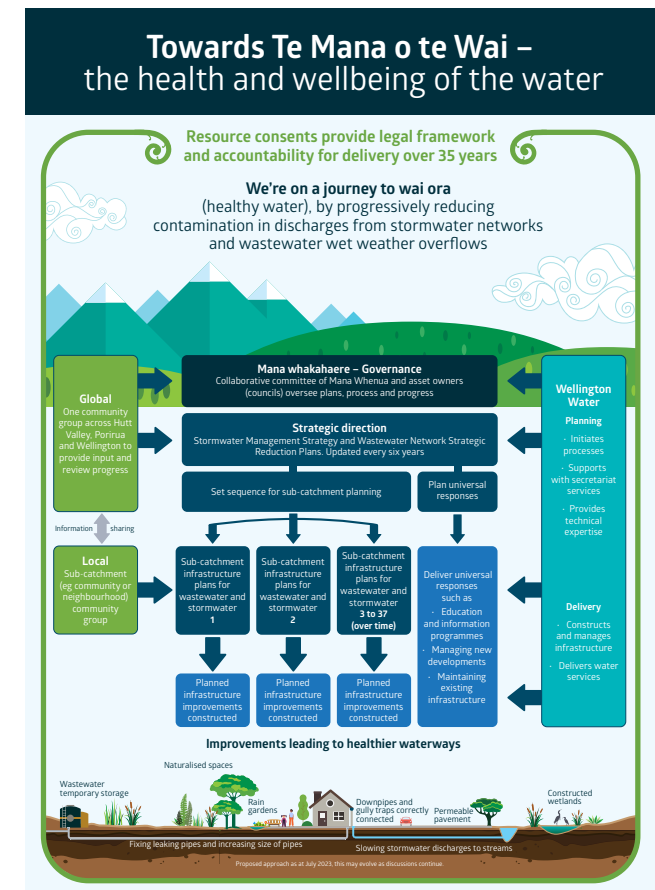
Improving environmental water quality

Our communities want to enjoy the region's beaches, rivers and coastlines. We run the three waters network in accordance with regulations and environmental consent requirements, and we work to reduce the environmental impact of our operations as much as possible.

We undertake regular surveillance of public drains and pipes to locate and fix any problems, and regular sampling and testing of local waterways to monitor our environmental impact. When there is an incident that impacts on public health, we advise the community of the risks and what they need to do to keep safe. Addressing our network discharges in early 2023, we lodged three wastewater wet weather overflow consents for the Wellington, Porirua and Hutt networks, as well as a global (four-city-wide) stormwater consent. These are referred to as network discharges. Since lodgement there have been significant regulatory changes to the framework that will apply to consenting the network discharges. These include proposed changes to the Wellington Natural Resources Plan which took legal effect from notification, although while that change has now been put on hold, the notified amendments still have legal effect. These changes have a significant impact on the scope of our consent applications for our network discharges, and the actions that these consent applications will drive.

The purpose of the network discharge consents is to drive improvements in water quality, including by removing contaminants such as E.coli from discharging to freshwater and to the coast. Our 'Towards Te Mana o te Wai' infographic shown right, can be accessed on our [website](#) for a summary of our overall approach.

Although the consents are currently on hold, Wellington Water is taking action to improve water quality. This includes undertaking investigation works to determine where there are issues in the network (including cross connections on third party land). From that work we can identify where repairs or renewals are required in the network, and we can prioritise that work appropriately; storage is being added to the network (such as the Porirua Central Wastewater Storage Tank)



which is intended to contain more wastewater within the network and therefore reduce overflows.

In Wellington city, we are increasing network capacity to support future growth and improve service reliability. In the Hutt Valley, we are focused on enhancing the resilience of the wastewater network through a range of projects, including inspecting property connections to help reduce wet weather overloading.

Our crews fix leaks on the front line every day, and when they are fixing a leak, there is a risk that sediment enters stormwater drains as the water escapes from the work site. If this occurs, these contaminants may end up in rivers, streams or beaches. Our crews use a variety of methods to minimise sediment discharges into the stormwater network. We did not receive any infringement notices for unauthorised sediment discharges during 2024/25.

Working with our regulators

Our regulators provide our customers, councils and mana whenua with the assurance that we are doing what we are meant to be doing. Meeting regulatory requirements helps us earn the trust of our stakeholders and retain our social licence to provide water services to our communities. We work with a range of regulatory organisations to provide information and ensure we are compliant with the legislation governing our activities.

Avoiding an acute water shortage

During 2024/25, Wellington Water worked closely with Taumata Arowai, GWRC and metro councils to avoid

a potential acute water shortage in the metropolitan Wellington area in the summer of 2024/25.

In May 2024, to avert the risk of an acute water shortage risk in the summer of 2024/25, Taumata Arowai set a target of 7.4 million litres per day (MLD) water demand reduction by February 2025. This target and a plan of actions to meet this was developed and agreed to by Wellington Water and our councils. Achieving a 7.4 MLD reduction in Water Loss reduces the chance of a drinking water emergency to less than three percent, and the chance of level 4 water restrictions to approximately twelve percent for the coming summer.

We exceeded the 7.4 million litres per day target that Taumata Arowai set for us, reporting the metropolitan Wellington region has saved around 11 million litres per day for the year.



We exceeded the 7.4 million litres per day target that Taumata Arowai set for us, reporting the metropolitan Wellington region has saved around 11 million litres per day for the year. In addition, only a Level 2 water restriction was required during the summer of 2024/25 - in Martinborough, Featherston and Greytown (in February 2025) and the rest of the region remained at level 1.

Achieving this result required the frequent and transparent sharing of information and was a good example of how Wellington Water and councils working together contributed to the region not having to move to tighter water restrictions. 2024/25 was the second year in a row that saw demand reduce across the metropolitan region (2023/24 was the first time there had been a reduction in demand since 2020).

Water Services Authority - Taumata Arowai

The Water Services Authority - Taumata Arowai (the Authority) has been slowly increasing its expectations over the quantity and quality of the data it receives since its inception in 2021.

We also must report to the Authority on their Network Environmental Performance Measures, which cover all three waters and their impact on the environment. During 2024/25, the Authority consulted on proposed nationally consistent Wastewater Environmental Performance Standards. These standards are proposed to apply instead of the regulatory framework set out in the relevant regional planning document(s) (for the Wellington Region this is the Wellington Natural Resources Plan). The proposed standards include

provisions for wastewater treatment plant discharges, put in place regulation regarding biosolids and intend to also apply to overflows and bypasses.

2023/24 was the first time we reported our annual compliance with the Drinking Water Quality Assurance Rules. Many of the rules were new in the assurance space and required processes to be created to ensure that there was an auditable basis for the measures result. The 2024/25 results for these measures are reported in the DIA Tables on page 60.

This work was undertaken in response to Local Water Done Well policy released in August 2024. The Standards are expected to be in place once the Local Government (Water Services) Bill is passed into law.

We will work with the Authority to ensure we are collecting and reporting meaningful data that allows them to operate as an effective regulator and to provide assurance to our regulators, our owners, and our communities, that we are monitoring our impact on the environment.

Commerce Commission

The Government has indicated that the Commerce Commission will be the economic regulator for water services under the Government's Local Water Done Well regime. The Commission's initial focus is on setting information disclosure (ID) requirements.

This will require water service providers to publish robust information about the planning, investment, and performance of their water and wastewater services. This will mean that everyone can see how water service providers spend the money they charge for their services.

The Local Government (Water Services Preliminary Arrangements) Act enables specified entities to be subject to an early form of ID by the Commission, called 'foundational information disclosure'. This is a type of economic regulation that requires certain water service providers to share information to the public and the Commerce Commission about their operation. In March 2025, the Government agreed to designate Wellington Water a specific entity that will be subject to foundational information disclosure until the full economic regulation regime is in place from mid-2026.

The foundational ID for Wellington Water will apply until mid-2026 when a full economic regulation regime will be put in place.

The final determination for Wellington Water's foundational ID requirements was published in August 2025. The reporting requirements for Wellington Water are:

- accessible public reporting on its progress in the delivery of the "Wellington Water Culture and Value for Money Improvement Plan"
- to publish on its website information that provides a clearer picture on trends in maintenance expenditure and fault management
- to make existing reporting on consumer-centric performance and delivery performance more accessible.

A focus on core services

#	Measure	Target	2023/24	2024/25	Commentary
1	Customers rate their experience of our performance as 'Satisfied' or better.	55%	70% June to December 54% January to July	1 Average July to December 2024 is 69% Average January to June 2025 is 70%	Changing from phone to online surveys in early 2024 significantly impacted results. Average satisfaction dropped from 70% (June–Dec 2023, phone) to 54% (Jan–July 2024, online). Since then, scores have steadily improved, averaging 69% from July–Dec 2024. The upward trend continued in 2025, with Jan–June averaging 70% - matching pre-change levels.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time.	Achieved at all plants	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	Te Mārua: 98% Wainuiomata: 98% Waterloo: 95% Gear Island: 97%	All plants met the target level of fluoride at least 95% of the time – average 97%. In terms of average dosage, all plants were in the 0.80-0.84 parts per million range.
17	Review key contracting arrangements for maintenance and capital work.	First review(s) completed and reported to Wellington Water Committee. Agreed actions are implemented.	N/a - New measure for 2024/25	Achieved	AECOM review provided to Wellington Water Board in February 2025 and Wellington Water Committee in March 2025. Procurement policy has been reviewed and updated off the back of the review. It now requires an open tender process for all works over \$100,000 (for both capex and opex). Revised contractor and consultant panel agreements have also been adopted.

Governance

Governance Report

Wellington Water is a council-controlled organisation (CCO), and we are jointly owned and funded by:

- **Greater Wellington Regional Council,**
- **Hutt City Council,**
- **Porirua City Council,**
- **South Wairarapa District Council,**
- **Upper Hutt City Council, and**
- **Wellington City Council.**

Each council has equal voting rights and nominates a single elected representative to sit on the Wellington Water Committee, which oversees and appoints the organisation's Board and provides us with regional leadership and direction.

As a CCO, we operate under the Companies Act 1993 and the Local Government Act 2002. Under these Acts, there are several foundational agreements between us and our council owners.

These include:

- **Company Constitution** – Contains rules that govern the company,
- **Shareholders Agreement** – Sets out how council shareholders will manage shareholdings and respective relationships, and
- **Management Service Agreements** – Contracts for provision of management services relating to water service.



Wellington Water Committee

The Wellington Water Committee has a single elected representative from each of Wellington Water's shareholding councils and three representatives from mana whenua. For the reporting year, the Wellington Water Committee comprised of:

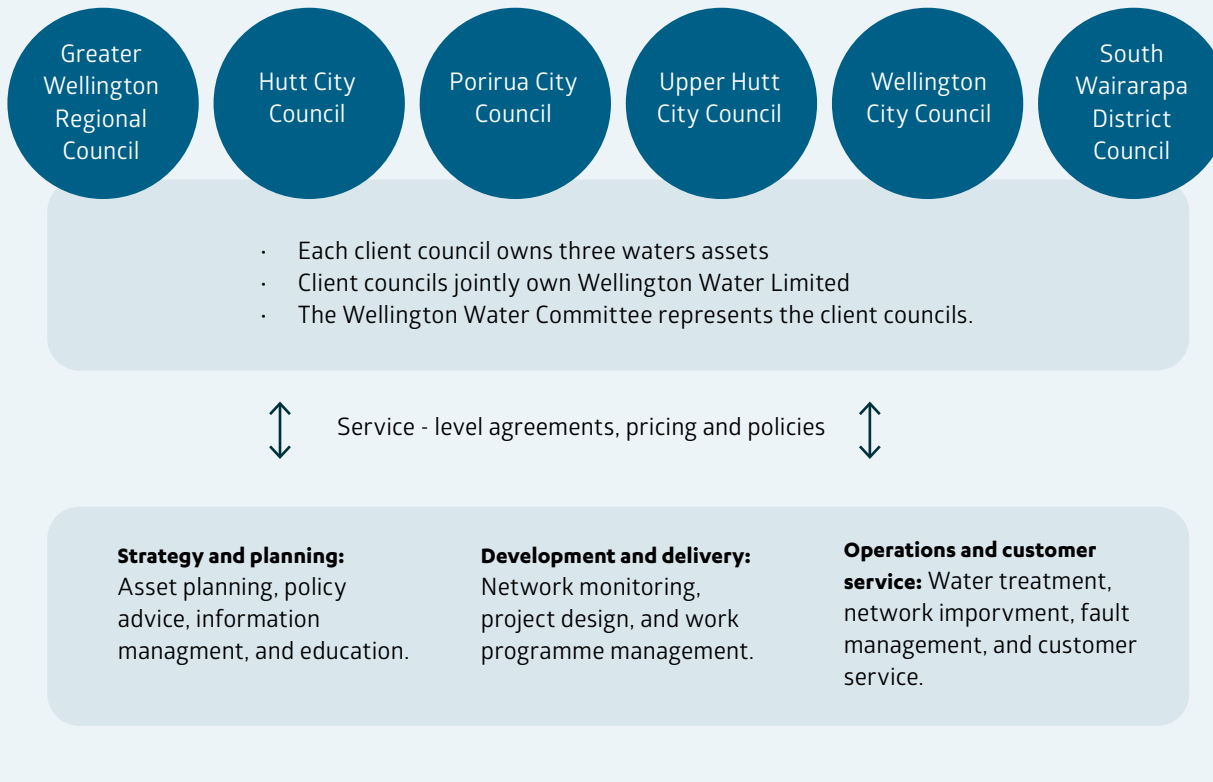
- Hutt City Council – Mayor Campbell Barry (Chair),
- Greater Wellington Regional Council – Councillor Ros Connelly (Deputy Chair),
- Porirua City Council – Mayor Anita Baker,
- South Wairarapa District Council – Councillor Melissa Sadler-Futter,
- Upper Hutt City Council – Mayor Wayne Guppy, and
- Wellington City Council – Mayor Tory Whanau.

The Wellington Water Committee has seats for three appointments of iwi partners.

- Te Rūnanga o Toa Rangatira – Helmut Modlik,
- Taranaki Whānui ki te Upoko o te Ika a Maui – Kara Puketapu-Dentice, and
- Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua – Andrea Rutene.

The Wellington Water Committee provides oversight and regional direction for Wellington Water. It does this by monitoring our performance, and appointing directors to our Board of Directors. We report quarterly and annually to the Wellington Water Committee on our performance.

Wellington Water Committee



The Wellington Water Committee writes an annual Letter of Expectations to the Board, which outlines their key priorities and areas of focus. This is used to guide the development of our Statement of Intent.

Our Board of Directors

We're governed by a Board of Directors. The Chair of the Board reports to the Wellington Water Committee.

At the end of the financial year the Board of Directors consisted of four members. Each director can serve a maximum of two terms, or six years, unless agreed otherwise by the Wellington Water Committee.

The Board leads the development of our strategy, ensures sound organisational culture and compliance, and monitors our performance, risks and viability.

The Board's approach to governance is to establish with management (and in consultation with shareholders) clear strategic outcomes that drive our performance.

Board meetings and attendance 2024/25

The Board meets regularly throughout the year and has a committee to focus on audit and risk.

