



REPORT ON EARNED REVENUE

Financial year ended 30 June 2026

Prepared in accordance with Clause 23 of the Watercare Charter

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Executive summary

This report has been prepared in accordance with Clause 23 of the Local Government (Water Services Preliminary Arrangements) (Watercare Charter) Order 2025 (the Charter).

It provides details of revenue from prices, revenue from Infrastructure Growth Charges (IGCs), other revenue, and the units of demand met in relation to revenue from prices and IGCs.

Revenue from prices represents revenue earned from the provision of water supply and wastewater services as defined in clause 14(3) of the Charter. Revenue from IGCs reflects payments received from developers to fund growth-related capital investment. Other revenue includes revenue that does not fall within either of those categories.

Total revenue earned in FY2026 \$1,197.3m¹.

Summary of revenue earned in FY2026

Revenue category	Revenue (\$m)
Revenue from prices	\$801.9
Revenue from IGCs	\$275.9
Other revenue	\$119.5
Total revenue¹	\$1,197.3

¹ Excludes vested asset revenue of \$88.6 million and Waikato District Council margin of \$3.8m.

Purpose and statutory requirement

Clause 23 requires Watercare to prepare a report for the 2026 financial year containing details of:

revenue from prices;
revenue from IGCs;
other revenue; and
all units of demand met in relation to revenue from prices and revenue from IGCs.

The purpose of this report is to provide transparency regarding Watercare's actual revenues and the associated demand that gave rise to those revenues during the financial year ended 30 June 2026.

Revenue earned during FY2026

The following sections set out the three revenue categories required by Clause 23 and the associated units of demand.

Revenue from prices

Revenue from prices comprises revenue earned from charges for water supply and wastewater services, including revenue forgone through leak remission credits, as defined in Clause 14(3) of the Charter. It excludes Infrastructure Growth Charges and other revenue.

Revenue from prices earned during FY2026 was \$801.9 million.

Revenue source	Actual Revenue (\$m)
Water revenue	\$252.0
Wastewater volumetric revenue	\$408.6
Fixed wastewater revenue	\$156.4
Revenue forgone through leak remission credits	(\$15.1)
Total revenue from prices	\$801.9
Add-back leak remission credits	\$15.1
Total revenue from prices before leak remission credits	\$817.0
MAR26	\$845.1
Wash-up foregone (excl time value of money)	\$28.1

Units of demand associated with revenue from prices

Demand associated with revenue from prices is measured through customer consumption volumes and the number of customer connections receiving services.

Unit of demand	FY2026
Retail water recognised (GL)	121.5
Tanker water recognized (GL)	0.2
Retail wastewater recognised (GL)	94.7
Wholesale water volume (GL)	9.7
Wholesale wastewater volume (GL)	10.3
Average billed monthly connections	484,596

These units of demand represent the actual demand for water and wastewater services met by Watercare during FY2026.

Infrastructure Growth Charges

Infrastructure Growth Charges are levied to fund growth-related investment in water and wastewater infrastructure. Revenue is recognised when payments are received and is directly linked to development activity across Auckland.

Revenue from IGCs earned during FY2026 was \$275.9 million.

IGC category	Quantity	Revenue (\$m)
Metropolitan*	13,097	269.1
Northeast Sub-regional	97	3.0
Southwest Sub-regional	37	1.2
Helensville and Parakai	4	0.1
Wellsford	3	0.1
Beachlands & Maraetai	75	1.4
Kawakawa Bay	12	0.9
Omaha, Matakana & Point Wells	7	0.2
Waiheke	-	-
Total	13,331	275.9

The unit of demand used for Infrastructure Growth Charges is the Development Unit Equivalent (DUE).

** Metropolitan includes IGC charges raised to Veolia and Waikato District Council.*

Other revenue

Other revenue comprises revenue that does not meet the definition of revenue from prices or revenue from IGCs. It includes ancillary services and charges provided by Watercare.

Other revenue earned during FY2026 was \$119.5 million.

Revenue source	Revenue (\$m)
Trade waste charges	2.1
New connection fees	25.4
Developer services revenue	22.6
Interest income	4.5
Government grants - Shovel Ready	15.4
Other miscellaneous revenue ¹	49.5
Total other revenue	119.5

¹ Other miscellaneous revenue comprises a range of individually immaterial revenue streams, including laboratory services, rental income, insurance recoveries, tankering revenue and other ancillary service revenues.

Conclusion

Watercare has prepared this report in accordance with Clause 23 of the Charter. The report provides details of revenue from prices, revenue from IGCs, other revenue, and the units of demand associated with revenue from prices and IGCs.

The information in this report reflects actual revenue earned and actual demand experienced during the financial year ended 30 June 2026.

Approvals

Management approvals

Prepared and reviewed by the following Watercare executive team members:

Angela Neeson – Chief Financial Officer

Jamie Sinclair – Chief Executive Officer

Board approvals

Approved by the Board on 29 September 2026.

Statutory declaration

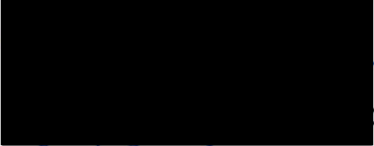
I, Geoffrey Stewart Hunt, Director and Chair of Watercare Services Limited board, of Takapuna, Auckland, solemnly and sincerely declare:

That the following information in this report is true and accurate;

- all historical information disclosed in this report; and
- all historical information from which that disclosed information is derived; and

That all forecasts and estimates in this report are demonstrably reasonable.

I make this solemn declaration conscientiously believing the same to be true and by virtue of the Oaths and Declarations Act 1957.

 Geoffrey Stewart Hunt, Declared at Auckland, 29/9/ 2026

Before me:

 Barrister and Solicitor of the High Court of New Zealand, 29/9/ 2026

Matthew Stephen Hill
Solicitor
Auckland