

## Schedule 4

### Contents of water services annual report

#### *General requirements*

#### **1 Water services annual report: general requirements**

- (1) A water services annual report for a water service provider must contain information that will enable a person to make an informed assessment of the water service provider's operations and performance, including information that—
  - (a) compares the provider's intended activities and intended performance levels, as set out in the provider's water services strategy for the financial year, with the actual activities and performance levels; and
  - (b) explains any material differences between the provider's performance and the provider's water services strategy.
- (2) A water services annual report must, in relation to each group of water services activities of the water service provider, —
  - (a) identify the water services activities within the group of water services activities; and
  - (b) identify the outcomes and objectives to which the group of water services activities primarily contributes (as referred to in the provider's water services strategy); and
  - (c) report the results of any measurement undertaken during the financial year of progress towards achieving those outcomes and objectives.

#### *Financial statements*

#### **2 Water services annual report: financial statements**

- (1) A water services annual report for a water service provider must include the following information for the relevant financial year:
  - (a) if the water service provider is a territorial authority, a complete set of audited financial statements for the provider that is prepared as if the territorial authority were a separate water service provider; and
  - (b) if the water service provider is a water organisation, a complete set of audited financial statements for the water service provider; and
  - (c) for each group of water services activities—

- (i) a statement of comprehensive revenue and expense; and
  - (ii) a statement of cash flows; and
  - (iii) a statement of financial position; and
  - (d) any other prescribed information.
- (2) A water services annual report must also include the financial statements that were prepared for the financial year immediately preceding the first financial year to which the report relates.
- (3) The information provided—
- (a) under subclause (1) must be presented in a way that allows a person to compare the financial statements with the forecast financial statements for the financial year covered by the report (which were included in the provider’s water services strategy or water services annual budget):
  - (b) under subclause (1)(d) must be provided in the prescribed form.
- (4) However, the water services annual report need not include each of the financial statements referred to in subclause (1)(c) if—
- (a) the water service provider is a territorial authority that provides stormwater services but not wastewater services or water supply services; and
  - (b) the information in those statements is included in the set of audited financial statements under subclause (1)(a).

### **3 Water services annual report: water organisation**

- (1) A water services annual report for a water organisation must specify the dividend, if any, that the organisation’s shareholders have authorised the organisation to pay (or the maximum dividend that the organisation proposes to pay) for its equity securities (other than fixed interest securities).
- (2) A water services annual report for a water organisation must include information about how the water organisation has performed in relation to any performance indicators and measures that the shareholders of the organisation use to monitor the organisation’s performance and have included in the organisation’s statement of expectations.

#### **4 Water services annual report: capital expenditure**

- (1) A water services annual report for a water service provider must include, for each group of water services activities provided by the water service provider, an audited statement that compares—
  - (a) the capital expenditure budgeted for the water service provider (as set out in the provider’s water services strategy for the financial year); with
  - (b) the capital expenditure that the water service provider actually spent in the financial year.
- (2) The statement must show separately the water service provider’s budgeted expenditure, and the provider’s actual expenditure,—
  - (a) to meet any additional demand for a group of water services activities; and
  - (b) to improve the level of service in relation to a group of water services activities; and
  - (c) to replace any assets that are part of the water services infrastructure.
- (3) For the purpose of subclause (2), if capital expenditure is budgeted for 2 or all of the purposes in that subclause, the expenditure may be treated as if it were budgeted solely in relation to the primary purpose of the expenditure.

#### **5 Water services annual report: funding impact statement**

- (1) A water services annual report for a water service provider must include, for each group of water services activities provided by the water service provider, an audited funding impact statement that—
  - (a) is in the prescribed form; and
  - (b) identifies the water service provider’s funds produced by each source of funding; and
  - (c) specifies how those funds were applied; and
  - (d) compares the information provided under paragraphs (b) and (c) with information included in the water service provider’s water services strategy.
- (2) In addition to the requirements in subclause (1)(b) to (d), the prescribed form for a funding impact statement may require that the water services annual report includes information relating to 1 or more of the financial statements required under clause 2(1)(c).

- (3) If the prescribed form for a funding impact statement does require the inclusion of the information described in subclause (2), that information need not also be included under subclause (1).

## 6 **Water services annual report: insurance of assets**

A water services annual report for a water service provider must include the following information in relation to the water service provider:

- (a) the total value of the assets in the water services infrastructure that are owned by the water service provider and that are insured:
- (b) the maximum total amount for which those assets are insured:
- (c) the total value of the assets in the water services infrastructure that are—
  - (i) owned by the water service provider; and
  - (ii) covered by a financial risk-sharing arrangement:
- (d) the maximum total amount available to the water service provider under those risk-sharing arrangements:
- (e) the total value of the assets in the water services infrastructure that are—
  - (i) owned by the water service provider; and
  - (ii) self-insured:
- (f) the value of any fund that the water service provider maintains for the purpose of self-insuring those assets.

### *Statement of service*

## 7 **Water services annual report: statement of service**

A water services annual report for a water service provider must include, for each group of water services activities provided by the water service provider, an audited statement of service that—

- (a) compares the actual level of service provided in relation to each group of water services activities with the intended service level; and
- (b) specifies whether any intended changes to the service levels were achieved; and
- (c) if there is a significant difference between the intended service level and the service level that was achieved, specifies the reasons for that difference.

*Statement of compliance*

**8 Water services annual report: statement of compliance**

- (1) A water services annual report for a water service provider must include a statement that all statutory requirements in relation to the water services annual report have been complied with.
- (2) In the case of a water service provider that is a territorial authority, the statement of compliance must be signed by—
  - (a) the mayor of the territorial authority; and
  - (b) the chief executive of the territorial authority.
- (3) In the case of a water organisation, the statement of compliance must be signed by—
  - (a) the chair of the board of the water organisation; and
  - (b) the chief executive of the water organisation.

*Consumer feedback*

**9 Water services annual report: results of consumer feedback**

A water services annual report must include information relating to—

- (a) the results of any feedback sought from the water service provider's consumers in relation to the water services provided to them, as referred to in the provider's water services strategy (see clause 4 of Schedule 3); and
- (b) how the provider addressed, or proposes to address, any significant matters raised in the feedback.