Audit Committee

The Audit Committee comprises all members of the Board and is chaired by Leanne Southey. The purpose of the Audit Committee is to:

- approve, review and assess the quality and integrity of the financial reporting of Wellington Water;
- consider whether the company has established appropriate policies and put in place management processes to ensure that risks are properly identified and managed; and
- oversee and assess the internal and external audit processes.

The following changes to the Board have occurred in the 2024/25 financial year:

Featherston	Result	Term Expires
Patrick Dougherty	1 Sept 2023	7 Sept 2024 (resigned)
David Adamson	9 May 2025	n/a
Gillian Peacock	9 May 2025	n/a
Ben Pitchforth	9 May 2025	n/a
David Adamson	9 May 2025	30 Oct 2026
Gillian Peacock	9 May 2025	30 Oct 2026
Ben Pitchforth	9 May 2025	30 Oct 2026

As at 30 June 2025, the Directors in office are as follows:

Featherston	Result	Term Expires
Nick Leggett (Chair)	18 Mar 2022	30 Oct 2026
Leanne Southey	1 July 2021	1 July 2027
Mahina Puketapu	1 Sept 2023	30 Oct 2026
Bill Bayfield	1 Sept 2023	30 Oct 2026
David Adamson	9 May 2025	30 Oct 2026
Gillian Peacock	9 May 2025	30 Oct 2026
Ben Pitchforth	9 May 2025	30 Oct 2026

The table below shows attendance at Board and Audit Committee meetings during the year ended 30 June 2025:

Director	Board meeting attendance (14 meetings)	Audit Committee attendance (5 meetings)	Major Projects Committee attendance (4 meetings)
Nick Leggett (Chair)	13	3	4
Leanne Southey	14	5	4
Mahina Puketapu	12	5	3
Bill Bayfield	13	5	4
David Adamson	2/2	n/a	n/a
Gillian Peacock	2/2	n/a	n/a
Ben Pitchforth	1/2	n/a	n/a
Patrick Dougherty	4/6	1	1/1

Our Board of Directors (cont'd)

Directors' remuneration 2024/25

Director	Fees paid Actual received to June 25
Nick Leggett (Chair)	\$60,000
Leanne Southey	\$30,000
Mahina Puketapu	\$30,000
Bill Bayfield	\$30,000
Patrick Dougherty*	\$6,500
David Adamson	\$4,200
Gillian Peacock	\$4,200
Ben Pitchforth	\$4,200

*Resigned 7 Sept 2024

The table above shows remuneration paid to directors during the year ended 30 June 2025.

Interest Register as at 30 June 2025

Director	Fees paid	Term Expires
Nick Leggett (Chair)	Trustee and Chair, Hutt Mana Charitable Trust	March 2022 (updated Sept 2023)
	Council member - Hanga Aro Rau - Workforce Development Council	March 2022 (updated Sept 2023)
	Father is a City Councillor on Porirua City Council, which is a shareholder of Wellington Water	March 2022
	Aspiring Futures Foundation Trustee and Chair	July 2022 (updated Sept 2023)
	CE – Infrastructure New Zealand	May 2022 (updated Sept 2023)
Leanne Southey	Director and Shareholder, Southey Sayer Limited	July 2021
	Member, Wellington Free Ambulance Board	July 2021
	Trustee, Masterton Trade Aid	July 2021
	Shareholder, Mangan Graphics Limited	July 2021
	Certificate of Directors of Wellington Water Limited – Establishment of Indemnity Agreement	July 2021
	Masterton Community trust, Trustee	November 2022
	Director, Trust House Masterton	February 2023
	Trustee, Trust House Foundation	February 2023
Mahina Puketapu	Chair – Kauri Healthcare Ltd	July 2023
	Port Nicholson Block Settlement Trust – Trustee	August 2023
	Shareholder of Subsidiaries of Port Nicholson Block Settlement Trust: TWL Holdings Limited, LBS General Partner	(updated Nov 2024)
	Taranaki Whānui Limited – Director	August 2023 (updated Nov 2024)
	Director of Subsidiaries of Taranaki Whānui Limited: Lowry Bay Section One Limited, Tramways Limited, Shelly Bay Limited, The Lodge at Shelly Bay Limited, TWL Holdings Limited	August 2023

Our Board of Directors (cont'd)

Indemnity and insurance

In accordance with section 162 of the Companies Act 1993 and the company's constitution, Wellington Water Limited has indemnified all current and former directors and executive officers of the company in respect of all liabilities to persons (other than the company or a related body corporate) to the extent permitted by law that arise out of the performance of their normal duties as directors or executive officers unless the liability relates to conduct involving a lack of good faith.

In authorising the insurances to be affected, each director has signed a certificate stating that in their opinion the cost of the insurance is fair to the company.

Interest Register as at 30 June 2025 (table continued)

Director	Fees paid	Term Expires
Mahina Puketapu	Port Nicholson Block Settlement Trust – Trustee	August 2023 (updated Nov 2024)
	Shareholder of Subsidiaries of Port Nicholson Block Settlement Trust: TWL Holdings Limited, LBS General Partner	
	Taranaki Whānui Limited – Director	August 2023 (updated Nov 2024)
	Director of Subsidiaries of Taranaki Whānui Limited: Lowry Bay Section One Limited, Tramways Limited, Shelly Bay Limited, The Lodge at Shelly Bay Limited, TWL Holdings Limited	August 2023
	Te Ngakinga o Whanganui Investment Trust – Board Member/ Trustee	August 2023
	Whanganui Iwi Fisheries Limited – Director	August 2023
	Taumairangi Limited – Director and Shareholder	August 2023
	Te Kotahitanga o Te Atiawa – Registered Iwi Member	August 2023
	Taranaki Iwi – Registered Iwi Member	
	Taranaki Whānui – Registered Iwi Member	
	Tauhara North No.2 Trust – Chief Investment Officer	August 2023
	Te Kīwai Māui o Ngāruahine Limited and Ngāruahine fisheries limited - Contract CEO services	November 2024
	Shareholder Āio Partners Limited	November 2024
Bill Bayfield	Associate Director of Parininihi Ki Waitotara	November 2024 (updated February 2025)
	Board of Governors Scot's College	February 2025
	Trustee, Family Trust, Costrong	August 2023
	Director, Citycare	February 2024
	Director of Apex Water Ltd	February 2024

Our Board of Directors (cont'd)

Use of company information

No notices have been received by the Board of Wellington Water under section 145 of the Companies Act with regard to the use of company information received by directors in their capacity as directors of the company.

Board evaluation

The directors carry out a review and evaluation of the Board processes, efficiency and effectiveness every two years. The results of this survey are presented to the Wellington Water Committee.

Auditor

The auditor is appointed under Part 5, section 70 of the Local Government Act. Audit New Zealand has been appointed by the Auditor-General to provide these services on his behalf.

Interest Register as at 30 June 2025 (table continued)

Director	Fees paid	Term Expires
David Adamson	Adamson Partners – Director	May 2025
Gillian Peacock	Fore Business Services (trading as ForeConsulting) – Director	May 2025
	Infrastructure Commission – providing on call HR advice and support (13-30 June 2025)	May 2025
Ben Pitchforth	Forforth Family Trust - Trustee	May 2025
	Karamu Advisory Services – Director	May 2025
	Wellington City Council / Karamu Advisory Client / Wellington Waterfront project	May 2025
	Porirua City Council / Karamu Advisory client / ERP Implementation	May 2025
	Friend is Regional Director of Stantec (David Hogg)	May 2025

Employee remuneration

2024/25	Salary Bracket
\$400,000 - \$410,000	1
\$390,000 - \$400,000	1
\$320,000 - \$330,000	1
\$290,000 - \$300,000	2
\$270,000 - \$280,000	1
\$260,000 - \$270,000	1
\$220,000 - \$230,000	1
\$210,000 - \$220,000	4
\$200,000 - \$210,000	5
\$190,000 - \$200,000	12
\$180,000 - \$190,000	5
\$170,000 - \$180,000	11
\$160,000 - \$170,000	15
\$150,000 - \$160,000	16
\$140,000 - \$150,000	14
\$130,000 - \$140,000	21
\$120,000 - \$130,000	27
\$110,000 - \$120,000	34
\$100,000 - \$110,000	39
Total Staff	211

Matters that shareholders wish to restrict

The shareholders have agreed that the approval of the Statement of Intent is subject to the following restrictions on our Board who may not:

- make a loan or borrow money, except for any borrowings in the ordinary course of business of no more than \$1m in total,
- grant security over the assets of the company, or grant an indemnity or guarantee other than in the ordinary course of business,
- make a material change to the nature of the company's business or engage in business activities outside the ordinary course of business,
- enter a new customer service-level agreement, except in the form already agreed by shareholders,
- enter into a partnership or joint venture, except in the ordinary course of business,
- acquire a new business or shares in another company,
- starting or settling any legal or arbitration proceedings, except in the ordinary course of business, and
- transferring or disposing of real or intellectual property with a value of over \$0.2m.

Information to be provided to shareholders

In each year Wellington Water shall comply with the reporting requirements of the Local Government Act and the Companies Act and regulations.

In particular, Wellington Water will provide:

- a Statement of Intent detailing all matters required under the Local Government Act (LGA), including forecast financial information for the next three years
- within two months after the end of the first half of each financial year, a report on the operations of Wellington Water to enable an informed assessment of its performance, including financial statements (in accordance with section 66 of the LGA), and
- within three months after the end of each financial year, an annual report that provides a comparison of its performance with the Statement of Intent, with an explanation of any material variances; audited consolidated financial statements for that financial year; and an auditor's report (in accordance with sections 67, 68 and 69 of the LGA).

Owing to the reporting undertaken in accordance with the service-level agreements with client councils, the reliance on six-monthly reports fully meets Local Government Act requirements and is considered appropriate.

Ratio of shareholders’ funds to total assets

Ownership of infrastructure assets is retained by the shareholders. As Wellington Water is a business that returns all benefits to shareholders, the ratio of shareholders’ funds to assets is as follows:

In particular, Wellington Water will provide:

- a Statement of Intent detailing all matters required under the Local Government

	Actual 2024/25	Budget 2024/25	Actual 2023/24
Ratio of shareholders’ funds to total assets	6%	5%	6%

Company policies and procedures

Delegation to the Chief Executive and Senior Leadership Team

The Chief Executive and Senior Leadership Team are responsible for:

- developing and making recommendations to the Board on company strategies and specific strategy initiatives,
- the management and implementation of the strategy,
- the implementation of Board-approved policies and reporting procedures, and
- the day-to-day management of the company.

These responsibilities are subject to the Board’s delegation of authority to the Chief Executive and Senior Leadership Team and other rights and responsibilities which are reserved to the Board.

Code of Conduct

Wellington Water’s purpose is to ‘create excellence in three water services so our communities can prosper’. Underpinning this is the Code of Conduct, which acknowledges the company’s commitment to maintaining the highest standards of honesty, integrity and ethical conduct in its day-to-day behaviour and decision-making.

The Code of Conduct guides all members of the company in the practices necessary to maintain confidence in the company’s integrity and takes into account legal obligations and compliance regulations. It also guides the responsibility and accountability of individuals for reporting and investigating any unethical practices. The Code of Conduct is supported by the Conflicts of Interest Policy, Gifts and Entertainment Policy, Protected Disclosure Procedures, Harassment at Work Procedures, Health and Safety Policy and Fraud Policy.

A review of the Code of Conduct was undertaken after the Cost Estimation Error Review and some minor amendments were made to the employee version. Further changes were made to the contractor Code of Conduct to remove references to a ‘whanau approach’ to reinforce the commercial realities and the need to provide value for money.

Wellington Water’s purpose is to ‘create excellence in three water services so our communities can prosper’. Underpinning this is the Code of Conduct, which acknowledges the company’s commitment to maintaining the highest standards of honesty, integrity and ethical conduct in its day-to-day behaviour and decision-making.

Statements of Service Performance

A focus on Core Services: Delivering Three Waters

In our 2024/27 Statement of Intent, we noted that the two most critical regional risks are ensuring sufficient water for the Wellington metropolitan region and the performance of the wastewater treatment plants throughout the region.

These risks are subject to political and regulatory scrutiny and are concerning to iwi and the community. Our operational focus for 2024/25 was to mitigate these risks as much as possible with available budgets.

In addition, in 2024/25 we continued to deliver safe drinking water consistent with new regulatory standards, sought to future-proof drinking water delivery, and maintained the operational capability of the network through maintenance and new investments.



Delivering safe drinking water

We delivered over 64 billion litres of safe drinking water to the people in the Wellington region during the 2024/25 financial year.

Delivering safe drinking water

Our most important job is to deliver safe and sufficient drinking water to all our customers and communities, on behalf of our shareholding councils.

We delivered over 64 billion litres of safe drinking water to the people in the Wellington region during the 2024/25 financial year.

While the safety of the drinking water in the region has not been compromised, we have had some instances of non-compliances.

Compliance with Drinking Water Quality Assurance Rules

Significant changes to the rules set by the Water Services Authority - Taumata Arowai (the national regulator for water services) that govern how Wellington Water measures and reports on the safety of drinking water came into effect in August 2024. Guidance on a new methodology for calculating the safety of drinking water performance measures was issued by the Department of Internal Affairs in June 2025.

Right is a table detailing our compliance with the new Drinking Water Quality Assurance Rules relating to protozoal, bacterial and microbiological contamination using these new rules. Further details on our performance against the new rules are available in the DIA Tables on page 52.

Metropolitan Wellington

Te Mārua	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Wainuiomata	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Waterloo	Result
Bacteriological	92% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Gear Island	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant

The Waterloo Water Treatment Plant is non-compliant with the new Drinking Water Quality Assurance rules due to insufficient contact time with chlorine for water for approximately 800 households. Funding has been provided by Hutt City Council in their Long-Term Plan to address this issue, and the water remains safe to drink.

South Wairarapa

Featherston	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Greytown	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Martinborough	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant
Pirinoa	Result
Bacteriological	100% Compliant
Protozoal	100% Compliant
Microbiological	100% Compliant

Drinking water plants in South Wairarapa (excepting Pirinoa which serves approximately 10 properties) were not designed to meet the new Drinking Water Standards and required additional investment to become compliant. We have made technical adaptations to comply with the rules and believe all three of the major water treatment plants can be compliant moving forward. However, long term compliance of these plants will depend on further investment by the incoming water services entity.

For more information see our website [here](#).

Delivering sufficient drinking water

Wellington Water's ability, and that of our councils' to provide a sustainable supply of drinking water remains at risk as the network is old with significant water loss from leaks and people using a lot of water. Population growth is also adding to the issue.

Water Loss Reduction Plan

When the risk of an acute water shortage became apparent in mid-2023, Wellington Water developed a Water Loss Reduction Plan to attempt to curb this risk by reducing its primary driver: leaks.

The Water Loss Reduction Plan is a long-term document, setting a target of reducing network leakage by 20 million litres per day by 2033.

This plan included interventions with differing levels of impacts:

- Reactive and proactive renewals of service connections
- Targeted and broad pressure management programmes
- Private leak identification, communication and repair
- Renewals of drinking water pipes

- Assessment and renewal of pressure control valves
- Increasing the speed and quality of repairs
- Fixing reservoir leaks

Given our budget constraints, it is most cost effective to focus on interventions that reduce water loss the most: reactive renewals in the network; pressure management; and private leak identification, communication and repair.

As a result of this work, we saw an estimated savings of 11 million litres per day on average during 2024/25.

A focus on leak detection and repairs

In 2022/23, we stood up a regional water loss management team (RWL) and contracted dedicated crews to sweep the cities for leaks and repair those they found with the biggest impact. We have continued to optimise the way in which this team operates, including improving our back-office triage process, and "bundling" leaks by location, allowing our teams to be more efficient by fixing leaks in one area all at once, and reducing the disruptions to residents in the longer term.

A significant reduction in water loss was achieved this financial year, supported by increased council investment in leak detection and repair. Building on the progress of 2023/24, when 9,988 leaks were fixed, a further 9,363 leaks were repaired in 2024/25. As a result, the backlog of unresolved leaks dropped from 1,405 in July 2024 to 636 by June 2025.

Water loss is therefore on its way down as we continue to save water through fixing leaks. The overall 12-month average water loss on the public network for the 2024-25 financial year (30 June 2024 to 1 July 2025) was 5% less than the 12 months before, down to 27%.

Further demand reduction has been achieved through property owners fixing leaks on the private network and improved water efficiency efforts of both commercial and residential users. Water loss is now estimated at around 37% on average for the metropolitan public and private networks¹ combined.

While this is good news, fixing leaks is a reactive response and acts as a band-aid to a longer-term problem. Fixing leaks doesn't prevent new leaks from occurring or the backlog from rising if ongoing investment in leak repairs is not maintained. Increased and ongoing investment in drinking water pipe renewals is needed to prevent leaks occurring in the first instance. Investment in renewals remains below what is required to address ongoing deterioration of the water supply network and keep water loss under control in the future.

Securing a sustainable water supply for the region in the coming years will require significant investment as part of our KRA strategy to:

- **Keep** more water in the pipes through increased pipe renewals and leak repairs,
- **Reduce** demand through installing residential water meters, and
- **Add** additional untreated water storage to allow more harvesting of water in the winter months.

Securing the future water supply

Monitoring water use and making short-term improvements to mitigate risk is only one part of our planning. We must also invest in long-term solutions that both reduce demand and increase supply as we prepare for additional growth in the region. A coordinated, region-wide approach including residential metering, increased investment in leak detection and repair and building additional storage lakes will help ensure the Wellington region achieves a sustainable water supply for the future.



Metering programme

The installation of residential water meters and implementing volumetric charging across the metro Wellington region by mid-2031, is a critical demand management tool to drive sustainable water use and assist the reduction of water lost to leaks/non-revenue use. To this end, the Wellington Water Committee requested that Wellington Water work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils.

Last year, we established a metering programme in-house and have agreed on a joint working model with council officers to enable an integrated regional approach to implementation, which will allow us to roll out the programme more efficiently and effectively.

The target for 2024/25 was for a single integrated implementation plan and procurement strategy in place, and a detailed business case completed. As part of establishing the programme foundations, concept design and technical capabilities have been proven. The business case (known as the Water Demand Programme Business Case) is still in progress to

ensure alignment with the recently released Water Services Delivery Plan (WSDP), Local Water Done Well (LWDW) legislation change and the establishment of Metro Water. This business case will outline the options for the overall implementation of metering and organisational changes which will be required to support the new function. Defining the procurement requirements, understanding the implementation and roll out costs and working closely with the delivery Capital Delivery team are the focus for 2025.

It is the aspiration that water meter enabling works, where funded to do so, will commence in the 2025/ 2026 financial year for HCC.

Case Study - Strengthening Wellington CBD's wastewater network

The Wellington CBD wastewater programme is one of the most significant programmes of work we have continued in this financial year. This has seen Wellington City Council invest in the upgrade, renewal and reconfiguration of part of the wastewater rising main and pump station network in the city centre through two main pieces of work during this period.

Work on the new Taranaki Street rising main, which began in August 2023, was completed in December 2024, four months ahead of schedule. The 900-metre pipe provides critical extra capacity and resilience in the network. It enables wastewater to be diverted to the main interceptor to Moa Point Wastewater Treatment Plant and ensures that if there is work required on the network due to blockages or leaks, flows can be maintained via alternative routes.

A combination of open trenching and trenchless pipelaying technology was used to install the new pipe, including drilling beneath key intersections in the CBD. This approach reduced traffic disruption, shortened the construction programme, and minimised contaminated waste sent to landfill.

The Wakefield Street Rising Main – Stage 2 was completed two months ahead of schedule and under budget. It now connects the Oriental Parade rising main with the new Taranaki Street rising



main, further improving capacity and operational resilience in the CBD's network.

During the final stages of work in July 2024, a leaking valve, likely in service since the late 1960s, was discovered at the Wakefield Street/ Kent Terrace intersection during a response to a wastewater overflow at Chaffers Marina. The team incorporated required repairs into the existing project schedule, avoiding remobilisation costs. Temporary diversions and overground pipework

at Waitangi Park, as well as the newly completed Taranaki Street Rising Main, allowed the repair to be completed while maintaining network operation.

Both projects represent a major step forward in preparing Wellington's wastewater system for growth and infrastructure renewal. With three of six major CBD wastewater projects now complete, the programme is on track to deliver a more resilient, adaptable, and environmentally responsible network for the capital.

Case Study - Increasing capacity of Te Mārua Water Treatment Plant

The Te Mārua Water Treatment Plant is a critical infrastructure asset to the region, supplying approximately half of the region's drinking water supply. To support future growth and reduce the risk of an acute water shortage during summer, upgrades to the Te Mārua Water Treatment Plant have been under construction since February 2023. Greater Wellington Regional Council brought forward investment into these upgrades following the heightened risk of an acute water shortage and tighter restrictions last summer. This has enabled Wellington Water to complete the first two stages of the upgrades ahead of time, allowing the plant to treat and supply an additional 20 million litres of drinking water per day (MLD). This significantly reduced the risk of tighter water restrictions in the summer of 2024/25.

The final stage to commission the new Dissolved Air Flotation (DAF) plant was completed in June 2025, increasing the Plant's capacity from 80 MLD before the project to 120 MLD over a day, with instantaneous flows up to 140 MLD. This enables the Plant to supply more water to meet peak daily demand and reduce the risk of an acute water shortage. The project is part of a larger long-term bulk water infrastructure investment programme, which includes drinking water pipe renewals, fixing leaks, and other key infrastructure projects.



Managing the region's wastewater

This year we treated 65.4 billion litres of wastewater at eight wastewater treatment plants across Wellington and South Wairarapa.

This water, once treated, gets safely discharged into the environment. Issues at the wastewater treatment plants over the past few years mean that, on occasion, we haven't been able to meet the levels of service that our communities expect and have at times exceeded resource consent limits.

Metropolitan Wastewater Treatment Plant Performance

Compliance has been an ongoing challenge for each of our wastewater treatment plants during the calendar year. Most of these issues relate to asset condition and a lack of redundancy at the treatment plants.

A summary list of enforcement actions taken by the regulator is below, for each treatment plant. Full details for each of these enforcement actions can be found on our website [here](#).

Enforcement actions – 2024/25

Location	Abatement notices	Infringement notices	Enforcement orders	Convictions
Metropolitan Wellington				
Moa Point	1	2	-	-
Western	-	-	-	-
Porirua	1	2	-	-
Seaview	2	2	-	-
South Wairarapa				
Martinborough	1	1	-	-
Featherston	-	1	-	-
Total	6	8	-	-

Reviewing our contract with Veolia

While long-term investment from councils to renew aging assets at the metropolitan wastewater treatment plants is needed to ensure we can reliably maintain compliance, we must also ensure that we are operating these assets to the best of our ability.

Wellington Water contracts Veolia to operate the wastewater treatment plants in the metropolitan Wellington region.

Over the past few years, we have seen ongoing compliance issues across the treatment plants and we have been on a joint journey with Veolia to improve the management and operations of the plants.

In 2024, we reviewed our operating model with Veolia which highlighted some key areas of improvement

for both parties. This year, as part of our approach to better contract management, we decided to have another look at the contract performance. Our aim was to test if we are on the right path and to identify other areas of improvement that could help bring the wastewater treatment plants back into compliance.

Looking after existing infrastructure

This year, we delivered \$248.5 million worth of capital projects which focused on upgrades, improvements, and building new water infrastructure across the region. This was \$115 million less than anticipated for a number of reasons, including estimation issues and the pause to reset the procurement process to meet new value for money goals.

Renewing Pipes

In total, our councils' networks contain over 7,000 kilometres of pipe. We estimate that councils need to be replacing an average of 100km of the network every year in order to keep it operating smoothly.

Renewing our region's assets

Repairing aging infrastructure is not a sustainable long-term solution. Aging infrastructure is more expensive to maintain and operate than building new assets that work efficiently. Without more funding for renewals, we are struggling to deliver our stated priorities to achieve sustainable water supply and demand and improve environmental water quality.

Our shareholding councils collectively own three waters infrastructure with a replacement value upwards of \$17.6 billion. Maintaining or replacing this infrastructure is the largest contributor to our capital programme, with 55% of the capital programme (\$137.2 million) being spent on renewing infrastructure.

This is substantially below the level of renewals that are required to effectively maintain the network and results in assets becoming older and in worse condition each year.

A key constraint that we have been addressing is our ability to deliver on our councils' renewals programme, as deliverability was a key concern for our councils during the 2021-24 Long-Term Plans.

Renewing Pipes

In total, our councils' networks contain over 7,000 kilometres of pipe. We estimate that councils need to be replacing an average of 100km of the network every year in order to keep it operating smoothly.

This year, we completed 13.1 kilometres of pipe renewals across the region. This was around 40% more than targeted for 2024/25 but less than in previous

years. Pipe renewals in the next three-year period of the Long-Term Plan are dropping as the focus shifts to renewing ageing infrastructure in our water and wastewater treatment plants.

Renewing other assets

Wellington Water operates four water treatment plants in the metropolitan Wellington area, as well as four water treatment plants and four wastewater treatment plants in South Wairarapa. Metropolitan wastewater treatment plants are operated by Veolia.

These plants comprise thousands of individual assets that work together to deliver safe drinking water and treat the region's wastewater. Renewing these assets is critical to ensuring the plants can design as operated, and underinvestment in renewals has contributed to increasing performance issues at these plants over time.

We delivered a total of \$5.2m of renewals at plants operated by Wellington Water this year, up from less than \$1m two years ago, with an additional \$18.9m of renewals at metropolitan wastewater treatment plants operated by Veolia.

To facilitate this, in 2023/24 we established a treatment plant capital programme team to enable us to better manage the increased funding from our councils in improving the performance of the plants. This team continues to help us to manage the investment at these plants (in both renewals and new equipment) which was \$66.3m in 2024/25.

Delivering Major Projects

A water network is made up of a mix of various assets, such as bridges, reservoirs and treatment plants. Many of these assets are complex, expensive and bespoke, requiring novel engineering solutions. This means that constructing this infrastructure is complex and time-consuming, with projects that can take up to a decade from design to completion.

We have a number of significant Major Projects in construction, which made up \$160m of our capital programme this year.

Key achievements for 2024/25 included:

- Completing the Te Mārua Water Treatment Plant Capacity upgrade. (See case study page 34)
- Closing out the Taranaki Street Rising Main ahead of schedule and constructed the latter stage of Wakefield Rising main. (See case study page 33)
- Substantially progressing the construction of a new wastewater storage facility in central Porirua. (See case study page 38)
- The final construction stages of the Whakawhirinaki Silverstream Water Bridge and Shared Path, and the Kaitoke W Pipe Bridge were completed.

Information on these and other projects can be found [on our website](#), which is regularly updated with project progress.

Case Study - Porirua Central Wastewater Storage Facility

Over the past financial year, significant progress has been made on the Porirua Central Wastewater Storage Facility, a key project we've led on behalf of Porirua City Council to reduce wet weather overflows into Te Awarua-o-Porirua Harbour.

The facility will store up to 7 million litres of wastewater at capacity, holding it temporarily until it can be pumped to the Porirua Wastewater Treatment Plant for processing. This will reduce the frequency and volume of overflows during heavy rain, improving water quality and protecting the health of our communities.

Between July 2024 and July 2025, construction of the 70m long x 20m wide x 5m high concrete tank was substantially completed, the pump station wet well, and building was constructed and 650m (of 850m) wastewater pipeline was laid.

Landscaping and site integration planning have progressed at the same time, ensuring the facility blends with its surroundings and that we are leaving the local environment in a better state than when works began.

When complete, the facility will be a critical part of a wider programme to improve the resilience and performance of Porirua's wastewater network, alongside pipe renewals and pump station upgrades. The project remains on track for completion in 2026, delivering long-term benefits for the harbour and the community.



Maintaining existing assets

One of our core operational activities is conducting maintenance on our network to ensure it keeps functioning. We break out maintenance activities into two main categories: planned maintenance and reactive maintenance. Planned maintenance is critical as it is a cost-effective way of protecting and extending the life of assets in the region, while reactive maintenance is fixing (and not replacing) assets that have failed.

This year, we spent \$12.6m on planned maintenance, up from \$11.3m in 2023/24, while we spent \$48.2m on reactive maintenance (up from \$39.9m). This was driven by our Councils' increased funding into fixing leaks and reducing the leaks backlog, which has helped to bring down the immediate risk of water shortages.

This one-off surge in reactive maintenance funding also changed the ratio of planned to reactive maintenance – we're now spending 26 cents on planned maintenance for every dollar of unplanned maintenance (compared to 28 cents in 2023/4 and 38 cents in 2022/23).

Increasing the spending on planned maintenance is still critical to the efficient operation of the networks and will save costs in future years. We have set a long-term goal of increasing the proportion of funding that is dedicated to planned maintenance, as this is more financially sustainable for our council owners and ratepayers.

Stormwater management

Stormwater is rainwater that runs off the land, including land that is covered by impervious surfaces such as roofs, roads, driveways, and footpaths. Stormwater runs over land either directly, or through pipes and drains, to our natural waterways and harbours.

Wellington Water manages stormwater on behalf of five client councils; Wellington City Council (WCC), Hutt City Council (HCC), Upper Hutt City Council (UHCC), Porirua City Council (PCC), and South Wairarapa District Council (SWDC). This includes the management of stormwater infrastructure, overland flow paths and stormwater flood risk, plus stormwater water quality.

Stormwater water infrastructure

Currently, Wellington Water is responsible for shareholding Council-owned and public, built stormwater assets, including where these are located on private land. These assets include:

- Pipes
- Pump stations
- Attenuation devices
- Inlets (including on private land)
- Outlets (including on private land)
- Urban water races (for SWDC only)

In 2024/25, Wellington Water spent \$9.4 million on repairs and maintenance of stormwater infrastructure on behalf of Councils. This included:

- **\$2.54m of planned maintenance (27%),**
- **\$3.08m of reactive maintenance (33%),**
- **\$2.04m on staff salaries and support (22%)**
- **\$1.30m on planning and compliance costs (14%)**
- **\$0.43 m on investigations (5%)**

Land development

Where developers or other external parties are proposing changes that affect the stormwater network, flood risk or stormwater discharges, Wellington Water is responsible for ensuring they meet planning requirements and don't have negative impacts on the wider network. These activities can be split into three main work programmes:

- Managing new connections and disconnections to the stormwater network;
- Providing advice to Client Councils around new developments in relation to stormwater; and
- Providing support and advice to developers around stormwater and flooding.

Flood management

Wellington Water has a comprehensive programme of modelling and mapping flood risk across the entire Wellington metropolitan region. We complete flood modelling and maps as part of our regular service delivery to councils, updating them as required.

This means, where new developments require a resource consent or bylaw approval, we support our Client Councils to set conditions for servicing the site and review and approve proposals to ensure they meet the required conditions. We follow this up by assessing their detailed design plans and undertaking inspections during the construction phase.

During 2024/25 Wellington Water:

- Provided support to a wide range of customers regarding connections to the stormwater network, buildings near or over stormwater mains, stormwater neutrality tanks, and floor levels in flood hazard areas;
- Supported Porirua City Council with the Fast-track application for Plimmerton Farms to ensure that water quality, flood hazard risks and streams weren't adversely affected;
- Worked closely with Hutt City Council regarding the public roll out of new flood map information and the impact on landowners; and
- Supported Wellington City Council with developing a plan change relating to stormwater management.

Issue management

When stormwater issues arise, Wellington Water have two main work programmes to investigate these and identify options to mitigate. These look at:

1. **Operational issues** - that affect the operation of the stormwater network. These typically arise after a rain event but can also be initially identified through routine inspections and customer complaints.

2. **Network issues** - that affect the performance of the stormwater network. These are identified and investigated by Wellington Water and come from a range of sources, including persistent customer complaints or flooding, or proposed changes to the network from predicted growth or significant development. Once issues have been investigated and the root-cause understood, options to mitigate are developed and costed. This then feeds into Wellington Water's Investment Planning process.

Stormwater network maintenance

To support the management of stormwater, Wellington Water completes a range of operational and maintenance activities to keep everything running day to day and ensure the ongoing operation of the stormwater network. This falls into two main work programmes:

- Routine Inspections and Maintenance
- Managing and Responding to Customer Issues

Wellington Water also delivers a programme of reactive inspections and maintenance to deal with issues. This includes:

- Responding to customer complaints
- Root clearance
- Clearing blockages
- Completing minor repairs of the infrastructure
- Investigating overland flow paths where these are causing issues

In addition, Wellington Water contributes to the maintenance of some watercourses, as identified in the Watercourses Agreement between each Local Authority and the Greater Wellington Regional Council (GWRC). GWRC is responsible for the maintenance work on sections of rivers and streams and works with councils, roading authorities, private landowners and Wellington Water on these maintenance issues.

Flood management

Flooding is one of the major natural hazards in our region. Damage caused by flooding events has a significant impact on property owners and the community. The impact is not only economic, but social, emotional and in some locations life-threatening.

Wellington Water manages the risk from flooding in Wellington and to improve the flood resilience of our communities. To help understand these risks and plan for the future, we've developed computer models of the likely impact of extreme rainfall. These models show areas where there is a 1% possibility of flooding occurring in any given year (known as a one in 100-year flood risk), as well as where there is a 10% possibility of flooding occurring in any given year (known as a one in 10-year flood risk).

Wellington Water has a comprehensive programme of modelling and mapping flood risk across the entire Wellington metropolitan region. We complete flood modelling and maps as part of our regular service delivery to councils, updating them as required. These maps go on to inform councils' District Plans and LIM reports.

During 2024/25, Wellington Water engaged with the community on its flood mapping programme in both South Wairarapa and Porirua. This included:

- partnering with Greater Wellington Regional Council to confirm with the Featherston community that the flood maps matched their experience of river and stormwater flooding in their area; and
- going out to communities in Aotea and Whitby through a series of community drop-in events to validate our near-final flood maps of these suburbs.

Both these engagements demonstrated that flood risk is being more widely understood by homeowners, local residents and ratepayers.

Stormwater and Water Reform

The Local Government (Water Services) Bill became law on 26 August 2025. It provides a new approach to the management of stormwater services. Councils will retain responsibility for ensuring that stormwater services are provided in their district, but they can choose to transfer the provision of all or some aspects of stormwater services.

The Bill also seeks to align the process for establishing environmental performance standards for wastewater and stormwater with the existing framework used for drinking water standards. These standards will be made through regulations, on the recommendation of the Minister of Local Government, and stormwater network operators will have to comply with these standards by obtaining resource consents. Consent authorities (e.g. regional governments) will monitor

compliance with these national standards as part of their monitoring of resource consents.

New planning and regulatory tools to manage risks and hazards that may affect the operation of critical stormwater network infrastructure – stormwater network risk management plans and stormwater network bylaws – are also proposed in the Bill. These new tools will set out landowners' duties, improve flood risk information, help councils target operational

activities to protect critical stormwater network assets, and support actions to identify how risk to the network and community can be managed.

Decisions about the establishment of Metro Water will include stormwater management by the new entity and the regulatory settings to align land use planning, stormwater services and infrastructure investment for the Wellington region.



Net-Zero Carbon 2050

The Climate Change Response (Zero Carbon) Amendment Act sets New Zealand's goal of net zero carbon emissions by 2050. Most of our owner councils have declared climate change emergencies and are setting or considering emission reduction targets and climate change response strategies.

Water services are highly climate-dependent, so our response to climate change needs to include both mitigation (reducing our emissions) and adaptation (managing the impacts of climate change) activities.

Operationally, the services generate emissions through activities such as electricity and gas consumption (pumping, biosolids drying, etc.), the wastewater treatment process, and the disposal of wastewater biosolids (sludge) to landfill. The development of the Moa Pt SMF project (by Wellington City Council) and the change to electrical heating from natural gas in the Seaview dryer replacement project will both result in material emissions reductions once complete. Emissions also result from our capital programme (through their use of concrete, steel, etc.) and we have made tools available to our design and delivery teams to enable lower-carbon options to be considered.

Adapting to the impacts of climate change

Climate change in the Wellington region is expected to include increased weather variability (such as more hot days and changes in rainfall patterns including more extreme rainfall events) and sea level rise, with resulting impacts on all three waters.

Our drinking water supply modelling for the metro region utilises the latest, and regional-specific climate data, our stormwater modelling considers climate change scenarios, and we have expanded our water supply model to include wastewater as an input to our strategic planning for the Hutt Valley wastewater system. We also support councils with their community engagement on stormwater flooding risks and climate change impacts on request.

A focus on core services

#	Measure	Target	2023/24	2024/25	Commentary
3	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not compliant	The Waterloo Water Treatment Plant is non-compliant with the new Drinking Water Quality Assurance rules due to insufficient contact time with chlorine for water for approximately 800 households. Funding has been provided by Hutt City Council in their Long-Term Plan to address this issue, and the water remains safe to drink
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Compliant	All SWDC WTP are currently compliant with the DWQAR treatment Rules .
5	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	Not Achieved (2 abatement notices and 30 infringement notices)	Not Achieved (6 abatement notices and 6 infringement notices)	Compliance has been an ongoing challenge for each of our wastewater treatment plants during the calendar year. Most of these issues relate to asset condition and a lack of redundancy at the treatment plants.
6	SWDC Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	Achieved	Not achieved	Issues at the wastewater treatment plants over the past few years mean that, on occasion, we haven't been able to meet the levels of service that our communities expect and have at times exceeded resource consent limits.
7	Percentage of planned pipe replacement/ renewals completed	New measure 9.1 km = 100%	N/A	13.1km = 144%	This means we exceeded the annual pipe replacement and renewal target by 44% due to additional investment by Councils on pipeline renewals.
8	Total capital delivery is within the capital range	Delivery between \$297m and \$347m	\$329m	\$248.5m	This was \$115 million less than anticipated for a number of reasons, including estimation issues and the pause to reset the procurement process to meet new value for money goals.

A focus on core services (continued)

#	Measure	Target	2023/24	2024/25	Commentary
14	Wellington Water and councils are not required to implement Level 4 Water Restrictions	Achieved	N/A - New measure for 2024/25	Achieved	Level 2 water restrictions implemented in Martinborough, Featherston and Greytown in February 2025. Level 1 water restrictions were implemented in Upper Hutt, Hutt, Wellington and Porirua Cities during daylight saving 2024/25.
15	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas	A single integrated implementation plan is in place; procurement strategy is in place and detailed business case completed.	N/A - New measure for 2024/25	Not achieved	Concept design and technical design has been completed. The business case (Water Demand Programme Business Case) is being finalised in light of the Water Services Delivery Plan to be released.

Maintaining a fit for purpose organisation

Last year we commissioned several reviews, in response to concerns our new Chief Executive and senior leaders had about the performance of the organisation. These reviews confirmed what we thought – and what councils had been telling us: our performance has not been good enough. We have learned valuable lessons from these reviews. We have stepped up and taken responsibility for this, and we have started implementing the improvements needed to the way we operate.

This agenda of improvement will however have to happen during a period of major change for water services delivery from the implementation of Government's Local Water Done Well policy. This policy will see Wellington Water transition into a new water services entity, with significant impacts on our staff and operations. As part of preparing for transition we have initiated a new investment programme in our technology and systems: the Technology Systems Investment Programme.

During this period of change we will also need to ensure that we maintain our recent focus on improving our Health Safety, and Wellbeing outcomes.

Ensuring we are ready for water reform transition

In September 2024, the Local Government (Water Services Preliminary Arrangements) Act was passed into law. It established the 'Local Water Done Well' framework and the preliminary arrangements for the new water services system. These included a requirement that all councils were to develop water services delivery plans for submission to the Secretary for Local Government for approval by 3 September 2025. These plans were to contain baseline information about how councils propose to deliver, fund and price water services.

In December 2024, the government introduced the Local Government (Water Services) Bill in Parliament, and this was passed into law in August 2025. The Act is designed to facilitate the Government's Local Water Done Well policy, and it established a new regulatory framework for water services delivery. This framework provides for:

- A new economic regulation regime providing consumer protection for water supply and wastewater services, with the potential to include stormwater services at a later date;
- Changes to the water quality regulatory framework and to Taumata Arowai;
- Environmental performance standards and infrastructure design solutions that streamline consenting processes for wastewater and stormwater infrastructure; and
- A compliance and enforcement regime, including offences and penalties.

The Act also provides councils with structural options to choose from for delivering water services, and these were the focus of the community consultation processes undertaken during April 2025.

In June 2025, our metro councils (Lower Hutt, Upper Hutt, Porirua, and Wellington) and the Greater Wellington Regional Council advised they had a mandate for establishing a new regional council-controlled organisation (CCO) to take ownership of the water infrastructure assets and responsibility for delivery of water services from Wellington Water. Whereas South Wairarapa District Council advised that it had a mandate to explore setting up a new CCO with Carterton, Masterton and Tararua District Councils. This is commonly known as the "Wai + T" model. Establishing these proposed CCOs will be included in the respective Water Service Delivery Plans being developed.

Working with the establishment teams

As with the earlier water reform process, Wellington Water's role is to provide input and support for our councils to help them make good decisions and set up the region for success moving forward.

We are working closely with the Metro Water establishment team on the impacts on Wellington Water and supporting them to ensure that the transition (of staff, systems, processes, etc) goes as smoothly as possible.

We are also working with a transition team at South Wairarapa District Council that is setting up a new Wai + T CCO with Carterton, Masterton and Tararua district councils. The first part of the transition occurred on 1 July 2025, with capital renewals and capital projects being removed from the Management Services Agreement between Wellington Water and SWDC, and this work was handed back to the council.

There is a large amount of work required during 2025/26 to transfer water services delivery from Wellington Water to Metro Water and Wai + T. Within Wellington Water, we are building our capability to manage this work and respond to requests from councils and the establishment team. As a start, a Head of Transformation role has been created at Wellington Water to provide strategic leadership to the Metro Water transition work. To help with the transition to Wai + T, SWDC has created a new transition leadership role that is embedded within Wellington Water to oversee the planning and strategy of the move.

Ensuring our people are ready

The new Metro Water CCO will have new governance and ownership arrangements, new leadership and new strategic direction that will distinguish it from Wellington Water.

To ensure ongoing service delivery and to retain expertise and experience, it is the intent of councils that the new organisation will absorb Wellington Water staff and structures at tier 3 and below, with a guaranteed job transition pathway.

The details of the transfer of employees will be finalised during the transition period following the establishment of the Metro Water Board of Directors and recruitment of the interim Chief Executive. This transfer will be guided by the provisions of the new Local Government (Water Services) Act 2025.

Technology Systems Investment Programme

Significant investment is needed in Wellington Water's technology systems to resolve current issues and risks and ensure effective and efficient operations, asset management, and reporting on activity. This large programme of work, known as the Technology Systems Investment (TSI) Programme, is necessary because Wellington Water has not made significant investments in technology for several years as the previous government's Affordable Water Reform programme was delivering a full new technology environment for the planned new water entities. In addition, we do not own many of the technology systems we rely on a day-to-day basis. This is in the context of the organisation experiencing significant growth in its activity resulting in an aging technology environment that is no longer fit for purpose.

As noted above, during 2024/25 the Greater Wellington Regional Council decided to seek a mandate to provide the funding needed for the Technology Systems Investment (TSI) programme in 2025/26.

The TSI programme is critical to getting the core essential technology systems that every water utility needs. The programme scope covers technology platforms for information management, construction project management, asset management, finance, customer management, and health & safety.

Towards the end of the financial year, Wellington Water began the programme's procurement phase and work was undertaken to identify the material we need to take to the open market and select the right systems. We will be taking an iterative approach to delivering the systems needed, which means that we will secure the basics we need first and then add additional features over time.

All of these new systems will have a significant business change component. As we embed new core systems into Wellington Water, we will be adjusting our business processes to work with the systems, rolling out a programme of training for each new system and providing guidance on procedures and policies for use. The full roll out of the TSI Programme is expected to take three years and start in 2026.

Health, Safety and Wellbeing

Health, Safety, and Wellbeing is a priority for Wellington Water as we continue to improve our health and safety culture, systems, processes, and practices to help protect our people from harm. We believe in People First, Every Time.

Keeping our people safe

There continues to be a downward trend in the number of incident reports across the organisation (when normalised for hours worked) and there were no serious injuries within Wellington Water in 2024/25. The Network Maintenance Team exceeded its health and safety KPIs and is one of the top performers across all of Fulton Hogan. This is a significant turnaround from three years ago where the Alliance was generating significant health and safety concern within Fulton Hogan.

Unfortunately, there were a few significant health and safety incidents at the wastewater treatment plants run by Veolia on Wellington Water's behalf during the year. Investigations into these incidents has led to corrective actions being implemented to prevent any recurrence which Wellington Water closely monitored.

A focus on wellbeing

This year we have increased our focus on worker wellbeing by:

- Establishing Health and Safety committees for all Wellington Water business groups. These committees meet regularly and feed issues into an organisation-wide Health and Safety committee that meets quarterly.
- Developing and promulgating an updated Stakeholder Health and Safety Incident Notification Matrix which sets out how serious health and safety incidents will be escalated internally and externally, including to the Board and councils.
- Developing and gaining Board approval for the 2025 – 2029 Health, Safety, and Wellbeing Strategy. Implementing this strategy will support the growth in critical systems and the maturity for our health and safety processes.
- Establishing a Critical Risk and Systems Specialist role, to be recruited in 2025/26. This specialist will have responsibility for developing the critical risk, supply chain management, and technology system aspects of the Health, Safety, and Wellbeing Strategy.

Hydrogen sulphide exposure concerns

Concerns have been raised from Wellington City Council, Greater Wellington City Council, and from Veolia workers that levels of hydrogen sulphide at the Moa Point Wastewater Treatment Plant and the Carey's Gully Sludge Dewatering Plan may be hazardous. There

has been no evidence to indicate that exposure levels are hazardous, and Wellington Water is working with Veolia to ensure that adequate controls are in place.

Traffic management

Wellington Water is one of the most significant users of temporary traffic management across the Wellington region, with multiple traffic management sites in operation daily. There are significant changes happening to the way that temporary traffic management occurs in New Zealand with a new risk-based New Zealand Guide to Temporary Traffic Management (NZGTTM) replacing the largely prescriptive Code of Practice for Temporary Traffic Management. It is intended that this change in approach will ensure better alignment between organisations' obligations under the Health and Safety at Work Act, and the way that the risks of traffic are managed.

The region's utilities (Wellington Water, PowerCo (natural gas), and Wellington Electricity) are working together towards the implementation of NZGTTM. By utilising our combined influence, we will bring along with us many of the region's contractors that are currently working within the road corridor. We are also using our joint influence in pursuit of consistency across the region's Road Controlling Authorities (RCAs). Currently RCAs (like NZTA, Wellington City Council, Hutt City Council, Upper Hutt City Council, Porirua City Council, and South Wairarapa District Council) each apply different standards to traffic management. This joint approach by the region's utilities has been received positively by RCAs as they also see the benefits that come from regional consistency.

Enhancing relationships with mana whenua

The Government has repealed parts of the Resource Management Act (RMA) concerned with freshwater management, including provisions related to Te Mana o te Wai. In addition, the Local Government (Water Services) Bill, which establishes the enduring settings for the new water services system, contains a change in approach to Te Mana o te Wai. Notwithstanding these legislative changes, Wellington Water continues to work with mana whenua, maintaining and enhancing our relationships.

During 2024/25, we sought to honour our agreements with Te Rūnanga o Toa Rangatira and Taranaki Whānui and ensure mana whenua priorities are incorporated into our operations. This included:

- Engaging with mana whenua iwi on:
 - Resource Management Act-related activity
 - Capital Delivery projects
 - On operational matters
- working with mana whenua iwi on strategic kaupapa, including the Smart Metering business case and Te Wai Ora a Porirua – Porirua Harbour Accord;
- working with mana whenua iwi CE in the recruitment of a new Wellington Water Tumuaki Māori;
- Working on new partnership agreements going forward from 1 July 2025; and

- Regular hui and capital project engagement and updates as BAU.

Given SWDC's decision not to join Metro Water, Wellington Water is now working on a smooth transition with the least amount of disruption to mana whenua iwi and our capital works projects.

Wellington Water values our relationships with mana whenua iwi, including Taranaki Whānui ki te Upoko o te Ika, Ngāti Toa Rangatira, Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua, and Rangitāne o Wairarapa, recognising their connection to wai.

Single regional performance framework

Wellington Water's current performance measure framework and reporting requirements have grown organically as our practices have matured, and as a response to specific issues or events. This has resulted in different forms of performance measures being agreed and reported to individual councils that were often not consistent across our shareholding councils.

The 2024 Letter of Expectation from the Wellington Water Committee, requested that Wellington Water develop a single regional performance framework during 2024/2025. The framework was to be common across all six shareholders and would enable Wellington Water to demonstrate its performance in areas that are collectively important to our Shareholding Councils.

The framework was also to consider the likely longer-term performance information needs of any model used by councils in the future for the delivery of water services in the region.

A suite of core performance measures that satisfies the DIA, SOI and Council Long-Term Plan reporting requirements were identified in May 2025. These were supplemented by a range of other value-for-money, efficiency, and capability measures that could be included in a performance framework for the new water services entity.

A decision was subsequently made by the Wellington Water Board and the Wellington Water Committee not to implement the regional performance framework developed, and it is more appropriately provided as an artefact for any future water delivery model, due to systems, funding and resourcing constraints of implementation.



Non-Financial Performance Statement of Intent (SOI) 2023-26 Results

A total of eight measures are achieved (green), while nine measures are not achieved for the year (red).

#	Measure	Target	2023/24	2024/25	Commentary
1	Customers rate their experience of our performance as 'Satisfied' or better	55%	70% June – Dec 54% Jan - July	Average July – Dec 2024 is 69% Average Jan – June 2025 is 70%	Changing from phone to online surveys in early 2024 significantly impacted results. Average satisfaction dropped from 70% (June–Dec 2023, phone) to 54% (Jan–July 2024, online). Since then, scores have steadily improved, averaging 69% from July–Dec 2024. The upward trend continued in 2025, with Jan–June averaging 70% - matching pre-change levels.
2	The level of fluoride leaving each Water Treatment Plant is within the Ministry of Health guidelines (0.7-1.0 parts per million) 95% or more of the time	Achieved at all plants	Te Mārua: 93.9% Wainuiomata: 96.7% Waterloo: 87.9% Gear Island: 83%	Te Mārua: 98% Wainuiomata: 98% Waterloo: 95% Gear Island: 97%	All plants met the target level of fluoride at least 95% of the time – average 97%. In terms of average dosage, all plants were in the 0.80-0.84 parts per million range.
3	Compliance with Drinking Water Quality Assurance Rules (Treatment) in Metro Wellington	Compliant monthly (12/12 months compliant)	Not Compliant	Not compliant	The Waterloo Water Treatment Plant is non-compliant with the new Drinking Water Quality Assurance rules due to insufficient contact time with chlorine for water for approximately 800 households. Funding has been provided by Hutt City Council in their Long-Term Plan to address this issue, and the water remains safe to drink.
4	Compliance with Drinking Water Quality Assurance Rules (Treatment) in South Wairarapa	Compliant monthly (12/12 months compliant)	Not Compliant	Compliant	All SWDC WTP are currently compliant with the DWQAR treatment Rule.
5	Metropolitan Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	Not achieved (2 abatement notices 30 infringement notices)	Not Achieved (6 abatement notices and 6 infringement notices)	Compliance has been an ongoing challenge for each of our wastewater treatment plants during the calendar year. Most of these issues relate to asset condition and a lack of redundancy at the treatment plants.

Non-Financial Performance Statement of Intent (SOI) 2023-26 Results (cont'd)

#	Measure	Target	2023/24	2024/25	Commentary
6	SWDC Wastewater Treatment Plants will receive no abatement notices, infringement notices, enforcement orders or convictions for breaches of consent in the relevant financial year	Achieved	Achieved NB This measure was about informing SWDC of risks of enforcement action not a measure about enforcement action.	Not achieved	Issues at the wastewater treatment plants over the past few years mean that, on occasion, we haven't been able to meet the levels of service that our communities expect and have at times exceeded resource consent limits.
7	Percentage of planned pipe replacement/ renewals completed.	9.1 km = 100%	N/a - New measure for 2024/25	13.1km = 144%	This means we exceeded the annual pipe replacement and renewal target by 44% due to additional investment by Councils on pipeline renewals.
8	Total capital delivery is within the capital range	Delivery between \$297m and \$347m	\$329m	\$248.5m	This was \$115 million less than anticipated for a number of reasons, including estimation issues and the pause to reset the procurement process to meet new value for money goals.
9	Our overall staff engagement score remains stable or increases	Target Overall engagement > 60%	N/a - New Survey Format introduced in 2024/25	55%	A new staff engagement survey was conducted in July 2025, achieving a strong participation rate of 91%. The overall engagement score was 55%, representing a slight improvement over the previous 12-month average of 50.5% recorded using the former survey format.
10	Health and Safety critical risks will be reviewed, and improvements are implemented	Two or more	Two critical risk reviews completed	Two critical risk reviews completed	This year, Wellington Water held two reviews of critical health and safety risks: one on aggression and violence, and one on driving.
11	Give effect to Te Mana o te Wai by defining what this means for Wellington Water and provide direction on where and how it will be applied to our planning, regulatory and operational activities	Develop a strategy to give effect to Te Mana o te Wai	N/a - New measure for 2024/25	On hold	The government has repealed parts of the Resource Management Act (RMA) including provisions related to Te Mana o te Wai. In addition, the Local Government (Water Services) Bill contains a change in approach to Te Mana o te Wai. Wellington Water's work on the strategy to give effect to Te Mana o Te Wai has been put on hold.
12	We regularly check with Te Rūnanga o Toa Rangatira and Taranaki Whānui that we are honouring our partnership agreements	Annual hui confirm that we are giving effect to the purpose and values set out in the relationship agreements	N/a - New measure for 2024/25	On track	Engagement and collaboration with our mana whenua iwi partners continues to be a priority. This includes annual CE hui, regular BAU hui and strategic engagement with our key stakeholder managers.

Non-Financial Performance Statement of Intent (SOI) 2023-26 Results (cont'd)

#	Measure	Target	2023/24	2024/25	Commentary
13	We offer partnership agreements to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua and Rangitāne o Wairarapa	Partnership agreements offered to Ngāti Kahungunu ki Wairarapa-Tamaki Nui a Rua Rangitāne o Wairarapa	N/a - New measure for 2024/25	No longer achievable	SWDC voted not to join Metro Water .Therefore exploring partnership agreements with Rangitāne o Wairarapa and Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua are no longer feasible. We will continue to engage with mana whenua iwi in the Wairarapa for any operational matters until we both transition to our new water entities.
14	Wellington Water and councils are not required to implement Level 4 Water Restrictions	Achieved	N/a - New measure for 2024/25	Achieved	Level 2 water restrictions implemented in Martinborough, Featherston and Greytown in February 2025. Level 1 water restrictions were implemented in Upper Hutt, Hutt, Wellington and Porirua cities during daylight saving 2024/25.
15	Prepare a regionally consistent plan for roll out of residential water meters across our metropolitan council areas	A single integrated implementation plan is in place; procurement strategy is in place and detailed business case completed	N/a - New measure for 2024/25	Not achieved	All concept design and evidence base work completed, but the business case (Water Demand Programme Business Case) has still to be finalised. This business case will contain the Procurement Strategy and Plan.
16	Lead work with our shareholding councils to develop a single regional performance framework	Single regional performance framework in place for reporting from 1 July 2025	N/a - New measure for 2024/25	Work completed, but not implemented	An overarching framework was developed, and a comprehensive set of measures were developed. Wellington Water is, however, unable to implement new measures with existing systems, processes and people resources.
17	Review key contracting arrangements for maintenance and capital work	First review(s) completed and reported to Wellington Water Committee. Agreed actions are implemented.	N/a - New measure for 2024/25	Achieved	AECOM review provided to Wellington Water Board in February 2025 and Wellington Water Committee in March 2025. Procurement policy has been reviewed and updated off the back the review. It now requires an open tender process for all works over \$100,000 (for both capex and opex). Revised contractor and consultant panel agreements have also been adopted.

DIA Tables

The following tables provide results of Department of Internal Affairs mandatory measures for all councils. More detailed information is available from each council's website, reported in their annual reports.

Significant changes to the rules that govern how Wellington Water measures and reports on the safety of drinking water (measures 1A-C below) were promulgated as secondary legislation to the Water Services Act 2021 in November 2022. These rules were set by the Water Services Authority - Taumata Arowai (the national regulator for water services) and they came into effect in August 2024 after councils had developed their most recent long-term plans.

In June 2025, the Department of Internal Affairs issued guidance on how to align the reporting of the safety of drinking water measures with these new rules for 2024/25 annual reports. This was by using a new methodology for calculating the safety of drinking water performance measures. The safety of drinking water measures report below are consistent with this guidance and have been developed using this aggregate compliance methodology.

Greater Wellington Regional Council

Bulk water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)	All Met (100%)	Non-compliant	Almost Met (97.9%)
1B	The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)	All Met (100%)	Non-compliant	All Met (100%)
1C	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system	+/- 0.25%	0.04%	0.10%
3A	Median response time to attend urgent call-outs	<90 mins	N/A – No events	N/A – No events
3B	Median response time to resolve urgent call-outs	<8 hours	N/A – No events	N/A – No events
3C	Median response time to attend non-urgent call-outs	<72 hours	N/A – No events	N/A – No events
3D	Median response time to resolve non-urgent call-outs	<20 days	N/A – No events	N/A – No events
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<0.2	0	0
5	Average consumption of drinking water per day per resident	<375L	409L	371L

Hutt City Council

Water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)	All Met (100%)	Non-compliant	Partially Met (91.67%)
1B	The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)	All Met (100%)	Non-compliant	All Met (100%)
1C	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system	<=20%	35%	30%
3A	Median response time to attend urgent call-outs	<=90 mins	101 mins	46 mins
3B	Median response time to resolve urgent call-outs	<8 hours	4.6 hours	2.6 hours
3C	Median response time to attend non-urgent call-outs	<72 hours	191 hours	28 hours
3D	Median response time to resolve non-urgent call-outs	<= 20 working days	16 working days	3 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<=20	31.7	26.2
5	Average consumption of drinking water per day per resident	<385L	422	374L

Hutt City Council

Wastewater

#	Performance Measure	Target	2023/24	2024/25
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	1.7	2.3
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	15	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 90 mins	159 mins	81 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 8 hours	12.4 hours	5.15 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	24.1	28.5

Hutt City Council

Stormwater

#	Performance Measure	Target	2023/24	2024/25
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.24	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=8 hours	N/A – No flooding events	N/A – No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	8.5	14.9

Porirua City Council

Water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)	All Met (100%)	Compliant	All Met (100%)
1B	The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)	All Met (100%)	Compliant	All Met (100%)
1C	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	30%	27%
3A	Median response time to attend urgent call-outs	<90 mins	86 mins	64 mins
3B	Median response time to resolve urgent call-outs	<8 hours	2.9 hours	2.9 hours
3C	Median response time to attend non-urgent call-outs	<20 days	7 days	2 days
3D	Median response time to resolve non-urgent call-outs	<20 days	14 days	8 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	22.2	24.1
5	Average consumption of drinking water per day per resident	<320L	329L	308L

Porirua City Council

Wastewater

#	Performance Measure	Target	2023/24	2024/25
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	4.9	6.7
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	1
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	1	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<90 mins	79 mins	59 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<8 hours	2.7 hours	2.2
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	23.8	29.8

Porirua City Council

Stormwater

#	Performance Measure	Target	2023/24	2024/25
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<0.57	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<8 hrs	N/A - No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	10.4	19

Upper Hutt City Council

Water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)	All Met (100%)	Compliant	All Met (100%)
1B	The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)	All Met (100%)	Compliant	All Met (100%)
1C	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system*	<20%	41%	39%
3A	Median response time to attend urgent call-outs	<60 mins	76 mins	55 mins
3B	Median response time to resolve urgent call-outs	<4 hours	2.2 hours	2.1 hours
3C	Median response time to attend non-urgent call-outs	<36 hours	238 hours	41.13
3D	Median response time to resolve non-urgent call-outs	<15 days	27 days	7 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<= 20	12.3	16.3
5	Average consumption of drinking water per day per resident	<415L	450L	438L

Upper Hutt City Council

Wastewater

#	Performance Measure	Target	2023/24	2024/25
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<20	0.4	1
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	15	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	80 mins	58 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<=6 hours	3.4 hours	3.9
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<=30	10	9.3

Upper Hutt City Council

Stormwater

#	Performance Measure	Target	2023/24	2024/25
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.64	N/A - No flooding events	N/A - No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<60 mins	N/A - No flooding events	N/A - No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<=20	2.1	5.1

Wellington City Council

Water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)	All Met (100%)	Compliant	All Met (100%)
1B	The extent to which the local authority's drinking water supply complies with T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)	All Met (100%)	Non-compliant	All Met (100%)
1C	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system*	<17%	28%	23%
3A	Median response time to attend urgent call-outs	<60 mins	151 mins	71 mins
3B	Median response time to resolve urgent call-outs	<4 hours	13.6 hours	3.7 hours
3C	Median response time to attend non-urgent call-outs	<36 hours	555 hours	83.2 hours
3D	Median response time to resolve non-urgent call-outs	< 5 days	45.1 days	10.8 days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<20	23.2	22.7
5	Average consumption of drinking water per day per resident	<365L	416L	372L

Wellington City Council

Wastewater

#	Performance Measure	Target	2023/24	2024/25
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	0	3.9	6
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	1	1
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	3	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<=60 mins	80 mins	63 mins
3B	Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	<= 6 hours	4.7 hours	3.4 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<30	19.8	23.7

Wellington City Council

Stormwater

#	Performance Measure	Target	2023/24	2024/25
1A	The number of flooding events that occurred throughout the year	<=2	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	<=0.13	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<=60 mins	N/A – No flooding events	N/A – No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	<20	8.4	11.2

South Wairarapa District Council

Water Supply

#	Performance Measure	Target	2023/24	2024/25
1A	The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)*			
	Featherston Scheme	All Met (100%)	Non-compliant	All Met (100%)
	Greytown Scheme	All Met (100%)	Non-compliant	All Met (100%)
	Martinborough Scheme	All Met (100%)	Compliant	All Met (100%)
	The extent to which the local authority's drinking water supply complies with the T1 and T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)*			
	Pirinoa Scheme	All Met (100%)	Compliant	All Met (100%)
1B	The extent to which the local authority's drinking water supply complies with T1 and T3 protozoal rules (previously part 5 of the drinking-water standards - protozoal compliance criteria)*			
	Featherston Scheme	All Met (100%)	Non-compliant	All Met (100%)
	Greytown Scheme	All Met (100%)	Non-compliant	All Met (100%)
	Martinborough Scheme	All Met (100%)	Non-compliant	All Met (100%)
	The extent to which the local authority's drinking water supply complies with the T1 and T3 bacterial rules (previously part 5 of the drinking-water standards -bacteria compliance criteria)*			
	Pirinoa Scheme	All Met (100%)	Compliant	All Met (100%)

South Wairarapa District Council

Water Supply (cont'd)

#	Performance Measure	Target	2023/24	2024/25
	The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule			
	Featherston Scheme	All Met (100%)	N/A	All Met (100%)
	Greytown Scheme	All Met (100%)	N/A	All Met (100%)
	Martinborough Scheme	All Met (100%)	N/A	All Met (100%)
	The extent to which the local authority's drinking water supply complies with D3.29 and T1 microbiological monitoring rule			
	Pirinoa Scheme	All Met (100%)	N/A	All Met (100%)
2	The percentage of real water loss from the local authority's networked reticulation system	<30%	42%	47%
3A	Median response time to attend urgent call-outs	<60 mins	58 mins	35 mins
3B	Median response time to resolve urgent call-outs	<8 hours	3.4 hours	1.3 hours
3C	Median response time to attend non-urgent call-outs	<2 working days	3 working days	2 working days
3D	Median response time to resolve non-urgent call-outs	<5 working days	4 working days	3 working days
4	The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections	<70	18.4	19.2
5	Average consumption of drinking water per day per resident	<400L	583L	571L

South Wairarapa District Council

Wastewater

#	Performance Measure	Target	2023/24	2024/25
1	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 connections	<10	1.1	1.5
2A	Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	3	2
2B	Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2
2C	Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0
3A	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<60 mins	65 mins	62 mins
3B	Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	<4 hours	3.6 hours	4.6 hours
4	The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections	<60	21	26.7

South Wairarapa District Council

Stormwater

#	Performance Measure	Target	2023/24	2024/25
1A	The number of flooding events that occurred throughout the year	0	0	0
1B	For each flooding event, the number of habitable floors affected; expressed per 1000 connections	0	N/A – No flooding events	N/A – No flooding events
2A	Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2B	Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0
2C	Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0
2D	Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0
3	Median response time to attend a flooding event	<180 mins	N/A – No flooding events	N/A – No flooding events
4	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections	0	N/A*	N/A*

*SWDC does not have any stormwater connections as defined in the DIA rules

Financial Statements

These financial statements and the performance information are for the year ended 30 June 2025. They comply with generally accepted accounting practice in New Zealand (“NZ GAAP”) and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

These financial statements have been prepared on a disestablishment basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

For and on behalf of management:



Pat Dougherty
CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to read 'P Dougherty'.

29 September 2025



Wayne Maxwell
CHIEF FINANCIAL OFFICER

A handwritten signature in black ink, appearing to read 'Wayne Maxwell'.

29 September 2025

For and on behalf the Board of Directors:



Nick Legget
CHAIR OF THE BOARD

A handwritten signature in black ink, appearing to read 'Nick Legget'.

29 September 2025



Leanne Southey
CHAIR OF AUDIT COMMITTEE

A handwritten signature in black ink, appearing to read 'Leanne Southey'.

29 September 2025

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2025

	Note	Actual 2025	Budget 2025	Actual 2024
		\$000	\$000	\$000
Revenue from exchange transactions	3	399,870	508,217	464,629
Revenue from non-exchange transactions	3	-	-	629
Interest revenue		2,286	1,600	2,007
Gain/(loss) on disposal of assets		269	-	32
Total revenue		402,425	509,817	467,297
Salaries and wages		(47,390)	(51,062)	(40,318)
Superannuation		(1,417)	(1,609)	(1,204)
Directors fees		(169)	(210)	(197)
Fees for audit firm services	4	(425)	(303)	(284)
Council capex and Council opex programme		(376,613)	(485,403)	(442,653)
Operating leases		(2,172)	(2,450)	(1,844)
Other personnel expenses		(5,047)	(2,201)	(4,696)
Other operating expenses		(15,349)	(13,758)	(13,727)
Corporate (Direct) costs charged to capex and opex programme		46,828	45,733	44,803
Total operating expenses		(401,754)	(511,263)	(460,120)
Depreciation and amortisation expense		(1,407)	(2,270)	(1,557)
Total expenses		(403,161)	(513,533)	(461,677)
Net surplus/(deficit) before taxation		(735)	(3,716)	5,620
Tax (expense)/credit		322	-	(1,586)
Total comprehensive revenue and expenses		(413)	(3,716)	4,034

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2025

	Retained Earnings	Issued Capital	Total
	\$000	\$000	\$000
Balance at 1 July 2023	2,024	1,000	3,024
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	4,034	-	4,034
Balance at 30 June 2024	6,058	1,000	7,058
Balance at 1 July 2024	6,058	1,000	7,058
Comprehensive revenue and expenses			
Net surplus/(deficit) for the year	(413)	-	(413)
Balance at 30 June 2025	5,646	1,000	6,646

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Financial Position

As at 30 June 2025

Authorised on behalf of the Wellington Water Limited Board of Directors on 29 September 2025.



Nick Legget

CHAIR OF THE BOARD

29 September 2025



Leanne Southey

CHAIR OF AUDIT COMMITTEE

29 September 2025

	Note	Actual 2025	Budget 2025	Actual 2024
		\$000	\$000	\$000
Cash and cash equivalents		52,604	39,885	36,550
Receivables and prepayments	7	62,115	56,646	70,081
Tax (receivable)		640	-	-
Total current assets		115,359	96,531	106,631
Intangible assets	5	0	124	25
Property, plant and equipment, vehicles	5	4,240	3,971	4,576
Deferred tax asset/(liability)	6	691	-	369
Total non-current assets		4,931	4,095	4,970
Total assets		120,290	100,626	111,601
Payables and provisions	8	110,825	92,837	100,632
Employee entitlements		2,796	2,836	2,549
Tax payable		(0)	-	1,337
Total current liabilities		113,621	95,673	104,518
Employee entitlements		24	25	25
Total non-current liabilities		24	25	25
Total liabilities		113,645	95,698	104,543
Net assets		6,646	4,928	7,058
Issued capital	10	1,000	1,000	1,000
Retained earnings		5,646	3,928	6,058
Total equity		6,646	4,928	7,058

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of Cash Flows

For the year ended 30 June 2025

	Note	Actual 2025	Budget 2025	Actual 2024
		\$000	\$000	\$000
Receipts from customers		430,343	514,570	458,047
Interest received		2,286	1,600	2,007
Employees and suppliers		(413,822)	(511,263)	(454,113)
Tax paid		(1,977)	-	(176)
Net cash flow from operating activities	9	16,831	4,907	5,765
Purchase of property, plant and equipment, vehicles		(1,111)	(1,407)	(1,090)
Purchase of intangibles		-	(165)	(28)
Proceeds from disposal of assets		334	-	32
Net cash flow from investing activities		(777)	(1,572)	(1,086)
Share capital issued		-	-	-
Net cash flow from financing activities		-	-	-
Net cash flow		16,055	3,335	4,679
Add: cash at the beginning of the year		36,550	36,550	31,871
Cash at the end of the year		52,604	39,885	36,550
Comprised of:				
Cash at bank and on hand		52,604	39,885	36,550

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the Financial Statements

1. About these financial statements

Reporting entity

Wellington Water Limited (Wellington Water) is a council-controlled organisation (CCO) owned by Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. Wellington Water provides asset management services specialising in drinking water, storm water, and wastewater services.

Basis of preparation

The financial statements have been prepared on a disestablishment basis. In terms of the Water Service Delivery Plans (WSDP) submitted by Wellington Metro Councils on 3 September 2025, the intention is that a new regional water entity will be established by 2026 which will have implications for Wellington Water Limited.

The intent is that this process will lead to the eventual disestablishment of Wellington Water Limited at a date still to be determined. However, it is intended that significant operational aspects of Wellington Water Limited, including staff, contracts and relationships would transfer to the new regional water entity. As assets and liabilities are expected to be transferred to the new entity for continuity of services, no adjustments have been made to the recognition and measurement or presentation of information in the financial statements to reflect the disestablishment. For more information, refer to note 15.

Wellington Water Limited is a company registered in New Zealand under the Companies Act 1993 and is classified as a Tier 1 Public Benefit Entity (PBE) for financial reporting purposes.

These financial statements have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, and Tier 1 PBE accounting standards. The accounting policies have been applied consistently throughout the period. All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for billed receivables and payables, which include GST. The net amount of GST recoverable from or payable to the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

1. About these financial statements (cont'd)

Statement of compliance

These financial statements are for the year ended 30 June 2025. They comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

These financial statements have been prepared on a disestablishment basis and are presented in New Zealand dollars and rounded to the nearest thousand (\$000), unless otherwise stated. The measurement basis applied is historical cost.

The financial statements were authorised for issue by the Board of Directors on 29 September 2025

Budget

The budget figures included in the financial statements are as published in the Statement of Intent (SOI) 2024-27. At this time, not all councils had confirmed the final budget numbers.

The budget figures were prepared in accordance with NZ GAAP, using accounting policies consistent with those adopted by Wellington Water in preparing these financial statements.

Areas of significant estimation and judgment

Wellington Water is required to make estimates and judgments when applying accounting policies. The significant areas are useful lives of property, plant and equipment, vehicles, and intangibles (note 5) and provisions (note 8).

New or amended standards adopted

PBE IPSAS 3.33 Disclosure of Fees for Audit Firms' Services (Amendment to PBE IPSAS 1)

Wellington Water has adopted the disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1) in the preparation of these financial statements. The amendment changes the required disclosures for fees for services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in note 4.

2. Variances to budget

Commentary is provided for variances to budget greater than 20% or \$1 million.

Statement of comprehensive revenue and expenses

	2025 Actual	2025 Budget	Variance	Variance
	\$000	\$000	\$000	%
Revenue	402,425	509,817	(107,392)	(21%)
Operating expenses	(401,754)	(511,263)	109,509	(21%)
Depreciation and amortisation	(1,407)	(2,270)	863	(38%)

Revenue and operating costs are under budget primarily due to decreases in council capital expenditure (capex) programmes relative to the budget. This reflects the delay in the implementation of the major projects for drinking water and wastewater upgrades.

Statement of financial position

	2025 Actual	2025 Budget	Variance	Variance
	\$000	\$000	\$000	%
Current assets	115,359	96,531	18,828	20%
Non-current assets	4,931	4,095	836	20%
Current liabilities	113,621	95,673	17,948	19%
Non-current liabilities	24	25	(1)	(5%)
Equity	6,646	4,928	1,718	35%

Current assets exceeded budget, mainly due to higher bank balances and receivables. Receivables were above budget because of advance invoicing to councils to support capex and operating expenditure (opex) commitments - an approach not anticipated in the business-as-usual (BAU) budget.

Current liabilities were also higher than budget, reflecting increased trade payables and provisions. This was largely due to underspent council opex, for which Wellington Water receives funding in advance.

2. Variances to budget (cont'd)

Equity at yearend was higher than budget, driven by a smaller-than-expected deficit. This outcome was due to budgeted vacancies remaining unfilled and other operational savings, as part of preparation for organisational changes ahead of the proposed water reforms. These savings will help absorb unexpected costs and support the organisation's ongoing operational needs.

Statement of cash flows

	2025 Actual	2025 Budget	Variance	Variance
	\$000	\$000	\$000	%
Net cash flow from operating activities	16,831	4,907	11,924	243%
Net cash flow from investing activities	(777)	(1,572)	795	(51%)

Net cash flow from operating activities was significantly above budget, as most budgeted council receipts had been expected to be offset by payables at yearend. In practice, cash flow benefited from advance invoicing to councils to fund the timely delivery of capex and opex programmes. As noted previously, this approach was not reflected in the BAU-level budget.

3. Revenue

3a. Revenue from exchange transactions

Revenue is derived from the six council shareholders, and from occasionally charging third parties for work performed. Revenue is billed and recognised monthly and primarily consists of revenue derived from management and advisory services, council opex programme and council capex programme.

	2025 Actual	2024 Actual
	\$000	%
Management and advisory services	22,814	21,792
Council opex programme	128,100	113,285
Council capex programme	248,513	329,368
Other revenue	443	184
Total revenue from exchange transactions	399,870	464,629

3. Revenue (cont'd)

Management and advisory services

Revenue from management and advisory services is recognised using the percentage of completion method. The annual fee is agreed with councils and performed on a financial year basis. This revenue has been fully recognised as services have been fully provided at the balance date.

Council opex programme

The opex programme revenue is recognised using the percentage of completion method. Wellington Water develops an annual work programme from the long-term plans of councils, delivered on a financial year basis. Wellington Water enters into contracts with contractors to perform the work and manages the programme, acting as a principal in these transactions. Wellington Water employees also perform some of the work. Opex programme revenue has been fully recognised as services have been fully provided at the balance date.

Council capex programme

The capex programme revenue is recognised using the percentage of completion method, based on the costs incurred as a percentage of total costs under the contracts.

Wellington Water develops an annual work programme that is jointly agreed with councils. Wellington Water is responsible for the procurement process, including the selection of contractors and contract pricing, and manages the programme, acting as a principal in these transactions. Capex programme revenue and expenses have been recognised equivalent to the invoices paid or payable to third parties for the financial year. Wellington Water employees also perform some of the work.

3b. Revenue from non-exchange transactions

	2025 Actual	2024 Actual
	\$000	\$000
National transition programme	-	629
Total revenue from non-exchange transactions	-	629

Revenue from the National Transition Funding Programme was recognised in the prior financial year using the percentage of completion method across the six councils. The programme concluded following the repeal of the water reform legislation, enacted through the Water Services Act Repeal Bill in February 2024. This legislation brought an end to the previous Government's Affordable Water Reform and returned responsibility for water services delivery to local authorities.

4. Fee for audit firm services

During the year, Wellington Water incurred the following fees for services provided by its auditor, Audit New Zealand. The audit fee represents the cost of the annual statutory audit engagement, which includes the audit of the financial statements, the Department of Internal Affairs mandatory measures for three waters, the statement of intent measures, and the audit of the annual report. These components are not billed separately.

	2025 Actual	2024 Actual
	\$000	\$000
Audit services - current year	(303)	(281)
Audit services - prior years (additional work)	(122)	(3)
Total audit fees	(425)	(284)
Other assurance or non-assurance services	-	-

5. Property, plant and equipment, vehicles, and intangibles

Property, Plant and Equipment (PPE) consist of fit-out and equipment. Vehicles consist of commercial vehicles used for operational purposes. Intangible assets consist of computer software and systems. These assets are carried at cost less accumulated depreciation or amortisation and accumulated impairments. Assets are reviewed annually for indicators of impairment.

Cost

These assets are initially measured at cost. Expenditure is capitalised when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Assets under construction are recorded as capital work in progress and include both operational and intangible assets under construction. Costs that do not meet the criteria for capitalisation are expensed as incurred.

The cost of assets includes the purchase cost and those costs directly attributable to bringing the asset to the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and can be measured reliably is capitalised.

Depreciation and amortisation

Depreciation is calculated on a straight-line basis to allocate the cost or value of the asset over its useful life. The useful lives and depreciation rates are reviewed annually and adjusted if appropriate at each balance date. This ensures that the depreciation expense reflects the pattern in which the asset's future economic benefits are expected to be consumed.

5. Property, plant and equipment, vehicles, and intangibles (cont'd)

The range of depreciation and amortisation rates for each class of asset is as follows:

Fit-out and equipment	6% – 67%,
Vehicles	8.5% – 21%
Intangibles	40%.

	Fit-out and Equipment	Vehicles	Intangibles	Total
	\$000	\$000	\$000	\$000
Cost				
Balance 1 July 2023	8,260	3,478	2,322	14,060
Additions	895	196	28	1,119
Disposals	-	(56)	-	(56)
Balance at 30 June 2024	9,155	3,618	2,350	15,123
Balance 1 July 2024	9,155	3,618	2,350	15,123
Additions	1,015	101	-	1,116
Disposals	(626)	(557)	(523)	(1,706)
Balance at 30 June 2025	9,545	3,162	1,827	14,534
Depreciation and amortisation				
Balance 1 July 2023	(5,214)	(1,561)	(2,245)	(9,020)
Charge for the year	(1,077)	(400)	(80)	(1,557)
Disposals	-	55	-	55
Balance at 30 June 2024	(6,291)	(1,906)	(2,325)	(10,522)
Balance 1 July 2024	(6,291)	(1,906)	(2,325)	(10,522)
Charge for the year	(968)	(417)	(25)	(1,410)
Disposals	626	489	523	1,638
Balance at 30 June 2025	(6,633)	(1,834)	(1,827)	(10,294)
Carrying amount				
Balance at 30 June 2024	2,864	1,712	25	4,601
Balance at 30 June 2025	2,912	1,328	0	4,240

6. Taxation

Income Tax Expense: The income tax expense comprises both current and deferred tax components.

Current Tax: Current tax represents the income tax payable on the taxable surplus for the current year, including any adjustments to income tax payable for prior years. It is calculated using tax rates and laws that have been enacted or substantively enacted by the balance date.

Deferred Tax: Deferred tax accounts for income tax payable or recoverable in future periods due to temporary differences and unused tax losses. Temporary differences arise between the carrying amounts of assets and liabilities in the statement of financial position and their respective tax bases used in computing taxable surplus. Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability is settled, based on tax rates and laws enacted or substantively enacted by the balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred Tax Liabilities and Assets: Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

	2025 Actual	2024 Actual
	\$000	\$000
Components of tax expense		
Current tax expense	(0)	1,920
Deferred tax expense	(322)	(334)
Tax expense	(322)	1,586
Reconciliation of effective tax rate		
Net surplus/(deficit) before tax	(735)	5,620
Tax at 28%	(206)	1,573
Plus (less) tax effect of:		
Non-deductible expenditure	9	13
Deferred tax adjustment	(126)	-
Total income tax expense/(credit)	(322)	1,586
Imputation credits		
Imputation credits available for use in subsequent reporting periods	3,846	1,870

6. Taxation (cont'd)

Movement in deferred tax asset/(liability)

	PPE	Employee Entitlements	Tax Losses	Provision for doubtful debt	Sundry creditors	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 30 June 2023	(753)	694	85	9	-	35
Charged to surplus or deficit	208	258	(85)	9	(56)	334
Balance at 30 June 2024	(545)	951	-	18	(56)	369
Charged to surplus or deficit	65	152	53	(18)	71	322
Balance at 30 June 2025	(480)	1,104	53	-	15	691

7. Receivables

	Notes	2025 Actual	2024 Actual
		\$000	\$000
Receivables with related parties	11	59,492	59,276
Provision for doubtful debts		-	(64)
Other receivables		88	52
Prepayments		2,534	10,817
Total receivables		62,115	70,081

All receivables greater than 30 days in age are considered past due. The provision for doubtful debts is based on 100% of two past due receivables. All other receivables are not considered past due.

8. Payables and provisions

	Notes	2025 Actual	2024 Actual
		\$000	\$000
Trade payables		35,404	47,465
GST payable		5,459	2,825
Revenue in advance		48,125	27,591
Payables with related parties	11	19,574	20,901
Employee related payables and provisions		2,153	1,589
Other provisions		110	261
Total payables and provisions		110,825	100,632

All payables greater than 30 days in age are considered past due. There are no material trade payable balances past due.

9. Reconciliation of net surplus to operating cash flows

	2025 Actual	2024 Actual
	\$000	\$000
Net surplus/(deficit) after taxation	(413)	4,034
Add/(less) Non-cash items		
Depreciation and amortisation	1,407	1,557
Total non-cash items	1,407	1,557
Add/(less) items classified as investing or financing activities		
Gains on sale of vehicles	(269)	(32)
Total items classified as investing or financing activities	(269)	(32)
Add/(less) movements in statement of financial position items		
(Increase) in receivables	(639)	(21,505)
(Increase)/Decrease in prepayments	8,283	(7,237)
Increase in payables and deferred revenue	10,438	29,125
Tax payable	(1,977)	(176)
Net movement in working capital items	16,106	206
Net cash flow from operating activities	16,831	5,765

Net cash flow from operating activities for 2025 is primarily driven by net movements in working capital, particularly a reduction in payables compared to 2024, as well as by depreciation. Receivables also decreased significantly in 2025, reflecting increased efforts and scrutiny in the collection of outstanding debts.

10. Share capital

The total number of authorised, issued and fully paid ordinary shares at 30 June 2025 was 500 (2024:500). These are represented by Class B shares and entitle the holder to a share in the distribution of the surplus assets of the company. Class A shares entitle the holder to vote at a meeting of the shareholders on any resolution.

	Voting Rights	Ordinary shares	Class B	Class B
Shareholder	Class A	Class B	\$000	%
Greater Wellington Regional Council	150	75	150	15%
Hutt City Council	150	100	200	20%
Porirua City Council	150	60	120	12%
South Wairarapa District Council	150	25	50	5%
Upper Hutt City Council	150	40	80	8%
Wellington City Council	150	200	400	40%
Total shares	900	500	1,000	100%

11. Related parties

During the year, Wellington Water had the following material transactions with related parties recognised in revenue:

	2025 Actual	2024 Actual
Revenue from exchange transactions:	\$000	\$000
Management & advisory services		
Greater Wellington Regional Council	9,186	8,774
Hutt City Council	3,849	3,677
Porirua City Council	1,450	1,385
South Wairarapa District Council	348	332
Upper Hutt City Council	1,416	1,353
Wellington City Council	6,565	6,310
Other Corporate	443	145
Total management and advisory services	23,257	21,976
Council opex programme		
Greater Wellington Regional Council	17,533	17,254
Hutt City Council	29,017	25,538
Porirua City Council	11,325	11,721
South Wairarapa District Council	5,345	4,304
Upper Hutt City Council	9,128	7,649
Wellington City Council	55,753	46,820
Total council opex programme	128,100	113,286
Council capex programme		
Greater Wellington Regional Council	73,493	101,102
Hutt City Council	56,974	70,527
Porirua City Council	51,293	69,854
South Wairarapa District Council	4,760	5,569
Upper Hutt City Council	15,652	15,692
Wellington City Council	46,342	66,624
Total council capex programme	248,513	329,368

11. Related parties (cont'd)

	2025 Actual	2024 Actual
Revenue from non-exchange transactions:	\$000	\$000
National Transition Programme:		
Greater Wellington Regional Council	-	88
Hutt City Council	-	116
Porirua City Council	-	89
South Wairarapa District Council	-	17
Upper Hutt City Council	-	66
Wellington City Council	-	191
Other - DIA	-	62
Total other council revenue	-	629

During the fiscal year, Wellington Water engaged in several significant transactions with related parties, which have been duly recognised in our expenses.

Wellington Water has been in an alliance partnership with Fulton Hogan since 1 July 2019, aimed at maintaining and operating the three waters networks across the Wellington region. Given that Fulton Hogan employees hold management positions within the Alliance, which could potentially exert significant influence, Fulton Hogan is classified as a related party. The total cost of services procured from Fulton Hogan during the year amounted to \$104.8m (2024: \$120.8m).

Additionally, Wellington Water received various services from Wellington City Council on an arm's length basis, including payroll and IT.

11. Related parties (cont'd)

As of the end of the fiscal year, Wellington Water had the following outstanding balances with related parties:

	2025 Actual	2024 Actual
Amounts owing to Wellington Water by related parties at 30 June	\$000	\$000
Greater Wellington Regional Council	11,774	12,604
Hutt City Council	18,548	10,734
Porirua City Council	3,023	9,708
South Wairarapa District Council	595	341
Upper Hutt City Council	4,771	-
Wellington City Council	20,781	25,889
Total related party receivables	59,492	59,276

	2025 Actual	2024 Actual
Amounts owed to related parties by Wellington Water at 30 June	\$000	\$000
Greater Wellington Regional Council	1,077	329
Hutt City Council	5,101	2,232
Porirua City Council	255	303
South Wairarapa District Council	597	85
Upper Hutt City Council	148	997
Wellington City Council	3,280	901
Fulton Hogan	9,114	16,054
Total related party payables	19,574	20,901

12. Key management personnel

The key management personnel are the Directors, Chief Executive and Executive Leadership Team. The full time equivalent (FTE) number of individuals receiving remuneration as key management (excluding directors) during the year was 6 (2024: 6). This represented 9 individuals at different points in the year due to transitional arrangements arising from restructuring. The current number of KMP roles is 5.

	2025 Actual	2024 Actual
	\$000	\$000
Salaries and wages	2,325	1,735
Directors' fees	169	200
Superannuation	50	52
Total key management personnel remuneration	2,545	1,987

Salaries and wages include a redundancy payment to one key management person, arising from a restructure of groups and teams to establish an Executive Leadership Team comprising four Tier 2 Chief Officers, effective 10 February 2025.

The FTE number of Directors at 30 June 2025 was 8 (2024: 7). Due to the difficulty in calculating the FTE for directors, the FTE figure is taken as the number of directors.

	2025 Actual	2024 Actual
	\$000	\$000
Nick Leggett	60	60
Leanne Southey	30	30
Mahina Puketapu	30	25
Bill Bayfield	30	25
Patrick Dougherty	6	25
Ben Pitchforth	4	-
Gillian Peacock	4	-
David Adamson	4	-
Alexandra Hare	-	30
Kim Skelton	-	5
Total Directors' remuneration	169	200

13. Financial instruments and risk management

Financial instruments include cash and cash equivalents, receivables from exchange transactions and payables from exchange transactions. The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2025 Actual	2024 Actual
	\$000	\$000
Financial Assets		
Amortised cost		
Cash and cash equivalents	52,604	36,550
Receivables and prepayments	62,115	70,081
Total financial assets measured at amortised cost	114,719	106,631
Financial Liabilities		
Amortised cost		
Trade payables and payables with related parties	54,978	68,367
Total financial liabilities measured at amortised cost	54,978	68,367

Fair values

Payables, receivables, and loans are initially recognised at fair value less transaction costs and subsequently carried at amortised cost. Given their relatively short-term nature, their carrying amounts are considered a reasonable approximation of fair value.

Market risk

Market risk refers to the exposure to fluctuating interest rates and foreign currency rates. Wellington Water does not have any long-term borrowings or significant foreign currency exposure, thereby minimising market risk.

Credit risk

Credit risk is the risk that counterparties will default on their contractual obligations, resulting in financial loss to the company. Wellington Water's credit risk is concentrated due to its reliance on revenue from the Greater Wellington Regional Council, Hutt City Council, Porirua City Council, South Wairarapa District Council, Upper Hutt City Council, and Wellington City Council. However, these councils are considered high credit quality entities by the Directors. Receivables balances are monitored continuously to manage exposure to bad debts. Additionally, cash and cash equivalents are held with ANZ Bank, which has a Standard and Poor's credit rating of AA-.

13. Financial instruments and risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the company will be unable to meet its financial obligations as they fall due. This risk is managed by maintaining short payment terms with the six councils. There are no trade payables with a due date of more than one year, ensuring that the company can meet its short-term liabilities.

14. Commitments and contingencies

Wellington Water has operating lease commitments relating to the rental of the Petone office, vehicles and copiers on normal commercial terms and conditions. The minimum payments to be paid under non-cancellable operating leases are as follows:

	2025 Actual	2024 Actual
	\$000	\$000
Less than 1 year	2,509	2,040
Between 1 and 5 years	2,359	3,845
Later than 5 years	2	777
Total operating lease commitments	4,871	6,662

Wellington Water has no material capital commitments (2024: nil). Capital commitments relating to the council work programme are disclosed in the individual council financial statements and in note 16.

Wellington Water has no contingent liabilities or contingent assets at 30 June 2025 (2024: Nil).

15. Water Services Entity: Local Water Done Well

Following the repeal of the Water Services Entities Act 2022 and related legislation in July 2024, the Government introduced the “Local Water Done Well” policy in August 2024.

This policy is being implemented in three stages:

1. Repeal of the previous legislation
2. Establishment of a new framework and transitional arrangements
3. Development of enduring settings for the water services system

All three stages of the reforms have been completed with the Local Government (Water Services) Act 2025 receiving Royal Assent on 26 August 2025.

Under the provisions of the Act, each territorial authority must ensure water services are provided in its district but have discretion to determine the optimal structure and delivery method for its local circumstances. The metro Wellington councils have proposed that water services will be delivered by a jointly owned water services provider. SWDC has decided to pursue a joint solution with other Wairarapa based territorial local authorities.

During 2024/25 Wellington Water provided advice and information to the metro Wellington councils on the future of the delivery of water services, including the transfer of functions and powers, and has provided input into the water services delivery plan. The Water Services Delivery Plan was delivered to Department of Internal Affairs on 29 August 2025.

These delivery plans provided an assessment of Wellington water infrastructure, how much councils need to invest, and how councils plan to finance and deliver it through their preferred water service delivery model. Metro Wellington regional territorial authorities have indicated that the new water services organisation – currently named Metro Water – will be in operation from 1 July 2026 (referred to as Day One).

The new organisation will have new governance and ownership arrangements, new leadership and new strategic direction to it from Wellington Water. To ensure ongoing service delivery and to retain expertise and experience, it has been indicated that the new organisation will absorb Wellington Water staff and structures below tier 2, with a guaranteed job transition pathway. This means permanent staff (full time and part time) below tier 2 will largely continue to be in current roles and teams on Day One. Fixed term staff would transfer to the new organisation for the duration of their contract term.

Wellington Water Limited continues to operate as a council-controlled organisation (CCO) owned by six councils until its eventual disestablishment after the new regional water entity comes into operation.

15. Water Services Entity: Local Water Done Well (cont'd)

Transition to Metro Water

Metro Wellington councils have confirmed their intention to establish Metro Water, a council owned organisation (COO) to deliver water services for the region in the future. They noted that work is underway to prepare for the recruitment of an interim Chief Executive and Establishment Board, and to begin scoping out requirements in the areas of IT and customer services. The intent is for the establishment Board to be in place by 1 November 2025.

Work has also started on establishing more formal Staff Transition Principles and Guidelines, but much of this work can only be implemented once the Water Services Delivery Plan has been approved by the Secretary for Local Government.

Further information about implementation is set out in the Water Services Delivery Plan, which was delivered to the Department of Internal Affairs on 29 August 2025.

SWDC Transition

South Wairarapa District Council (SWDC) has indicated that it will gradually withdraw from the Wellington Water model, in favour of developing a water services delivery plan with Masterton, Carterton, and Tararua District Councils (known as the “Wai + T” model).

The full go-live for this transition will be no later than 1 July 2027. The first part of the transition took place on 1 July 2025, when capital renewals and capital projects were removed from the Wellington Water Service Agreement with SWDC and handed back to the council. Wellington Water will, however, retain an ability to spend money on reactive capital expenditure, for example, if a critical asset breaks and an urgent repair or replacement is needed.

Wellington Water will also continue to provide operations and maintenance services for SWDC until 30 June 2026. Wellington Water will be updating the service agreement with SWDC to reflect the changed relationship.

16. Capital Commitments

The total capital commitments for the Councils as of 30 June 2025 amount to \$76m (2024: \$107m), disclosed per Council as follows:

- Hutt City Council (HCC): \$16m
- Upper Hutt City Council (UHCC): \$2m
- Wellington City Council (WCC): \$29m
- Porirua City Council (PCC): \$16m
- Greater Wellington Regional Council (GWRC): \$13m
- South Wairarapa District Council (SWDC): Nil

SWDC has decided to take responsibility for delivering their capital programme as of 1 July 2025. During May and June 2025, Wellington Water worked with SWDC to transfer responsibility for capital works across to SWDC from 1 July 2025. As a result, there were no capital commitments as at the end of June 2025.

17. Subsequent events

Funding for Technology Systems Investment Programme

At the end of June 2025, the Greater Wellington Regional Council confirmed \$13.4 million in funding for Wellington Water's Technology Systems Investment (TSI) programme. An advanced notice to market of our Request for Proposals (RFP) was released on the GETS (Government Electronic Tender Service) website on 3 July, with the full RFP released on 31 July and has now closed.

Economic Regulation

The Local Government (Water Services Preliminary Arrangements) Act requires certain water providers to share key operational information through foundational information disclosure (ID) until full economic regulation begins in mid-2026. In March 2025, the Government designated Wellington Water as subject to this regime, with final requirements confirmed in August 2025. Wellington Water must report publicly on its Culture and Value for improvement plan progress, publish clearer data on maintenance and faults, and make consumer and performance reporting more accessible.

Understanding our Performance Information

Statement of Compliance

Performance information in this document is for the year ended 30 June 2024. Information and disclosures comply with generally accepted accounting practice in New Zealand ("NZ GAAP") and Tier 1 PBE accounting standards. All statutory requirements as outlined in the Local Government Act 2002 and the Companies Act 1993 have been met.

Identification of performance information

Wellington Water is required to clearly identify all performance information in this document. Information needed to understand our organisational performance is:

- All Statement of Intent measures on pages 50-52.
- All performance narrative information on pages 28-49, including case studies.
- Department of Internal Affairs measures on pages 53-69.

Disclosure of Judgements

Wellington Water is required to identify the judgements that have the most significant impact on how we select, measure, aggregate and present our performance information.

We endeavour to use and present the best data that we have available at all times. This data generally comes from our Asset Management System (Maximo) and when appropriate the methodology for the collection or treatment of data is updated. Any material changes are then noted in the Annual Report. All performance information reported in the Annual Report is consistent with data used for internal decision-making and information to inform decisions made by our shareholding councils.

Performance information is chosen to be as relevant, easy to understand and accurate as possible, and compared to relevant information about our historical performance where possible. This information is also chosen to faithfully represent our performance, even when it is less than desired. The availability of good-quality data is generally not a concern, however, occasionally measures are chosen on their ability to be met easily without any additional investment in systems and processes; for example by measuring spend rather than the outcomes of that spend.

We set our own performance measures and use these to represent the priorities that our shareholders express in their Letter of Expectations each year, expressed in our Statement of Intent. These priorities are then compared to the budgets that are provided by our owners and checked for overall deliverability.

We have not set aspirational measures or measures that we do not believe we can deliver, the exception to this being for compliance with drinking water and enforcement actions taken against the company by the environmental regulator regarding wastewater treatment plant compliance and performance.

We are unable to fully comply with Drinking Water Quality Assurance Rules at the Waterloo Water Treatment Plant without additional investment (which has been committed in the current Hutt City Council Long-term Plan), and past performance of our wastewater treatment plants makes compliance unlikely in the short-term without significant additional investment. However, we deem that setting targets that are less than fully compliant is inappropriate in these circumstances.

We consult with our councils on draft measures through the Statement of Intent process.

When developing the Annual Report, we report against the priorities of our shareholders as expressed in the Statement of Intent, even where no formal measures have been set or budgets are limited, for example, by including information on our shareholders priority for Environmental Water Quality.

The changes to our performance framework for this year are detailed in the sections that follow.

These measures are supported by the mandatory measures that our councils are required to report under the Local Government Act 2002. These measures were set by the Department of Internal Affairs in 2013 and are enshrined in legislation. These results can be found on page 53.



Measures that were added in 2024/25

Measure	Reason for change
New DIA Safety of drinking water measure – microbiological 1C	<p>New safety of drinking water rules came into effect in August 2024 and aligning the reporting of the safety of drinking water measures with these new rules was to occur in the 2024/25 annual reports.</p> <p>These new rules provide for a new measure to be reported: The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule.</p>
Engagement score	<p>This measure replaces two measures from the 2023/24 annual report that were driven by the previous Government's reform process. Our focus has moved from our people understanding reform to ensuring our people remain engaged with our company and its purpose.</p>
Te Mana o te Wai	<p>In their 2024 Letter of Expectation, the Wellington Water Committee indicated it expected Wellington Water "to give effect to Te Mana o te Wai in planning, regulatory and operational areas working in partnership with Mana Whenua.</p>
Partnering with Māori	<p>In their 2024 Letter of Expectation, the Wellington Water Committee indicated that Wellington Water "must ensure that local Mana Whenua priorities are understood and are incorporated into operations".</p>
Sufficient water – no Level 4	<p>Wellington Water's approach to the risk of water restrictions and water shortages has changed to be focused on</p> <ul style="list-style-type: none"> • keeping the water in the pipes • reducing water demand, and • adding more water supply. <p>We have recommended to our councils that to address this risk that they:</p> <ul style="list-style-type: none"> • continue to increase investment into finding and fixing leaks, managing water loss, and replacing old infrastructure; • continue to encourage customers to reduce water use; • invest in water meters across the metropolitan Wellington region; and • build additional storage lakes. <p>We therefore have a clear plan in place and looking at the level of investment councils can afford, completely removing the risk of Level 3 and 4 Water Restrictions is not realistic. Instead, we're aiming to reduce the risk of entering Level 4 Water Restrictions for the 2024/25 summer.</p>

Measures that were added in 2024/25 (cont'd)

Measure	Reason for change
Water metering	In their 2024 Letter of Expectation, the Wellington Water Committee indicated that Wellington Water “will work with shareholders to produce a single integrated water meter implementation plan across the shareholding Councils”.
Single performance framework	In their 2024 Letter of Expectation, the Wellington Water Committee indicated that Wellington Water would “improve efficiency, effectiveness, transparency, and oversight by working with shareholders to produce a single framework that encompasses: <ul style="list-style-type: none"> i. A reporting and performance management scheme including key performance indicators, but also broader productivity indicators that provide confidence that Wellington Water is delivering value for money and competitive tension.
Key contracting arrangements	In their 2024 Letter of Expectation, the Wellington Water Committee indicated that Wellington Water “will review its contracting arrangements around maintenance and capital works and provide assurance that the procurement model is best practice and is delivering the best value for shareholding Councils”.
#3 The percentage of the time resource consents are processed within timeframes (10 working days). Greater or equal to baseline 33%	Under the RMA, Councils (and their CCOs) have 10 working days from when an application is received to check the application is complete. For 2023/24 the target was 33% (one in three) of consents processed within 10 days. Performance of 38% was reported. This measure was discontinued because we will continue to work to ensure that applications for consents are processed within the required statutory timeframes.
#6 The Infrastructure Leakage Index (ILI) of the Wellington Metropolitan Network will improve Target <5.2 (+/- 2.5)	Wellington Water has adopted an approach to water loss reduction that is focused on the risk of water restrictions and water shortage. The ILI is the ratio of avoidable water losses to unavoidable water losses. The ILI does not provide direct insight into risk of water restrictions and water shortage.
#7 We will complete all actions for the defined period set out in our Water Loss Reduction Plan Target Achieved	Wellington Water’s Metropolitan Water Loss Reduction Plan looked at how to optimise the available funding we have to minimise water loss in the next nine to 12 months. Wellington Water has adopted a new approach to water restrictions and water shortage that has a wider focus than water loss reduction per se.

Measures that were added in 2024/25 (cont'd)

Measure	Reason for change
#10 Percentage of three-year programme (2021-24) complete Renewals programme	This measure was about a three-year planned renewals programme set by our shareholding councils in 2021. The timeframe for this three-year programme has expired and was no longer relevant for 2023/24.
#11 Ratio of planned to reactive maintenance increases	<p>This measure has been replaced by a target for pipe renewals, to be achieved regardless of reactive works.</p> <p>The key challenge with dealing with an ageing network is that reactive maintenance takes all the company's attention, and less focus is placed on planned maintenance which, together with renewals, aims to curb the increasing reactive works.</p>
#14 Staff feel supported by the organisation through water reform (staff survey) #15 Staff feel as if they understand water reform (staff survey)	<p>These two measures were introduced in the 2022/25 SOI and were part of an organisational focus to support employees during the transition to the new water services entity (as part of the through previous Government's Affordable Water Reform process).</p> <p>Following the repeal of the reforms in February 2024 it was decided to discontinue these measures.</p>



Report



Independent Auditor's Report

To the readers of Wellington Water Limited's financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of Wellington Water Limited (the Company). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the Company on his behalf.

We have audited:

- the financial statements of the Company on pages 71 to 95, that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Company for the year ended 30 June 2025 on pages 50 to 69.

Opinion

Unmodified opinion on the financial statements

In our opinion the financial statements of the Company, which have been prepared on a disestablishment basis:

- present fairly, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Qualified opinion on the performance information

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion* section of our report, the performance information of the company on pages 50 to 69.

- accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures by which the Company's performance can be judged in relation to the Company's objectives in its statement of intent for the year ended 30 June 2025; and
- has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Our audit was completed on 29 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

Performance information: Our work was limited with respect to the total number of complaints received about water supply, wastewater and stormwater

The Company manages the water assets and services of its six shareholding councils on their behalf. The Company therefore reports against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to the number of complaints received about water supply, wastewater and stormwater. The Company provides results of the mandatory performance measures on pages 53 to 69. The Company also reports on its statement of intent measures on pages 50 to 52.

Records of complaints are maintained by shareholding councils, and issues with council systems and processes meant we were unable to obtain sufficient appropriate audit evidence about the completeness and accuracy of complaints reporting.

As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

Our opinion on the total number of complaints received about water supply, wastewater, and stormwater was also qualified in the 2024 performance year.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audit of the financial statements and the performance information* section of our report.

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

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

Report (cont'd)

Emphasis of matter – The financial statements are prepared on a disestablishment basis

Without further modifying our opinion, we draw attention to the disclosures in Note 1 *Basis of preparation* section on page 75 of the financial statements about the financial statements being prepared on a disestablishment basis. The intended establishment of a new regional water entity by Wellington Metro Councils is expected to lead to the disestablishment of the Company, at a date still to be determined. As assets and liabilities are expected to be transferred to the new entity, there have been no changes to the recognition and measurement or presentation of information in the financial statements to reflect the disestablishment.

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

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information in accordance with the Act.

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

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. If the Board concludes that the going concern basis of accounting is inappropriate, the Board is responsible for preparing the financial statements on a disestablishment basis and making appropriate disclosures.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

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

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the disestablishment basis by the Board.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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

Our responsibilities arise from the Public Audit Act 2001.

Report (cont'd)

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

Other than the audit, we have no relationship with, or interests in, the Company.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

